BiP INFORM

MARKET MONITOR

Healthcare

market trends update

December 2019

BiP SOLUTIONS

35

CELEBRATING 35 YEARS OF INNOVATION & EXCELLENCE

Introduction

The National Health Service is a huge and diverse market, covering sectors such as buildings, furniture, vehicles, clothing and catering as well as medical equipment and supplies. Contract values range from billions of pounds to just a few thousand. In this report, we consider only those contracts with a stated value of over £100,000 issued by buyers in the United Kingdom in the last twelve months. There is a huge opportunity for NHS procurement professionals and supplying organisations to work together to support the delivery of public services, boost efficiencies and drive better value for money.

At BiP Solutions, we have spent 35 years bringing buyers and suppliers together. Over 250,000 private sector businesses in the UK alone, including 20% of companies listed on the FTSE 100 Index, rely on BiP's expertise to help them grow. We offer a number of innovative solutions to support you through all stages of your procurement journey. This includes our market intelligence solution, Tracker, which offers the largest public sector tenders and awards database in Europe, including countless healthcare opportunities. Tracker delivers private and public sector contract opportunities and awards, market intelligence, spend analysis and market leads at the click of a button.

We also bring buyers and suppliers together at a series of high-profile events. Our programme of P4H events covers England, Scotland and Ireland. Each event is focused on supporting the latest public procurement initiatives and objectives within healthcare relevant to that country through keynote talks, training, networking, exhibition and supplier engagement opportunities. In addition, we manage the UK's fastest-growing healthcare community – Health Online.

In our latest healthcare report, which follows on from the November issue and is part of our ongoing BiP Inform series, we take a deep dive into who's spending and where. We look at which suppliers are winning contracts and the buying organisations that are providing current opportunities within this huge marketplace.

This report covers data from October, the most recent month for which full figures are available.

Key highlights for October:

- Total spend for October was £15,373,312,232
- 211 notices were published with a further 186 contracts awarded
- The top spending buyer during October was HealthTrust Europe LLP (HTE) acting as agent for the University Hospitals of Coventry and Warwickshire NHS Trust (UHCW), with two awards including a multi-supplier framework agreement for the provision of Enterprise Level Information Communication Technology Solutions (ICT) 2019 worth £6bn
- The top supplier by value of awards won during October was Softcat Ltd, which won five IT awards including a place on the framework awarded by HealthTrust Europe acting as agent for UHCW
- The North West of England awarded the most contracts (37) but the region with the highest spend was the West Midlands, largely thanks to the framework mentioned above

We hope you will find this report of interest. If you would like to find out more about how BiP Solutions can support you on your procurement journey, please do get in touch via the contact details on the last page of this report.

* All data taken from BiP's Tracker Market Intelligence tool and covers the period 1 to 31 October 2019. All details correct at time of publication.

Healthcare Market Overview

– Who is spending and where?

During the month of October, 211 notices were published and 186 contracts awarded. While the volume of notices increased by just over 19% compared with September's 177, October saw a marked rise in the volume of awards. 71 more awards were published than in September, a rise of 61% compared to September's 115. This was a volume of awards higher even than in August, when 168 awards were published.

Total spend increased startlingly compared with September. In October, the total spend was £15,373,312,232 compared with September's £2,941,354,855 and August's £2,024,070,611. This can be accounted for by a combination of factors. Firstly, there were simply more contracts awarded, making increased spend almost inevitable. Secondly, in October, the single most valuable contract was worth £6bn whereas in September the most valuable contract was worth just over £1bn. Thirdly, in October, there were ten contracts worth over £100m whereas in September only six such valuable contracts were awarded.

BIP INFORM MARKET MONITOR

In Figure 1, we list the top ten buyers by combined awards value. The top ten combined awards values ranged from £76m to just over £6bn. The buyer with the highest spend was HealthTrust Europe LLP (HTE) acting as agent for the University Hospitals of Coventry and Warwickshire NHS Trust (UHCW). Their total spend of £6,040,157,000 came from just two contracts. £40.157m was spent on a single supplier contract for the CWPS Pathology Blood Sciences Managed Service, while the remaining £6bn was for a multi-supplier framework agreement for the Provision of Enterprise Level Information Communication Technology Solutions (ICT) 2019 on which seven suppliers were awarded places.

Just as in August and September, no one buyer dominated in terms of volume of awards. Even the top ten buyers combined awarded just 38.7% of the 186 awards made, slightly less than the 42.6% of awards made by the top ten buyers in September. The rest of the contracts awarded were spread between another 79 buyers, suggesting that healthcare spending continues to be undertaken at a local level, despite plans for more aggregated spend.

