



Compass
Carter Osborne

Healthcare Market Update

January 2026



Introduction

As is now tradition, I am marking the beginning of a new year with the first of my biannual market updates.

As the father of a son now firmly in the 'terrible twos', to call the festive period 'a break' would be a gross misrepresentation.

Regular readers will be pleased to hear that his fascination with gentle CBeebies programming has now been replaced by a frightening devotion to Spider-Man. I'm therefore grateful to pack the decorations away for another year and return to more comfortable ground, namely the private healthcare sector.

It was a busy H2, both personally and in terms of M&A activity, so there is no shortage of ground to cover.



Dan Kiely
Director

0208 036 3530
dan@compasscarterosborne.com
Connect

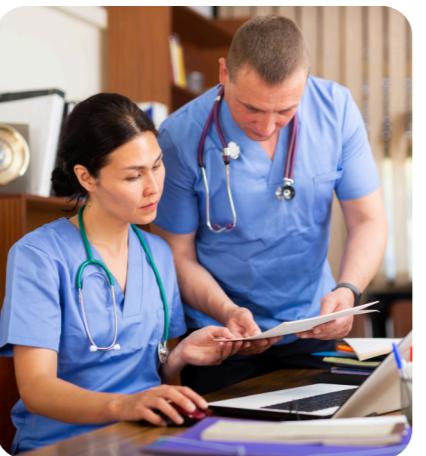
Same, same but different

In my summer '25 update, I noted that there was a significant uptick in commercial and business development searches in the market.

This continued unabated throughout the second half of the year and at the time of writing, we still have 2 chief commercial officer searches in process, having concluded another towards the end of the year. The inevitable result of this is that a significant percentage of the sector's senior commercial candidates are now in relatively new roles. It will take time for these hires to bed in, but we should start to see some tangible impact later in the year, in the form of announcements of new service lines, commercial partnerships and joint ventures.

The chief medical officer trend continued as well, and we concluded our third CMO search of the year in December, with the fourth now in its later stages. Our researchers (who have to map out these complex specialties across

both the NHS and the private sector, where candidates don't always have a significant online presence) will disagree, but CMO searches now rank among my favourite projects. The list of highly impressive and clinically excellent senior medics is a long one, but the commercial and leadership elements of an executive role are not for everyone. This filters the list considerably and identifying those individuals who are as comfortable in the boardroom as they are in the operating theatre is where we earn our fees as headhunters. I'm optimistic that we'll have the opportunity to add to our CMO track record in 2026.



When I started my recruitment career back in the halcyon, pre-crash days of 2007, IT was my initial area of focus. It has however been a good few years since I led a senior technology appointment. Until now. The team and I completed 2 CTO searches at the end of the year and it was fascinating to gain an insight into the pressing issues in healthcare IT. In both instances, our client was clear that healthcare experience was a must, and that our peerless sector understanding therefore superseded my somewhat dusty CTO knowledge! Through these searches it became clear that electronic patient records, and the optimisation thereof, are high on many agendas. HCA Healthcare UK's recent implementation of MEDITECH Expanse has been on the radar of its sector peers and we'll see several other providers of varying sizes initiating similar programmes this year.

AI is of course the other recurrent theme, with executive teams still battling to separate the genuinely useful and reliable elements of the emerging technology from the gimmicky and potentially risky.

M&A on the way

In my summer update I predicted (based, it must be said, on unimpeachable sources) that the New Victoria Hospital wouldn't be Bupa's last acquisition of the year. This of course came to pass in early October, when the business announced its purchase of King Edward VII's Hospital (KEVII), providing an early afternoon injection of gossip-fuelled energy to those of us in attendance at the LaingBuisson private acute conference. The trio of Cromwell, New Vic and KEVII gives Bupa real firepower in the capital and positions the group as a strong competitor to the likes of HCA, Cleveland Clinic and The London Clinic. This will require additional investment however, with KEVII in particular in dire need of a lick of paint. Bupa has made strides in appointing leaders for the two new arrivals, who will need time to assimilate before a real impact will be apparent. The big story of H1 2026 is likely to concern the future of Spire Healthcare. Sky News' unstoppable City editor Mark Kleinman spent his New Year's Day reporting that Spire had set a deadline of 20th January for expressions of interest from potential suitors. Given the group's

status as a constituent of the FTSE 250, much of this story is likely to play out in public, and any significant change of ownership would likely precede the sort of large-scale leadership movement we saw at Circle Health Group last year, and Nuffield Health the year before that.



Clear as mud

This time last year, the government announced a 'new deal' between the NHS and the independent health sector, geared towards reduction of NHS waiting lists. As I wrote in these pages, my own conversations with sector CEOs revealed more than a little skepticism. This, it turns out, was entirely justified. Major strides need to be taken if the NHS is to reduce waiting lists by 1 million each year, and there was little indication in 2025 that sufficient progress is

being made. Diagnostics businesses in particular reported a very tough NHS market, with budgets tightly constrained and patient volumes falling significantly short of expectations. An ongoing row over NHS England's proposed model for elective payment hasn't helped, with private providers citing 'an unsustainable payment limit in all but name' as the main deal breaker. Being the NHS, this is unlikely to resolve quickly and will have a knock-on effect across various sub-sectors throughout this year.

Personally, I spent much of Q4 last year working flat out on a multi-search project for a private hospital operator, refreshing its executive team. It has been a rewarding deep dive into multiple disciplines, with a couple of excellent appointments still to be announced (watch this space...). A side effect of this is that I was less visible elsewhere in the sector after 'conference season' in the Autumn.

Consequently, it is time to get back on the breakfast, lunch and coffee circuit and find out what the rest of my network has been up to in recent months. I look forward to seeing everyone over the coming weeks and will report back later in the summer.



Placement Highlights

Q4 FY25-26

Chief Medical Officer
Private Hospital
Technology Director
Private Hospital
Chief Technology Officer
Private Specialist Hospitals
Chief Commercial Officer
Private Hospital



Current Assignments

Find out more →

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London Head Office

 +44 (0) 208 036 3530

 info@compasscarterosborne.com

 Follow Compass Carter Osborne

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

 compasscarterosborne.com