



# Market Update

## *Summer 2025*



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**Dan Kiely**  
Director

📞 0208 036 3530  
✉ dan@compasscarterosborne.com  
📱 Connect

## Introduction

It's that time again. Having spent most of the summer period hanging out with a toddler, whose current favourite words by some distance are 'airplane', 'shoes', and 'no', the opportunity to dive back into the detail of the private healthcare sector is a welcome one. My last market update, published back in January, spoke of the impact of Labour's first budget, the 'new deal' between the NHS and the independent sector, and a meaningful uptick in the number of COO/operations searches we were being asked to facilitate. As we approach the second half of the financial year, much has changed. The painful double whammy of national insurance and living wage increases has largely been 'priced in' and businesses are again looking ahead. As ever, I'll try to distil this into a few key trends –



## Clinical & Commercial

My year began with a series of senior clinical searches, including the recently-announced appointment of Dr. Sheena Khanduri as UK chief medical officer at GenesisCare. These are always challenging searches, with tight 'must have' criteria limiting the scope for introducing left-field candidates. The solution to working with a relatively small pool of potential candidates is to, a) network through the most senior, high-profile individuals (they all know each other, and they know the 'up and coming' talent), b) know your client's business in detail, and c) make the first approach count. As a result of this, our talented research team and I have been able to access an enviable number of the UK's leading medics.



**Dr Sheena Khanduri**  
UK CMO, Genesis Care

If the first quarter of the year focused on the clinical, the following quarter has been all about the commercial. We have seen a notable increase in chief commercial officer and commercial director searches, across private hospitals, diagnostics and other clinically focused operators.

This is seemingly borne from a sense that the post-Covid boom in the self-pay market is tailing off and despite record numbers of people taking out private medical insurance (PMI) policies, this isn't necessarily translating into an ever-greater volume of procedures.

“*The criteria for approving treatment is tightening. They are insuring more lives than ever, but they're answering the phone less!*”

Says one private hospital COO.

Another sector executive said, 'a lot of the new PMI volume is driven by corporates and younger people. Their needs are very



different to our 'traditional' patients, where orthopaedics has historically been the focus'. The upshot of this is the need to compete more fiercely for market share, and to develop innovative partnerships or joint ventures to access new revenue streams. 'Commercial partnerships' is the in-vogue term here and at the time of writing, I'm facilitating a couple of high-profile (and confidential) searches for individuals who can bring this expertise and an innovative approach to our clients' executive teams.





## NHS Volumes

When the government announced January's 'new agreement' between the NHS and the independent sector, designed to reduce elective waiting lists, I canvassed the opinions of senior leaders from across the sector. To say the responses were skeptical would be an understatement. On one hand, independent sector provision of NHS activity has been steadily increasing since the pandemic and the government has been making all the right noises regarding its intention to use every available lever to clear the backlog.

However, when meeting with numerous CEOs from providers in sub-sectors such as diagnostics, private hospitals and ophthalmology, they have described a challenging NHS market, with Trusts throttling their independent sector spend in

order to balance budgets. 'It's pretty stark to be honest', said one sector executive. 'They've dramatically reduced utilisation in some areas and are seemingly content to just let the list numbers tick up again'. NHS England's latest statistics (released August 2025) showed a small rise in NHS waiting lists, which would seem to support these anecdotal accounts.

*"It's too unpredictable"*

said one private hospital CEO, 'and it's therefore difficult to justify investing significantly in growing our NHS provision and building a business around it'. This is a challenge for government, if it is to have any hope of meeting the 18-week target by the end of the parliament. Business craves certainty and the fear is that the public sector sees 'spare private sector capacity' as something that can be turned on and off like a tap. This clearly isn't conducive to long-term planning and investment. The NHS' partnership with the private sector is still, it seems, a work in progress.



## H2

So what is still to come, in the latter half of the financial year? After a long period of relative stability, the private hospital market in particular has seen a striking shuffling of the pack throughout the first half of 2025. Both Nuffield Health and Circle Health Group have undergone almost total restructuring of their executive teams, with the likes of King Edward VII Hospital and Cleveland Clinic London also experiencing some senior-level movement.

This shows no sign of abating, with recent meetings I have held in this space leading to discussions of searches in operations, medical leadership, M&A, and interestingly, a couple of CTO/CIO positions.

From an M&A perspective, all eyes are on Bupa, following its acquisition of the New Victoria Hospital earlier this summer. Rumour has it that the New Vic won't be the last hospital added to the Bupa portfolio over the coming months, which will undoubtedly have its competitors reviewing their own strategies in response. Meanwhile, Spire Healthcare continues to quietly accumulate small but targeted bolt on acquisitions, to bolster its capabilities in complimentary areas such as physiotherapy, occupational health and talking therapies.

So, plenty to keep us all busy (and for me, a blessed distraction from yet another episode of current toddler favourite, 'Waffle the Wonder Dog'). My final observation is that the face-to-face meeting continues to recover lost ground against the technological equivalent of 'Long Covid', the Teams call. Obviously there are times when a video call is the obvious choice, but wherever possible I'm a strong advocate for meeting in person. It's pleasing to see that Teams is no longer the default option for many and those face-to-face conversations are always the priority entries in my diary. Here's to a strong end to 2025.



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### Additional Resources



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# London Head Office

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+44 (0) 208 036 3530



[info@compasscarterosborne.com](mailto:info@compasscarterosborne.com)



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78 Pall Mall, St James's, London SW1Y 5ES



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