

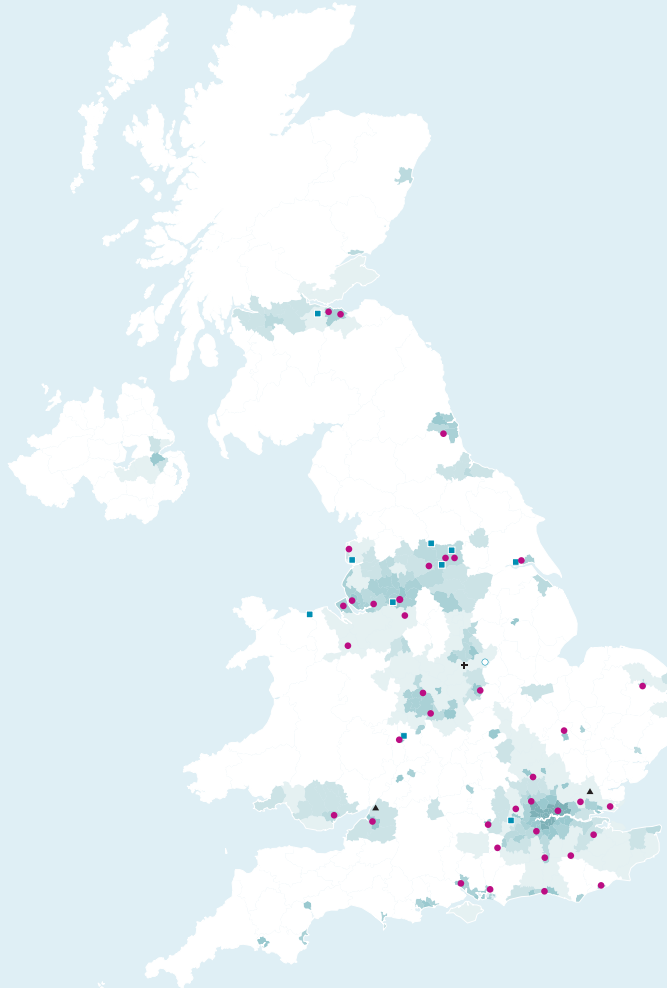
Looking after you



QUALITY ACCOUNT 2016–2017

About Spire Healthcare

Where we are



- Spire Healthcare Hospitals
- Spire Healthcare Clinics
- ✚ Perform at St George's Park
- ▲ Specialist Cancer Care Centres
- Development

People per sq km

- 0–250
- 250–500
- 500–1,000
- 1,000–1,500
- 1,500–2,500
- More than 2,500

Hospitals

East of England

Cambridge Lea
Harpenden
Hartswood
Norwich
Wellesley

London

Bushey
Roding
St Anthony's
Thames Valley

Midlands

Leicester
Little Aston
Nottingham
Parkway
South Bank

North East & Yorkshire

Elland
Hull and East Riding
Leeds
Methley Park
Washington

North West

Cheshire
Fylde Coast
Liverpool
Manchester
Murrayfield, Wirral
Regency

Scotland

Murrayfield,
Edinburgh
Shawfair Park

South East

Alexandra
Clare Park
Dunedin
Gatwick Park
Montefiore
Portsmouth
Southampton
Sussex
Tunbridge Wells

South West

Bristol 'The Glen'

Wales

Cardiff
Yale

Clinics

Abergele
Dewsbury
Droitwich
Hale
Harrogate
Hesslewood
Ilkley
Livingston
Lytham
Windsor

Specialist Cancer Care Centres

Baddow
Bristol

Hospitals

39

Clinics

10

Specialist Cancer Care Centres

2

Full-time equivalent staff

8,055

Patients

773,000*

Consultants

3,800

* Including out-patient, in-patient, daycase and individual patients treated at least once during the year.

Spire Healthcare is a leading independent hospital group in the United Kingdom. We deliver high standards of care to our insured, Self-pay and NHS patients with integrity and compassion within high-quality facilities.

We are totally focused on our customers. Our business is more than just treating patients, it's about looking after you.

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Executive Chairman's statement

In the year to 31 December 2016, Spire Healthcare's 12,400 dedicated staff and the 3,800 plus consultants who work with us, provided treatment of the highest quality to over 773,000 private and NHS patients.