The 14 contracts awarded by the General Medical Council (GMC) – the organisation that made the largest number of awards in October – were for diverse requirements ranging from actors and role players (to take part as “patients” in medical professional examinations) to graphic designers and Windows server licences. The two awards for actors and role players were each worth £10m, while the other dozen awards were valued at between £124,000 and £500,000, illustrating the range of services required within the health sector and that such opportunities are accessible to businesses of all sizes.

Top 10 Buyers by Combined Awards Value

1	HealthTrust Europe LLP (HTE) acting as agent for the University Hospitals of Coventry and Warwickshire NHS Trust ('UHCW')	£6,040,157,000
2	NHS Supply Chain	£780,580,944
3	Countess of Chester Hospital NHS Foundation Trust	£550,000,000
4	NHS England	£498,055,306
5	The NHS Commissioning Board (Operating Under the Name of NHS England)	£389,424,458
6	NHS England (North) Health & Justice - Cumbria & North East	£240,237,969
7	South of England Procurement Centre	£145,755,474
8	East of England NHS Collaborative Hub	£114,027,849
9	NHS Shared Business Services	£76,347,285
10	West Hertfordshire Hospitals NHS Trust	£76,000,000

Figure 1

Top 10 Buyers by Volume of Awards

1	General Medical Council (GMC)	14
2	NHS Supply Chain	9
3	NHS Arden and Greater East Midlands Commissioning Support Unit	8
=3	Public Health England	8
5	Procurement and Logistics Service on behalf of Northern Health and Social Care Trust	6
6	NHS Midlands and Lancashire Commissioning Support Unit	5
=6	NHS Wales Shared Services Partnership	5
=6	The Common Services Agency (more commonly known as NHS National Services Scotland) ('NSS')	5
9	NHS England	4
=9	James Paget University Hospitals NHS Foundation Trust	4

Figure 2

Top 10 Suppliers by Combined Awards Value

1	Softcat Ltd	£858,932,669
2	Specialist Computer Centres	£858,641,720
3	XMA Limited	£857,248,094
4	CDW Ltd	£857,142,857
=4	Computacenter (UK) Ltd	£857,142,857
=4	Insight Direct (UK) Ltd	£857,142,857
=4	Software Box Ltd	£857,142,857
8	Npower Ltd	£500,000,000
9	The NHS Commissioning Board (Operating Under the Name of NHS England)	£376,009,920
10	Spectrum Community Health CIC	£240,237,969

Figure 3

Healthcare Market Overview

Supplier opportunities

Figure 3 details the top ten suppliers by combined awards value. Unlike September, when the highest value contract was four times as valuable as the second contract on the list, in October, seven of the top ten suppliers won awards worth a total of £857m or £858m. These seven suppliers were awarded places on the multi-supplier framework awarded by HealthTrust Europe LLP (HTE) acting as agent for the University Hospitals of Coventry and Warwickshire NHS Trust (UHCW) – the top buyer in Figure 1. The top three suppliers in Figure 3 also won other contracts; the next four were only awarded places on the framework. Figure 3 illustrates the dominance of large framework agreements. This single framework produced the top buyer by value, seven of the top ten suppliers by value and the top region by value.

Figure 4 shows the top ten suppliers by volume of awards won. In October, a total of 395 suppliers were successful in the 186 contracts and framework agreements awarded. The top ten suppliers by volume won a total of 137 contracts and framework places. These figures are explained by the fact that 50 multi-supplier frameworks were awarded in October, on two of which over 100 suppliers won places. One framework, on which 122 suppliers won places, was issued by NHS Wales Shared Services Partnership for skin and wound closures. The total value of the framework was just under £13.5m, showing that small-scale framework opportunities are available in the health sector as well as the multibillion-pound frameworks like the one referred to above. Fannin (UK) Ltd's 18 awards came from winning multiple places on four framework agreements and one multiple supplier contract. A total of 262 suppliers were successful across these five awards.

Three of the top suppliers in October – Fannin (UK) Ltd, Johnson & Johnson Medical Ltd and Ambu Ltd – were also top suppliers by volume of contracts won in September. As in both August and September, winning places on framework agreements or multiple supplier awards was the common factor for all the suppliers in Figure 4. Medtronic Ltd was the only supplier to win single supplier contracts as well as multiple supplier awards or framework places.

