

About ABI for suppliers

Supporting the NHS together



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Activity Based Income (ABI) information for suppliers

Supporting the NHS together

About Us

NHS London Procurement Partnership (NHS LPP) is one of four NHS owned substantive national procurement hubs serving the health community in London and beyond. Our members extend across the acute, community and mental health sectors, as well as primary care and clinical commissioning.

We are uniquely owned collectively by all our NHS members, as opposed to one organisation. This affords our members the benefit of equal status and input into our vision, structure, products and services through a series of membership forums and the governance of a member-led Steering Board.

As a trusted advisor, we align priorities with national and regional agendas, including the NHS Long Term Plan, the Central Commercial Function (CCF) and the Integrated Care Boards. We collaborate with our members to provide local, regional and pan-London opportunities that bring rewards in sharing of good practice, leveraging common needs and spending power and working together towards shared aims, all of which develops relationships, knowledge, and ultimately supports the whole health system and economy.

NHS LPP delivers the services that help hospitals to run efficiently including workforce, clinical digital systems, medicines, estates, facilities and corporate services. We support our members and other trusts to make sustainable decisions that help keep our money in the NHS and invested where it matters - on our valuable frontline staff, services and most importantly, patients.

What is Activity Based Income?

Activity Based Income (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 that do not obtain work under a framework or DPS are not charged ABI.

Why is ABI charged to suppliers?

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. The NHS LPP Steering Board vote annually on how they would like any surplus to be re-invested.

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'.

What are the ABI rates charged?

We keep ABI at, or below the market rate, with typical NHS LPP ABI costs being less than 2% and many being less than 1%. The ABI percentage for each framework or DPS is provided in the invitation to tender.

When do suppliers have to pay ABI?

ABI 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.

Any questions?

If you have any questions regarding ABI, please contact your NHS LPP Framework or DPS Agreement Manager. You can find these details under the relevant category page(s) on [our website](#).

