



British Healthcare Trades Association

The impact of the current economic landscape on UK health and social care

Survey conducted October 2022

The role of BHTA in the UK healthcare and assistive technology sector

The British Healthcare Trades Association (BHTA) brings industry together to shape and improve the health and care of all.

We are a not-for-profit trade association in the healthcare and assistive technologies arena, working on behalf of our members to improve industry standards and consumer protection. Our more than 400 members of retailers, installers, service providers, distributors and manufacturers, employ over 18,500 people and provide essential equipment and services to both the public and private sectors.

Through our interaction and engagement with regulatory and standards-setting bodies, both domestic and international, BHTA is at the forefront of improving standards for the provision of quality healthcare and assistive technology products and services.

Analysing the impact of the current economic and political landscape on UK health and social care

The last few years have seen unprecedented change, with Brexit, the Covid-19 pandemic, and challenging economic and policy environments all clouding the future of UK Health & Social Care.

Alongside this, the Government and NHS have recently laid out how procurement and delivery of medical products and services will be affected by two dominant themes playing out in the health and care sector: integration, as the NHS moves from CCGs to ICSs; and sustainability, as the NHS and other large commissioners apply new tender requirements around companies' environmental and social value practices.

Health and social care companies are now facing significant challenges, including:

- Cost rises in shipping, logistics, raw materials and energy
- Post-Brexit regulatory complexity
- Balancing net-zero environmental regulations and net-zero cost inflation policies

In this survey, BHTA explored the impact of the current economic and political landscape on our member companies*, and how this is affecting their supply of vital products and services to health and social care in the UK.

1. Do you feel as though your business is currently under financial pressure?



2. Do you feel as though your business is under more or less financial pressure than this time a year ago?



3. What are the main challenges facing your business?
Ranked from most to least.

- Higher manufacturing costs
- Higher distribution costs
- Workforce, skills and wages
- Supply chain challenges
- UK £ sterling fluctuations
- Regulatory uncertainty
- Procurement processes
- Carbon neutral initiatives

4. If these challenges continue...

- 82% feel UK patients will be impacted
- 73% feel investment confidence will be impacted
- 41% will consider reducing amount of stock they produce/distribute
- 39% feel their business will not be profitable in 2023
- 36% will consider cutting employees
- 29% will focus on other international markets

5. Do you feel these pressures are well understood by the UK Government?



84% NO

16% YES

6. What would you like to see from UK Government to support your business?

- 100% stated recognition of value of industry/product
- 97% engage and recognise BHTA code of practice
- 96% financial support
- 95% greater regulatory certainty
- 94% reform of red tape and regulations
- 93% guidance with exports
- 90% direct engagement with BHTA
- 76% reform of procurement and tendering processes

7. What would you like to see from local authorities to support your business?

- 54% direct engagement with BHTA
- 53% reform of procurement and tendering processes
- 51% stated recognition of value of industry/product
- 40% engage and recognise BHTA code of practice
- 30% reform of red tape and regulations
- 16% greater regulatory certainty
- 11% financial support
- 7% guidance with exports

8. What would you like to see from devolved administrations to support your business?

- 54% direct engagement with BHTA
- 51% engage and recognise BHTA code of practice
- 50% reform of procurement and tendering processes
- 49% stated recognition of value of industry/product
- 45% reform of red tape and regulations
- 24% greater regulatory certainty
- 14% financial support
- 14% guidance with exports

BHTA response and recommendations

David Stockdale, CEO of the British Healthcare Trades Association (BHTA) says:

"These findings are incredibly worrying but not surprising.

"Without a fast resolution, businesses will be forced to discontinue products and services, investment confidence will be decimated, and we will lose jobs and goods to international markets with more stable and business-friendly regulatory environments."

William Lee, Head of Policy at BHTA added:

"This survey shows the business impacts of a stark reality that BHTA and other trade associations have raised with Government for the last three years: right now – and for the foreseeable future – there is no single law, regulation, or market-access route for medical devices in the UK.

"UK health and social care stakeholders – NHS, social care providers, devolved & local authorities, and companies – must move away from narrow and artificial "price vs. patients" rhetoric and toward true partnership plans. There is no way around today's economic environment; the only successful way through must rest on a new and better mutual understanding of the relationship between prices, patient care-quality levels, and effective regulation."



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