Garry Watts
Executive Chairman

Service quality

Our hospitals are subject to the same Care Quality Commission ("CQC") inspection regime as all private and NHS hospitals in England and to inspection by the relevant authorities in Wales and Scotland. We fully support the CQC's approach and aim for all of our hospitals to be rated at least 'good'. Reviewing our clinical governance performance is always top of our Board agenda.

During the year under review, the CQC completed its initial inspections of the majority

of our hospitals and while we await the final reports I am pleased to announce that our overall performance is better than the average for the rest of the private sector and far exceeds the NHS average. However, there is always room for improvement in individual inspection domains. All of our hospitals have specific improvement plans in place to address points raised by their regulatory inspections. These are followed up by the Operations Board with oversight by the Executive Committee and the Board's Clinical Governance and Safety Committee, chaired by Professor Dame Janet Husband.

Service development

The opening of our new hospital in Manchester in January 2017 marked not only the culmination of many months of extremely hard work by our staff and contractors, but also a major enhancement in our capacity to serve patients in its catchment area. Spire Nottingham Hospital opened at the end of April 2017; it is not only a new build, but also in a new operational area for Spire Healthcare.

Plans for further capacity expansion through new builds will be considered on a case-by-case basis. We continue to research opportunities to fill our Central London coverage gap. The change in the Central London property market brought about by the Brexit vote last year has delayed our plans and we are re-evaluating suitable, available sites and the quantum of the future opportunity. We hope to update on progress later this year.

Strategic development

Spire Healthcare operates within the UK's healthcare system, which is, of course, dominated by the NHS. While nearly a third of our work is on behalf of the NHS, we never forget that the majority of our patients have chosen to pay for their care – either through Private Medical Insurance ('PMI'), or, increasingly, directly by self-paying. The size of the PMI sector is closely linked to economic and corporate growth which over the last decade has been limited, restricting our PMI sector growth opportunity to gains in market share.

At the same time, our NHS work has grown markedly. We greatly value working with the NHS, so while NHS funding constraints will continue to drive tariff reductions – for the fiscal year commencing 1 April 2017 the prices for the weighted basket of services we currently deliver will reduce by circa 3.9% – we will continue to pursue strategies to mitigate these pricing pressures so as to ensure we continue to offer services to the NHS.

Our third payor group, Self-pay, continues to show good growth both in numbers of patients and in the complexity of care we provide. Demographic drivers, technological advances and public service restrictions suggest this trend will continue.

The number of patients we treat, and the efficiency with which we do it, are the key determinants, regardless of the route through which they come to us. Our capital expenditure programme is designed to ensure we have adequate capacity and appropriate technology both to meet demand and to improve productivity continually.

The Spire Healthcare name clearly has resonance with our customer and patient base, as well as with the consultant community; and we intend increasingly to focus on building Spire Healthcare's name recognition and brand by re-examining every stage of the patient journey and experience from a customer viewpoint, and by optimising our operational efficiency for the benefit of patients. Throughout, we will be driven by a relentless focus on quality.

We regard the investment required in this total customer focus – both in terms of time and money – as being as fundamental to our future success as the capital expenditure we make on buildings and equipment, or the investments we make in our staff.

Our people

Spire Healthcare's clinical and financial performance go hand in hand – and both are created by our outstanding team of people. It is they, working with the best consultants and clinicians, who deliver first-class care to our patients.

We owe all our staff an immense debt of gratitude for their dedication and unstinting efforts on behalf of our patients and our organisation.

The entire UK healthcare system faces well-publicised staff shortages – shortages that are currently made up for through the recruitment of overseas staff (an area where Brexit could have an impact on our business), but in the meantime recruiting, training, motivating and retaining the best staff, while trying to minimise reliance on expensive agency staff, is crucial not only to the quality of our care but also to the long-term health of the business.

We are focused on the creation of an even more attractive employee career offer and on the development of our leaders, throughout the business. Of particular note in this regard is the work we are doing in developing our cadre of Hospital Directors – both by 'growing our own' and through external recruitment – and our programme to increase the training we offer to clinical staff eventually aims at providing a further source of qualified professionals for our business.

Looking ahead

Two and a half years after becoming a listed company, our business is in good health. We have good people, are well capitalised and invested, and have a strong quality care proposition. To seize the opportunity that we have to lead and innovate in the UK healthcare market, we now need to accelerate our transformation.

