

Our strategy continued



# 1. Drive hospital performance

## Continue to grow across our existing hospital estate with increasing margins.

As a preferred provider and partner, we aim to offer an outstanding patient experience in our hospitals, and ensure we are easy to do business with.



### Our goals

- Provide people with rapid access to diagnosis and treatment
- Provide market-leading offer to private patients, with targeted growth in NHS treatments
- Outperform the UK's overall hospital market growth
- Improve our hospital margins and maximise opportunities

### Highlights and priorities

#### Highlights of 2023

- Increased private revenue by 9.5% to £959.7 million from £876.7 million in 2022
- £84.4 million investment across our estate, including major projects at Spire Yale and Spire Cambridge
- Launched our new marketing campaign, 'The sooner you're better, the better'
- Enhanced our cyber security to strengthen information governance and our data security position

#### Priorities for 2024

- Drive further digitalisation, automation and efficiency in our business processes to deliver improved margins
- Continue to increase our private revenue and build the Spire Healthcare brand in new areas
- Maintain investments in the business at approximately 6-7% of revenue
- Work with our NHS partners to help address waiting lists

### Maximising our capacity

In our first full 'normal' post-COVID year since 2019, we delivered a strong performance, demonstrating that our strategy is working, despite having to navigate other issues, such as high levels of seasonal absence and consultant strike action in the NHS. While we have faced many challenges over the last three years, we have come through them well, and Spire Healthcare is a more resilient business than ever today.

Demand remains strong. Our hospital directors, directors of clinical services and other hospital leaders have continued to focus on maximising our capacity and increasing utilisation at our sites – back-filling cancelled appointments with patients ready to bring an appointment forward, making Saturdays more of a normal working day, taking work out of theatre where possible, creating new clinical space within our estate, being more disciplined on patient mix, and holding capacity meetings to make the most of our resources. We cannot control when colleagues, consultants or patients get sick or when cancellations occur, but we manage capacity closely and well and ensure patients are pre-assessed early so others can be offered any cancelled slot.

### Efficiency and digitalisation

We continue to improve the efficiency of our business, delivering a further £15 million savings this year. Acting for the whole organisation, rather than individual hospitals or sites, our professional procurement team is leveraging the power of the group to mitigate cost increases.

However, our big focus in 2023 has been developing a plan to modernise our whole IT system, update our data strategy, and digitalise what we do today to make improvements for our patients. The first step has been to benchmark our systems, put foundations in place for our plan, and scope out the size of the savings opportunity. We have a clear plan to deliver material savings, efficiencies and customer service improvements over the next three years.

Our strategy continued

An important part of laying the foundations of our plan is upgrading Wi-Fi in hospitals and at our head office locations; this is currently in progress, and will mean patients, colleagues and consultants can easily access services on mobile devices. Next, we will be improving the performance of core digital platforms like our hospital management system, optimising our processes for everyone, and refreshing our website to provide a more streamlined, convenient and consistent experience. Digitalisation will support better appointment management, clear communications, and improved electronic prescribing systems and observations that help to improve patient safety and clinical outcomes.

Ultimately, it's all about making every patient's journey a seamless one, from booking an appointment to accessing treatment, and helping them build an ongoing relationship with Spire Healthcare. By embracing data and fostering innovation right across our organisation, our colleagues will be even better placed to provide personalised patient care, with reliable access to all the tools they need, while we are proactively exploring the opportunities presented by emerging artificial intelligence technologies to improve those tools. All these changes will remove cost from the hospital business to deliver a stronger financial performance.

Investing in our estate

Our focus on digitalisation doesn't detract from the continued investments we are making in quality across our core estate, as we committed a further £84.4 million in capital expenditure this year, a level of investment that stands out in the private healthcare sector. This included investments in diagnostic imaging of £14.1 million for a further five MRI and CT scanner replacements, and around £7.5 million on three 'cath labs' (equipped rooms used for non-surgical heart procedures), two x-ray/fluoroscopy rooms, five mammography units, and three 'C-Arm' medical imaging devices used during procedures. These investments in state-of-the-art technology benefit both our patients and our hospitals, helping to provide the best environment for the consultants who work with us.

Major projects in 2023 that have supported expanded services to patients and revenue growth, have included:

- The opening of a £9.5 million outpatients centre and diagnostic unit with MRI facilities at Spire Yale Hospital in Wrexham. We have committed a further £1.25 million to a new sterile services facility that will serve Spire Yale, due to open in early 2024
- A new £1.6 million ophthalmology theatre facility at Spire Cambridge
- A new £2.4 million daycase theatre suite at Spire Clarendon in Sheffield
- And a combined investment of £3.4 million to enable us to provide robotic assisted cardiac surgery at Spire Nottingham and Spire Manchester

In line with our five-year refurbishment programme, we have spent almost £10.0 million improving many of our sites this year, including highly-visible patient-facing reception areas. We have also invested more than £8.0 million on important engineering and fire safety projects at our sites.

