

Supporting the NHS together

Supplier information on Activity Based Income

About Us

NHS London Procurement Partnership (NHS LPP) is a membership organisation within the NHS which provides business expertise to support hospitals, ambulance services and other health care providers spend the resources allocated by government effectively and efficiently.

We provide business advice to NHS organisations across London for many of the things they buy or spend money on: from recruitment of clinical staff to patient transport; from medicines to buildings; from equipment to waste services.

The patient is at the centre of everything we do. Through working with suppliers and trusts, we bring benefit to the NHS.

Activity Based Income

Activity Based Income, or ABI, is a percentage charge made to a supplier for all work it obtains under the framework or dynamic purchasing system (DPS) it is part of. Suppliers which do not obtain work under a framework or DPS are not charged ABI.

ABI contributes to the operational costs of NHS LPP along with subscription fees paid by our members. All ABI generated from our work with suppliers is reinvested into the NHS - either to NHS LPP to allow us to continue to support trusts, or to the trusts themselves.

In return, suppliers receive a dedicated point of contact which provides a communications channel for essential information, feedback and opportunities around particular procurements and the NHS procurement landscape in general. As well as this support, suppliers also benefit from the single contracting route NHS LPP provides by reducing the administrative burden of multiple tendering and ensuring a consistent, best practice approach. For more information see 'Benefits of being an NHS LPP supplier'.

We keep ABI at, or below the market rate, with NHS LPP ABI costs being between 1-5% (agreement dependant). The ABI percentage for each framework or DPS is provided in the invitation to tender. It is usually invoiced on a monthly basis in arrears following the contract start date and is based on contracted spend reported by the supplier through their Management Information uploads via the my.lpp portal.

All suppliers awarded a place on an NHS LPP framework or DPS receive the NHS LPP Supplier ABI Guide which outlines the requirements in more detail.

If you have any questions regarding ABI, please contact your NHS LPP Agreement Manager.