In 2017, we are looking forward to the first contributions of our two new-build hospitals in Manchester and Nottingham, and to a positive contribution from Spire St Anthony's Hospital, Sutton. The development of services at these, and at our other hospitals, supported by increased investment in a customer-focused strategy, will provide accelerated revenue and profit growth in 2018 and beyond.

In the longer term, I remain convinced that the recognised breadth and quality of Spire Healthcare's services and the macro demographic and technological trends in healthcare – together with funding constraints in the NHS – will continue to drive significant growth in our business.

I look forward to reporting further progress in the months to come.

Garry Watts
Executive Chairman
1 June 2017

Customer focus

We continue to seek ways in which we can improve operational efficiency – safely delivering outstanding healthcare to our patients while never forgetting that the safety, comfort and wellbeing of our customers is paramount.



Catherine Mason
Chief Operating Officer

Since arriving at Spire Healthcare, I have spent a lot of time visiting our hospitals across the country – the commitment, care and efficiency shown by everyone I have met is a testament to Andrew's leadership as the previous Chief Operating Officer and to the strong culture that runs through Spire Healthcare.

2016 performance

We judge our operational performance using a range of metrics and key performance indicators ('KPIs') on a balanced scorecard that covers service quality, people and engagement, reputation, and shareholder

value. We also track our engagement and reputation through regular surveys.

Overall, results during the year were good.

Patient satisfaction continued to be high. Our Net Promoter Score ('NPS'), a measure which aligns our reporting with the NHS and other providers, improved to 83 out of a possible 100 (2015: 82). Patient satisfaction with overall care remained high, with 98% of our patients rating overall quality of service either 'Excellent' or 'Very good' (2015: 98%).

Consultant satisfaction also remained high, with 77% rating our quality of service either 'Excellent' or 'Very good' (2015: 79%). The proportion of consultants who believe that our hospitals go out of their way to make a difference to their working relationship was 95% (2015: 96%), and those who would be 'Certain' or 'Very likely' to recommend a Spire Healthcare hospital to their friends and family was 81%.

While there are always areas for improvement, taken overall, we are pleased with a good performance for the year.

98%

Patients rating overall quality of service either 'Excellent' or 'Very good'

77%

Consultants rating our quality of service either 'Excellent' or 'Very good'

Regulatory compliance

It is a similar story in our compliance with regulatory standards. As at the end of March 2017, all of our hospitals in England have now had full Care Quality Commission ('CQC') inspection visits. The CQC inspection regime is welcome and necessary, but imposes a considerable burden on everybody involved, including the CQC itself.

Our staff have worked extremely hard, preparing for inspections, sharing best practice and making improvements in response to CQC reports and all this while continuing their 'day job', delivering outstanding care to our patients. We are very pleased with the way the business has responded, and with the results achieved.

Our hospitals are in the main 'Good', and 'Outstanding' in some areas, putting us well ahead of the NHS average.

However, there are always areas which can be improved and, where these have been identified by the CQC, we have addressed all such areas as a matter of urgency, drawing up and following through on detailed improvement plans highlighted by the inspections.

Spire Manchester and Nottingham

Our largest developments during the year were the new hospitals in Manchester and Nottingham.

Developing state-of-the-art hospitals, from the ground up, presents a range of challenges unique to the sector – from the demands of the most modern healthcare technology to optimising the patient experience, and from building project management to the recruitment and training of caring hospital teams.

Spire Manchester Hospital is the largest new-site, in-patient hospital that we have built. Successful project management, CQC certification and commissioning of Spire Manchester Hospital is a testament to our development team, contractors, Hospital Director and staff.

The hospital offers six theatres, 76 beds, a 150-seat education centre, and an ITU, replacing our older four-theatre hospital, but in a location that offers more convenient travel, better parking and room for further expansion. After three years of planning, building, training and testing, our first patients were treated in the new hospital in January 2017 after a seamless transfer of operations from the old site.

Spire Nottingham Hospital opened at the end of April 2017; it is not only a new build, but also in a new operational area for Spire Healthcare. Before commissioning, we recruited and trained an entirely new clinical, nursing and administrative team. The recruitment and staffing of our two new hospitals required in excess of 180 new positions, a number which will grow significantly throughout 2017.

Both hospitals, in their individual ways, demonstrate Spire Healthcare's approach to satisfying patient demand and building businesses.

Operational development

During 2016, we continued to develop our cancer services. While growth in our two Specialist Cancer Care Centres has been building gradually, we are now focused on establishing better alignment with local hospitals and improving referral relationships with local consultants and oncologists.