In addition to the named suppliers listed in Figure 3, contracts worth £290m were awarded for which the suppliers were 'not provided'. Not all buyers provide supplier details for a variety of reasons. Sometimes a buyer may make a long list of suppliers available via a weblink or spreadsheet rather than completing their details on a contract award form. In these circumstances, the supplier details are 'not provided' with instructions on accessing the information given elsewhere in the contract award notice.

Suppliers by Number and Combined Value of Awards

Number of Awards		Value of Awards Won
18	Fannin (UK) Limited	£27,708,283
18	Medtronic Limited	£7,781,464
15	Johnson & Johnson Medical Ltd	£5,385,104
14	Flexicare Medical Limited	£11,094,699
14	B. Braun Medical Limited	£5,433,320
13	Meril GmbH	£1,415,180
12	Proact Medical Limited	£17,590,631
12	Ambu Limited	£14,587,236
11	Smiths Medical International Limited	£19,872,041
10	Intersurgical Limited	10,676,291

Figure 4

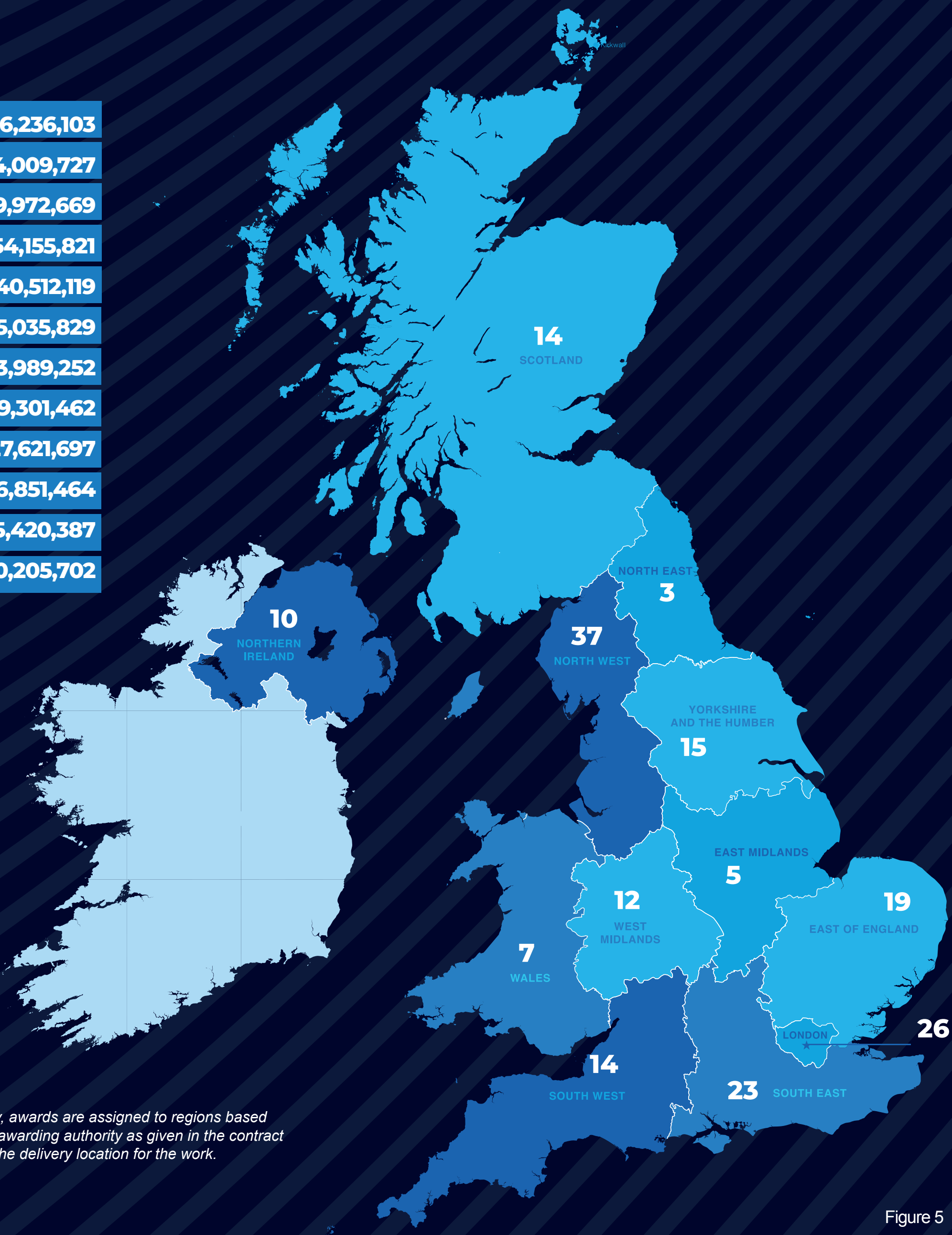
Regional Overview

The North West of England heads the list for the highest number of contracts awarded in October. The 37 contracts awarded by buyers in this region was markedly more than the joint top regions in September, East of England and Scotland, in each of which 17 awards were made. This can partly be accounted for by the increase in the total number of awards published nationally from 115 to 186; but comparison with August, in which 168 awards were published nationally, shows that the figure of 37 awards made in the North West of England in October is still significantly (42.3%) higher than the top region in August when 26 contracts were awarded in the South East of England.

Of the 37 awards in the North West of England, sixteen had a value of over £1m, of which four were worth over £188m. All four of these were framework agreements. The most valuable was a framework for £500m for electricity awarded by Countess of Chester NHS Foundation Trust while the other three were NHS England framework agreements for branded medicines – three of the nine awards that put NHS England into second place among buyers by value of contracts awarded in Figure 1. It is interesting to note that all the contracts with a value of less than £3.6m awarded in the region were single supplier contracts rather than frameworks, and were for a wide range of services including legal services, medical insurance, graphic design, server licences and employment screening services. This illustrates the diversity of requirements within the health sector and that opportunities are available that are suitable for suppliers of all sizes.

Unsurprisingly, the West Midlands heads the list of regions by value of contracts awarded as it is the region in which the £6bn framework agreement for the Provision of Enterprise Level Information Communication Technology Solutions (ICT) 2019 is located. Without this one very valuable award, the region would have been in seventh place on the list, the other awards in the region totalling £66.23m in value. Equally unsurprisingly, the North West and London, the two regions which awarded the most contracts in