

PRESS INFORMATION**FOR IMMEDIATE RELEASE: 14 JANUARY 2011****THE NHS BITES BACK**

Spending on NHS dentistry accounted for the clear majority of the £5.7bn UK primary care dentistry market value in 2009/10, confirming the message that state spend outgrew private spending during the second half of the 2000s.

Contained within its third survey of UK dentists, latest estimates published in *Laing and Buisson's Dentistry UK Market Report 2011**, state that 58% of primary care dentistry spending was on NHS treatment in 2009/10, equivalent to £3.3bn, while the remaining 42% of UK market value was represented by private dentistry, worth some £2.4bn.

The NHS share of dentistry spending dipped to a low of around 53% in 2003/04 when access to NHS dentistry remained acutely difficult in many areas of the UK. However, stronger growth in the NHS dentistry spend since, averaging nearly 4% annually in real terms in order to widen NHS access and support dentistry reforms since April 2006, has seen the NHS claw back a significant slice of the primary care dentistry market.

The private dentistry market grew more modestly in the mid 2000s, with the private spend estimated to have peaked at around £2.5bn for the UK in 2007/08, just prior to the economic recession.

The recession, however, saw spending on private dentistry fall for the first time on record, decreasing by an estimated 7% in real terms over 2008/09 and 2009/10, as consumers cut back on many purchases, and the wider availability of NHS dentistry also likely encouraged some patients to seek NHS over private care to save on dentistry costs.

Report author, senior economist **Philip Blackburn** commented:

"While the 1990s and early 2000s was a 'golden period' of growth and development for private dentistry, a stronger commitment to NHS dentistry from the Labour government in 2004 put the NHS back on a clear upward spending trend. Stronger spending was interrupted briefly in 2006/07 when some dentists did not move to the new 2006 contract, but remained buffered from the impact of economic recession in 2008 and 2009. A more mature private dentistry market proved vulnerable to spending cutbacks during the recession, however, as its upward growth trend was halted for the first time. The dentistry sector as a whole, however, managed to grow marginally through the downturn."

AN UNCERTAIN FUTURE FOR DENTISTRY

Laing & Buisson's Dentistry UK Market Report 2011 highlights that greater fiscal restraint for the NHS now puts NHS dentistry on a much more modest spending trend going forward, from strong real growth under Labour to no real growth at best under the Coalition during this Parliament.

Furthermore, the impact of the Coalition dentistry policy, which will oversee the end of dentistry ring-fencing in England in 2011, a shift towards more centralised dentistry commissioning by a new NHS board from 2012/13, and new dentistry contract reforms sometime soon, all create an uncertain future for NHS dentistry.

In the near term, sluggish economic growth is likely to hold back private dentistry spending. Nevertheless, longer term a stronger economy and improved consumer confidence, along with weaker NHS spending growth, could provide a stimulus for private dentistry.

Mr Blackburn adds:

“In the short to medium term, the dentistry market may struggle to grow in real terms as NHS dentistry budgets are unlikely to escape fiscal tightening, and demand for private dentistry remains relatively subdued. In particular, the scale of NHS dentistry spending in the future is uncertain, as key pivotal events will shape its direction. Major reforms to dentistry budgetary and commissioning structures, and dentist contracts, have the potential to build and strengthen confidence in NHS dentistry, but equally the potential to destabilise the current delivery of NHS services. Crucially, the Coalition faces a big challenge to deliver positive reforms with no real spending increases, and possible service cuts.”

DENTAL PLANS MUCH MORE POPULAR

Elsewhere, *Dentistry UK Market Report 2011* reports that the funding of private dentistry by dental plans has become a much more popular choice by patients, with average spending on private dental capitation plans growing at around twice the rate of self-pay private spending during the 2000s. According to Laing & Buisson there are now close to 1 in 10 dentistry patients (9%) on average who are estimated to be covered by a private capitation plan.