We continued to expand our pathology service. The focus in the year was on further exploiting capabilities within the Spire Healthcare network and developing opportunities in the wider pathology market by bringing tests in-house from

third-party providers, as well as developing new laboratories at Spire Hull and East Riding Hospital, and our two new hospitals in Manchester and Nottingham.

Our pathology laboratories undertook 2.3 million tests and showed a 6.5% improvement in operational efficiency (cost per test). Seven of our 22 laboratories have now successfully completed the transition from CPA to ISO accreditation.

Optimising efficiency

A key strategic aim is to drive efficiency and improve productivity.

Hospital leadership teams are empowered to develop services tailored to the needs of local patients and consultants whilst working within Spire Healthcare's operating framework and management systems. Maintaining the right balance of central protocols, requirements and quality standards, within local circumstances so as to drive growth and performance, remains a key aspect of operational management.

“Our staff have worked extremely hard, preparing for inspections, sharing best practice and making improvements in response to CQC reports and all this while continuing their ‘day job’, delivering outstanding care to our patients.”

Theatre utilisation is a key performance indicator of operational efficiency. Over the previous two years, average utilisation has remained between 63% and 64% across our hospitals. In 2016, the figure remained the same at 63% despite an additional five theatres opening during the year.

By being more proactive in planning our theatre lists we can ensure a better patient experience, for instance by scheduling daycase procedures at times that give the patient the best chance of being able to get home the same day.

Utilisation is only part of the story. Last year we highlighted our desire to move beyond theatre utilisation, to theatre optimisation – in other words, ensuring that the right teams are in the right theatres at the right time, with the appropriate skill mix and consumable packs for the procedures immediately to hand. This is an ongoing process – getting it right will make the journey faster and smoother for our patients and better for our consultants.

Digital development

We believe there is an opportunity to lead the UK private healthcare market through our digital distribution and customer strategy. A key component of this strategy was the successful launch of a new

responsive website with enhanced search functionality at the end of last year.

We work closely on a day-to-day basis with NHS Digital and collaborate with our independent sector partners through the NHS Partners Network, part of the NHS Confederation, to ensure we are aligned to developments and continually seeking to improve our capability and integration.

We will be delivering a number of key enhancements to the website to help patients self-serve in the coming months, and will also be upgrading our partner-facing digital propositions. In addition, we will continue to strengthen our online marketing capability to support patients in choosing Spire Healthcare by providing key information from which they can make informed decisions regarding their healthcare needs.

We continue to invest in our Customer Relationship Management ('CRM') and linked SAP (our Patient Administration System) systems. The CRM system, covering areas such as enquiry management and conversion, call handling and direct patient bookings for insurers and GPs, is a key enabler not only of operational efficiency, but also for our customers, helping them to have the best experience throughout

their care pathway – from reception to discharge and aftercare.

The dynamic nature of our business requires a proactive approach to IT network integration. For instance, our new hospitals in Manchester and Nottingham, together with new theatre builds and other expansion projects, all require our IT team to deploy and support the appropriate systems to ensure the businesses operate effectively and efficiently from the moment we open our doors to our first patients.

Priorities for 2017 include the continued maintenance and enhancement of the existing estate; continued compliance with NHS Information Governance Toolkit and ISO standards; a focus on IT security to combat the increased level of threat from ransomware and other malicious attacks; continued implementation of regulatory projects such as the Private Healthcare Information Network ('PHIN') and NHS e-discharge; and a programme of replacement and upgrades of pathology, imaging and HR systems.

2017

Our staff are the heart of our service and our success. It is they who deliver outstanding care for our customers – both our patients and the consultants who choose to work with us.

During 2016, our staff continued to deliver on all fronts, contributing above and beyond when faced with extra demands such as regulatory inspections or the commissioning of new facilities.

In the face of the UK's well-documented shortage of trained nurses, clinicians and allied healthcare professionals, the recruitment, development and retention of outstanding staff is critical to our future. During 2016, we did much to develop our recruitment and retention strategies. In 2017, we will be going further in the development of a compelling employer brand proposition aimed at attracting and retaining the outstanding people we need for future success.