Patients say their experience of our service was 'Very Good' or 'Good'

96%

2022: 96%  
Source: Patient Discharge Survey 2023.

Private inpatient revenue up 6%

£355.5m

2022: £335.3m



## New outpatient and diagnostic centre at Spire Yale Hospital

An ambitious £9.5 million development at Spire Yale Hospital in Wrexham has seen us convert former administrative buildings into an outpatient centre.

This has created a more comfortable environment where people can receive much-needed diagnoses. The new Chesney Court Imaging, Orthopaedic and Outpatient Centre will increase the number of patients the hospital can treat per year by up to 20%, expand the patient services we offer, and provide faster care for daycase patients.

Chesney Court was part of an ongoing investment project at Spire Yale, which expanded the hospital's existing ward space from 18 beds to 24 to allow more patients to receive the overnight care they need.

Chesney Court's outpatient and diagnostic centre offers state-of-the-art MRI, X-ray and ultrasound facilities, as well as orthopaedic and physiotherapy rooms. The centre also includes nine consulting and treatment rooms, and provides people with rapid access to orthopaedic, urology, ophthalmology, gynaecology, general surgery and ear, nose and throat surgery, as well as diagnostic services for cardiac disease and chronic and acute pain conditions.

Through a mix of inpatient and outpatient services, this increases patient choice and in turn will help to address waiting lists in and around north Wales.

Our strategy continued

**Building on our self-pay and PMI business**

Our self-pay revenue grew by 1.8%, while the private medical insurance (PMI) market has continued to expand, as employers seek to secure cover on a wider group of their employees. PMI revenue grew by 14.3% in 2023. We are building on our partnerships with insurers, demonstrating the value we provide through our effective operational performance and collaborative initiatives. We have value-based contracts with all four of the main PMI providers – Bupa, AXA Health, Aviva and Vitality – that are founded on clinical quality, patient experience and price. We continue to expand our marketing of the Spire-branded InSpire insurance product which gives easy access to private care at Spire hospitals and is underwritten by AXA Health. In 2024 we will grow capacity further to ensure prompt access for private patients, supported by online and digital improvements to enhance referrals.

To drive growth and build on our brand awareness, we launched a new multi-channel targeted marketing campaign in September 2023, developed in partnership with M&C Saatchi London and entitled ‘The sooner you’re better, the better’. The campaign focuses on the themes of accessing expert care quickly to make a swift recovery, getting back to being yourself, and returning to what you love doing. A 30-second TV spot spearheaded the campaign, with more media buy booked for early 2024. The campaign is designed to attract and retain customers, while appealing to consultants, employees, and NHS patients who may have an option to choose us. Since launch in September, we have recorded our highest-ever brand awareness and consideration scores. Since our first major campaign in 2021, we have seen a strong marketing return on investment.

**Supporting the NHS and its elective recovery plan**

We believe private healthcare has an important role to play in tackling waiting lists by working in partnership with the NHS. We were pleased to support the government’s Elective Recovery Taskforce, which aimed to increase the volume of elective consultations and procedures for NHS patients carried out by the independent sector, to help tackle the backlog. We welcomed the Taskforce’s recommendation, accepted by the government, of an increased role for the independent sector, more choice for NHS patients when first referred, and choice for anyone waiting longer than 52 weeks for treatment – static at around 337,000 patients according to NHS England – of hospitals with shorter waiting times.

We look forward to many NHS patients taking advantage of this newly promoted choice, to opt for a Spire Healthcare hospital or service, to receive their care.

Our volume of NHS work increased again during 2023, and we continued to help the NHS to treat patients waiting the longest. We have now cared for more than 623,800 NHS patients in our hospitals since the start of the pandemic in March 2020 with 195,950 in 2023. We also continued to engage closely and develop our relationships with the Integrated Care Systems (ICS) that bring together providers and commissioners of health and care services across geographical areas.

**Services for children and young people**

Children and young people are an important part of our patient mix. We offer a broad range of paediatric services in a hub and spoke model, from initial consultation and diagnosis through to treatment and surgery, including dermatology, orthopaedics, gastroenterology and ear, nose and throat services with the latter the busiest service. In 2023 we saw more than 48,000 children in our outpatient departments and cared for over 5,000 on our inpatient wards.

66 Digitalisation will remove cost from the hospital business to deliver a stronger financial performance, and make every patient’s journey a seamless one, from booking an appointment to accessing treatment, and helping them to build an ongoing relationship with Spire Healthcare.”



Private new outpatient consultations 2023

+7.8%

626,173 in 2023 vs 580,981 in 2022

Private revenue growth 2023

+9.5%

£959,700 in 2023 vs £876,600 in 2022