Compass
Carter Osborne

Healthcare Market Update

September 2026

Introduction

On the basis that the London Underground still feels like a furnace and my garden looks more Death Valley than Surrey, it feels premature to be calling an end to summer.

In spite of this, it's the time of year when I sit down to write the second of my biannual market updates and 'conference season' beckons in September and October, so that's all the impetus I need to start calling it Autumn. It has been an unusual H1 across our whole sector; frantically busy at times and unseasonably quiet at others. As ever, I'll try to distil our Spring and Summer activity into 3 overarching topics –

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Market moves

There are 3 recent appointments that I'd like to highlight, as I think they demonstrate the breadth of the searches we're asked to lead. As was widely reported at the time, earlier this year I had the privilege of leading the search for the next CEO of The London Clinic, having already appointed its chief medical officer and technology director. Roles like this don't come up often in the sector – a prestigious and respected organisation, a Chair/Board who were a dream to work with, a committed U.S. partner in Chicago's Northwestern Medicine and a candidate in Philip Luce who is completely bought into the vision for the future of the hospital. A search of this nature consumes a considerable part of one's life for a few months, so it's always a relief when the announcement is made and the job is complete. At the time of writing, Phil is enjoying some well-deserved garden leave, but we wish him all the best for getting started in October.

Around the same time, I received a call from the team at HCA Healthcare UK. HCA's approach to succession planning and internal promotion is legendary, and its recruitment function is strong, so it very rarely goes out to external search partners. This invariably means that when the call comes in, the search is going to be extremely challenging – and so it proved in this instance! Given that there is only one private children's hospital in the UK, I admit that my black book of senior paediatric nurses was somewhat limited, so the prospect of recruiting a new chief nurse for The Portland Hospital for Women & Children was both exciting and daunting. People underestimate the breadth and complexity of The Portland's offering, so the list of potentially suitable candidates was a short one. As ever, our research team surprised me with the depth of its market mapping and we were able to attract a fantastic nurse in Michael Baker, who joins The Portland's executive team from the NHS and took up the post on September 1st.

I've spent the last 2 years talking about how busy the commercial & business development space has been in private healthcare. Incredibly, this still shows no sign of abating.

Earlier in the year I assisted longstanding client Benenden Hospital with the recruitment of its first commercial executive; Peter Snuggs joined the team in July. I have also just been retained on a commercial search by the private arm of a large London NHS Trust; my first NHS search in many years. It's notable just how many Trusts are stepping up their PPU game and seeking to access leadership talent from the independent sector.

AI, AIO

Having fiercely resisted the onslaught of AI-related innovation to date, I have finally started to feel its influence in unexpected ways (and not just by being subjected to an endless stream of dismal AI-authored LinkedIn content). In the past few months, I have received messages from 2 different executives – 1 an experienced HealthTech leader now serving on multiple Boards, the other a commercial/BD specialist – saying that they had asked an AI agent with whom they should speak about senior UK private healthcare appointments, and that my name had appeared at the top of the list. Obviously this is flattering and a not-so-subtle humblebrag, but it also led me to reflect on the ways in which AI usage is rapidly becoming the first port of call for day-to-day queries (where the humble search engine was once king), and the impact that this will have on businesses and brands. Clearly I have no idea what information the AI models accessed and reviewed in order to recommend me, but like the rapid advances seen in search engine optimisation (SEO) in the aughts, I'm sure it won't be long before we see companies trying to 'game' AI to favour their brands when similar questions are asked. Cue SEO professionals pivoting into 'AIO' en masse. In terms of actual healthcare provision, while tools like the 'ambient scribe' seem to be increasingly common in clinical settings, a recent study from Kings Health Partners suggests that the public is still sharply divided on whether AI should be used in clinical decision making, with around 2 in 5 both supporting (37%) and opposing (38%) its use. The finding that '18-to-24-year-olds are the age group most opposed to clinical use of AI in the NHS' flies in the face of common perception that the older generations are automatically the most sceptical of AI. From a hiring perspective, I have recently worked on both executive (CTO) and non-executive roles that specifically sought to bring AI knowledge and understanding into an organisation. AI, its uses, benefits and potential dangers are steadily climbing the Board agenda.

Deal or No Deal?

Back in January I noted that 'Spire has set a deadline of 20th January for expressions of interest from potential suitors'. Amazingly, that deadline has continually extended throughout the year and, at the time of writing in early September, finally looks to be reaching a conclusion. While it seems likely that Toscafund, Spire's second largest shareholder, will walk away with the prize, the process has not been a particularly smooth one. Spire had previously been the most acquisitive of the major private hospital groups, diversifying into multiple new service lines and picking up several smaller businesses in recent years. This has understandably ground to a halt since the bid situation arose. Deal activity elsewhere has been steady, if unremarkable. Physio, audiology, radiology and especially digital health have been buoyant in an otherwise rather subdued market. Digital health is a broad category, but notable transactions in clinical reporting, primary care software and dictation/ambient scribe technology give clues as to the direction of investor travel.

The bumpy M&A market notwithstanding, there is cause for cautious optimism. We are entering what is traditionally the busiest period of the year in the executive search market (and early signs suggest this will prove the case again this year), there is some rain in the weather forecast and, for those who partake, the NFL season is finally about to start again. I currently have 4 conferences in the diary for September/early October, courtesy of HealthInvestor, HPE Europe, Lockton and LaingBuisson, and generally try to spend as much of Autumn as possible catching up with what is happening in the market, so I hope to see everyone at least once over the coming weeks.

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