The contribution that operational efficiency can make to customers spans the full patient journey – from diagnostics and links to primary care to admissions forecasting, enquiry conversion, admission processing and treatment, through to timeliness, quality of discharge and post-operative rehabilitation. Linking all aspects of a customer's journey seamlessly – and doing it well – will have a direct impact on safety, quality and, ultimately, patient satisfaction.

Catherine Mason
Chief Operating Officer
1 June 2017

Operating efficiency

How we constantly drive efficiency in our hospitals.

Deploy available asset capacity

Utilise diagnostic facilities, surgical theatres and beds to optimal effect.

Demand side

Maximise the geographic reach of facilities and ensure service proposition represents the highest quality and best available value for money.

Clinical supply

Attract and retain the best available clinical talent, build flexibility into the skill base of the clinical team and deliver continuous improvement in clinical care pathways and manpower planning over time. Retain a sufficiently large pool of high-quality clinicians to optimise the supply of clinical services and match it to available asset capacity.

Supply chain

Continuously improve clinical care pathways to provide scope to further reduce costs, consolidate purchasing and standardise delivery. In-source clinical supply capability (e.g. pathology, sterilisation services) where opportunities exist to deliver the highest quality service at the lowest available unit cost.

Administration

Improve the administration process to deliver the best customer experience at the lowest transaction costs. Use information technology solutions to improve workflow and reduce information handling costs.

Management information

Invest in best-in-class management information systems to allow effective monitoring and management decision-making.

Clinical review

Clinical quality and performance are at the heart of everything we do.



Dr Jean-Jacques de Gorter
Group Medical Director
and Responsible Officer

As Group Medical Director, I am responsible for defining our clinical governance and quality strategy. My team sets the clinical standards, which they use to audit, monitor and report on clinical performance in our hospitals. They continuously provide hands-on support to our hospitals to enable them to comply with relevant healthcare regulations across England, Scotland and Wales.

During 2016, 26 Spire Healthcare hospitals underwent an inspection by either the Care Quality Commission ('CQC') in England (25) or Healthcare Inspectorate Wales ('HIW') (1).

Whilst we prepared for these by strengthening our systems for performance management and assurance, this nevertheless required a considerable effort by hospitals and central teams working together to manage the process of inspection, repeated requests for data and checking the factual accuracy of draft reports, often extending beyond 60 pages.

I am therefore pleased to report that whilst opportunities to improve were identified and acted upon immediately, Spire Healthcare's ratings from inspection reports published up to the end of March 2017 were better than the sector average, with 65% rated 'Good' compared with the sector average of 64% and the NHS average of 45%. Of special mention is the fact that Spire Liverpool Hospital was the first independent hospital to be rated 'Outstanding' by the CQC for the Caring domain and Spire Washington Hospital was the first independent hospital to be rated 'Outstanding' for the Well-led domain.

Our patients continue to rate the care and attention our people deliver with 98% saying that they would be extremely

likely or likely to recommend Spire Healthcare to their family and friends. Our Net Promoter Score rose one point from an already high level to 83.

In terms of outcomes, of the top 10 hospitals (NHS and independent) in England for health gain following hip replacement, three were Spire Healthcare hospitals – Sussex, Alexandra and Regency. In relation to knee replacement, again three Spire Healthcare hospitals featured in the top 10 – Sussex, Regency and Murrayfield (Wirral).

Infection control continues to feature as one of Spire Healthcare’s strengths. With only a single case of MRSA bacteraemia in 2016 – our first for four years – and very low rates of other healthcare-acquired infections, we continue to significantly outperform NHS providers according to data published by NHS England. Indeed, surgical site infection following hip and knee replacement fell to its lowest on record.

In terms of clinical performance and safety indicators, I am pleased to report that the Group as a whole achieved all clinical KPI targets for 2016.

Clinical KPIs (2016)

- Patient satisfaction with discharge
- VTE risk assessment
- Theatre starve times
- Temperature recording on NEWS (the ‘National Early Warning Score’)
- Cancer Standards Compliance (Evidence of MDT discussion)

Notably, post-operative mortality also fell to an all-time low, whilst at the same time, rates for returns to theatre (0.14%), unplanned transfers (0.05%) and readmissions within 31 days (0.18%) all remained exceptionally low following on from the previous year’s strong performance. Our hospitals also reported 97% compliance with the standard for fully completed VTE risk assessments on admission for surgery and 98% of hip and knee arthroplasty patients surveyed received the recommended chemical prophylaxis for VTE prevention.