October, come second and third on the list by value of contracts. More interestingly, the South East, which is third by volume, is only seventh by value of contracts awarded. Only one of the 23 awards in the region was worth over £2m. This was a £145m contract for Integrated Community Services for North East Hampshire and Farnham CCG and Surrey Heath CCG, awarded to two suppliers. Of the remaining 22 awards, 19 were worth less than £1m. Most were for various local health and medical services, a reminder of the range of services within the NHS that are now 'contracted out', offering opportunities to specialist providers.

West Midlands (England)	£6,066,236,103
North West (England)	£1,574,009,727
London	£689,972,669
East of England	£354,155,821
North East (England)	£240,512,119
Yorkshire and the Humber	£165,035,829
South East (England)	£153,989,252
East Midlands (England)	£49,301,462
South West (England)	£27,621,697
Wales	£26,851,464
Scotland	£15,420,387
Northern Ireland	£10,205,702



**On Figure 5, for consistency, awards are assigned to regions based on the postal address of the awarding authority as given in the contract award notice rather than by the delivery location for the work.*

Figure 5

DISCOVER MORE

UK healthcare media content, contracts and project leads with BiP Solutions

Health Online – The Dynamic Healthcare Community

We are the UK's premier online healthcare community, comprising healthcare professionals and key healthcare suppliers. Supplying new and relevant content and news stories in the healthcare space, Health Online provides a fully customisable experience – meaning you only see the stories and topics most relevant to you.

HEALTH ONLINE

www.healthonline-uk.com

P4H - The Procurement Events for Health

P4H brings together healthcare procurement professionals and industry-leading suppliers. Officially supported by organisations such as the Department of Health and Social Care (DHSC) and NHS National Services Scotland (NSS), these one-day events provide exhibitors and attendees from the public and private sector with an opportunity to engage across a range of interactive and educational keynote talks, training sessions, supplier engagement opportunities and more. Each event is focused around supporting the latest healthcare procurement initiatives and objectives relevant to that country.

The programme of P4H events covers England, Scotland and Ireland.

P4H

www.p4hengland.co.uk
www.p4hscotland.co.uk
www.p4hireland.ie

Tracker Intelligence

Tracker Intelligence helps you find, bid for and win more public and private sector contracts. Tracker offers the largest public sector tenders and awards database in Europe. It delivers private and public sector contract opportunities and awards, market intelligence, spend analysis and market leads at the click of a button. Stay one step ahead of your competitors and get personalised support to grow your business with Tracker.

tracker

www.trackerintelligence.com

For more information Freephone 0845 557 1324

BiP Solutions 35 1984 – 2019
CELEBRATING 35 YEARS OF INNOVATION & EXCELLENCE

BiP Solutions – Bringing buyers and suppliers together for over 35 years