The total dental plan market in the UK - covering capitation, dental insurance, and dental cover from cash plans - is estimated to be worth £665 million in 2009, with the bulk of this representing capitation (£481 million), some £76 million spent on dental insurance by individuals and employers, and the remainder (£108 million) representing derived cash plan contributions. Since Laing and Buisson began estimating this market area in 2004, private capitation spending is estimated to have increased by two-thirds in real terms (between 2004 and 2009 inclusive), and dental insurance spending has more than doubled, driven by an increasing appetite for dental cover from employers. This market segment also managed to grow through the recession.

CORPORATE DENTISTRY 'ON THE UP'

Spending on primary care dentistry supplied by corporate groups in the UK was estimated by Laing and Buisson at £650 million for 2009/2010, some 11.3% of total primary care dentistry spending for the UK. The largest corporate dentistry group, IDH (Integrated Dental Holdings), had an estimated value market share of 3.2%. Corporate dentistry has grown strongly since the removal of the corporate restriction in 2006, and the introduction of a new NHS dentist contract, also in 2006, which saw PCTs and health boards commission primary care dentistry to ensure gaps in local NHS provision are filled. Corporate consolidation is estimated to have picked up to approaching 1 percentage point per annum, driven equally by expansion from established corporate groups, and growth by an increased number of new market entrants.

- END OF RELEASE -

* *DENTISTRY - UK MARKET REPORT 2011 (3rd edition)* Price £650.00 for hard copy or £1,010 for hard copy and PDF. Available now from Laing & Buisson, 29 Angel Gate, City Road, London EC1V 2PT.
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NOTES TO EDITORS:

Founded by William Laing in 1986, Laing & Buisson is the UK's leading provider of information and market intelligence on the independent health, community care and childcare sectors.

Laing & Buisson offers a uniquely focused range of expert services to providers, purchasers and investors in the health and community care markets. Information about the range of products and services provided is summarised below.

[Annual Directories & Market Reports](#)

Laing & Buisson publishes a series of special market reports and directories on the health and community care sectors. Annual publications include Laing's Healthcare Market Review, Long Term Care: Directory of Major Providers, and the Care of Elderly People Market Survey. The research and conclusions within the reports are frequently cited in parliamentary questions and answers, official documents and company prospectuses, and are regularly drawn upon by the national media.

[Consultancy & Market Intelligence](#)

Market intelligence and consultancy work, focusing on non-clinical aspects of health and social care markets, is tailor-made for companies with an active interest in the sector. Examples of recent work include a report on the future of the independent healthcare sector for the Healthcare Commission, the seminal work conducted by Laing & Buisson on 'A Fair Price for Care' for the Joseph Rowntree Foundation and 'Improving Lives - Improving Life', a report on the key strategic issues facing the long term care sector. Laing & Buisson also frequently assists investors in market due diligence work in the health and care sectors. Laing & Buisson can also offer consultancy on the broader European market through its Healthcare Europa joint venture.

[Healthcare Data in an Electronic Format](#)

CareSearch is Laing & Buisson's flagship data product, a 'one stop shop' with extremely flexible search facilities for those needing detailed, reliable and up-to-date information on care homes, independent hospitals, health and care commissioners and regulators in each neighbourhood in the UK, together with details of group operators, their holdings and financial information from statutory accounts. Alternatively, data can be selected specifically and supplied on disks or labels for mailing purposes.

[Newsletters](#)

Laing & Buisson publishes three authoritative monthly newsletters - *Community Care Market News*, which covers the long-term care sector, *Healthcare Market News*, which covers the acute healthcare sector, and *Healthcare Europa*, which looks at the private care, healthcare and outsourcing sectors across Europe.

[Conferences & Awards](#)

In addition to one-off conferences on subjects selected for their special interest or topicality, Laing & Buisson's annual programme features a series of 'annual' conferences - definitive events covering key developments and leading edge practice in specific areas including Homecare, Telecare and Assistive Technology, Children's Nurseries and Childcare, Extra Care, Long Term Care for Older People, Acute Healthcare, Private Healthcare Insurance and Investing in Healthcare. Furthermore, an annual healthcare convention is held which features sector wide debate on a wide range of related topics (Laing & Buisson's Healthcare Convention) and two awards schemes are also operated which recognise best practice in both the specialist care sector (Independent Specialist Care Awards) and long term care and acute provision (Independent Healthcare Awards).