Reported incidents by grade of harm

Grade of harm	Rate per 1,000 bed days
No harm (or near miss)	70.8
Minor harm	13.4
Moderate harm	14.8
Major harm	0.8
Severe harm or death	0.2

This level of safety and effectiveness of care is a reflection of the dedication of our clinical teams. Good teamwork, robust and up-to-date care pathways, and a willingness to challenge have together created a basis for reliable and high-quality care.

Serious incidents

Spire Healthcare hospitals reported 100 clinical adverse events/near misses (‘AENM’) per 1,000 bed days in 2016. The vast majority of reported incidents were graded as resulting in no harm (or near miss) or minor or moderate harm.

All serious clinical incidents – those events that are out of the ordinary and which cause or have the potential to cause serious harm and/or are likely to attract public/media interest – are reviewed by Spire Healthcare’s national Incident Review Committee and are subject to root cause analysis.

The Committee recommends national actions – such as changes to policy, training or care pathways – arising from individual incidents or trends, and these are reported to the national Clinical Governance and Quality Committee.

Further assurance is also provided by the Clinical Governance and Safety Committee, a subcommittee of the Board which scrutinises every reported serious incident. Individual hospitals will normally manage investigation of events that fall below the threshold of a serious incident. It is important to note that the number of incidents reported is influenced by reporting culture, particularly for near misses and incidents resulting in no harm.

Duty of Candour (DoC) regulations changed for the Independent Sector on 1st April 2015. The intention of the regulation is to ensure that providers (such as Spire Healthcare) are open and transparent with people who use services in relation to care and treatment. It also sets out some specific requirements that providers must follow when things go wrong with care and treatment which are detailed in Spire Healthcare's Duty of Candour Policy.

During 2016, to further support implementation, Spire Healthcare issued a clinical brief on the Duty of Candour to remind all hospitals of the

regulations and our responsibilities. Staff awareness of the Duty of Candour is also checked during on-site clinical reviews undertaken by our national clinical services team and our incident reporting system includes a specific DoC section to confirm whether the requirements have been triggered. All associated Duty of Candour documents are also added to the incident record.

Our in-house system for clinical assurance is now well established and has proven to be an effective assessment of regulatory compliance and performance. Nevertheless, in 2016 I commissioned an independent review into the way that we undertake incident management – from reporting through to taking action to ensure continuous improvement. There is now in place a programme of work to bring our systems and processes up to the standard of the best. This will create a platform to ensure we learn and act as quickly as possible when things do not go as expected.

At the back end of the year we further strengthened our Clinical Services capability and welcomed on board our new Chief Nursing Officer – Alison Dickinson.

I am pleased to report that Spire Healthcare made significant progress against all three of our priorities for improvement included in last year's Quality Account:

- to build on our progress in 2015–2016 and ensure that electronic discharge summaries can be delivered to GPs via a single solution using the NHS MESH ('Message Exchange for Social care and Health') system;
- review our approaches to care to ensure patients receive optimum pain control following surgery; and
- complete the action plan arising from the independent review of Spire Healthcare's complaints management process.

In conclusion, in 2016 our hospitals delivered patient care that was safer and more effective than in previous years. At the same time, patients have responded by telling us that their experience of receiving care was better than ever.

As an organisation we are well prepared to challenge ourselves that bit more and to continue delivery of high-quality care for our patients and value to those who fund their care. As a clinician, I would like to pay tribute to my colleagues at the front end, those who understand the value of touch, time and compassion and who by doing so ensure our continued success.

Dr Jean-Jacques de Gorter
Group Medical Director
and Responsible Officer
1 June 2017

Group Human Resources Director's review – Our people

Skilled and dedicated people really are at the heart of what we do in providing outstanding healthcare for our patients every day, and building the business for the future.



Caroline Roberts
*Group Human
Resources Director*

At 31 December 2016, we employed 12,454 people, comprising 3,365 bank workers and 9,089 permanent employees. These numbers include nurses, theatre staff, allied health professionals, and administration and clinical support staff.

Our priorities and landscape

Finding, recruiting, developing and retaining the best leaders, clinical and support staff with the right skill mix to serve increasingly complex and high-acuity patient needs is one of our key priorities.

We know that engaged, motivated and highly trained staff deliver the best care for our patients, and we are committed to recruiting and retaining the right talent across our portfolio.

However, we, in common with the whole UK healthcare economy, are subject to a number of human resourcing issues: from staff shortages in nursing and trained healthcare professionals, to an ageing workforce and declining applications for nursing courses, to the potential impact of Brexit on EU nationals thinking of coming to work in Britain, as well as those who are already working in the UK.

In response to these challenges facing healthcare provision in the UK, and the specific staffing requirements of our new and expanded hospitals, we are developing a refreshed and integrated people strategy. We recognise that the private sector can provide exciting, rewarding and professionally challenging opportunities, with many advantages in terms of flexibility, training, long-term career development and other benefits.

Diversity

Diversity and equality within our workforce remains a key element to our people strategy. Our employees are predominantly female, 10,166 or 82%, compared to 2,288 or 18% male. Our management includes 111 females out of a total cadre of 199 (compared to 149 females out of a total cadre of 247 in 2015).

Growing our own

In parallel with the progress made on our employee value proposition, we are also committed to playing our part in the training and development of future generations of healthcare professionals.

We regard the UK Government's apprenticeship levy scheme, due to come into force in April 2017, as offering a great opportunity for us to enable young people to enter the healthcare workforce, in both clinical and non-clinical roles, throughout our business, as well as providing our existing employees with a real career progression route.

Our focus in 2017 is to design a strategy which enables us to develop our own people; we believe 'growing our own', which

includes apprenticeships and defining clear career paths for our current employees, is a key element in meeting our future staffing requirements.

Engaging our people

When it comes to engagement and communications, our vision is to inspire all Spire Healthcare employees through timely, informative and compelling communications so that our people are fully aware and motivated to support the strategic direction of the Company. We want colleagues to feel valued, listened to, and part of the current and future success of our business.

Developing our leaders

In a network that devolves significant autonomy to each hospital, the role and capability of our leaders is key. The role of Hospital Director is particularly crucial, combining, as it does, the three factors of clinical, people and commercial leadership – delivered together for our patients and the business.

We continue to support the development of our leaders at all levels, but crucially at Hospital Director and the senior leadership team levels.

We also continue to invest in our junior leadership cadre through, for example, our Management Fundamentals programme. The programme teaches new and existing managers how to successfully manage their team in a way that will inspire them to achieve overall organisational goals. It helps delegates understand the role and responsibilities of a manager, as well as their own approach to working with others and leading a team.

During 2016, 96 managers undertook the Management Fundamentals programme, adding to a growing cohort from previous years.

In 2017, we will be reviewing and refreshing all our leadership training programmes to ensure that our leaders are fit for the future and the challenges ahead.

Caroline Roberts
Group Human Resources
Director

1 June 2017

Looking after our environment

Spire Healthcare realises that we have a 'duty of care' to the environment as well as our patients and we continue to promote a low-carbon culture across our hospitals. We continually review how we operate our buildings and infrastructure to improve the carbon efficiencies across our portfolio.

A key focus is to reduce carbon emissions associated with our usage of electricity and natural gas. The way we purchase, monitor, target and report on our buildings' energy consumption is undertaken in partnership with our energy consultants Inenco.

Energy Targets vs performance

In 2016, we published the five-year energy reduction targets set out in our Carbon and Environmental policy document to reduce CO₂e from electricity and natural gas by 15% per £ of revenue by 2020 from the baseline year of 2015.

We use the intensity metric of carbon emissions per £ revenue which increases in proportion to the growth in our business. The addition of Spire St Anthony's Hospital to our portfolio, for example, added 6% to our energy consumption overnight. Our values are based on providing excellence in clinical quality and innovation to our patients. As a consequence of continuing to meet these values we will continue to grow, to treat more patients, to provide more treatments and to offer the latest technology.

Legislation

Since becoming a publicly listed company in 2014, Spire Healthcare has now registered for the Government's CRC Energy Efficiency Scheme and will report our carbon emissions to the Environment Agency accordingly.

Our mandatory Energy Savings Opportunity Scheme ('ESOS') audits were completed on schedule and concluded that due to the excellent work already undertaken in improving energy efficiencies across our estate, their recommendations would be unlikely to produce large energy savings. The recommendations will, however, be incorporated into our carbon reduction planning for the future.

Spire Healthcare was invited to participate in the CPD's ('Carbon Disclosure Project's') disclosure system again in 2016.

We made our second submission to the CDP this year and we are delighted to say that Spire Healthcare scored a B rating, which is a great score in only our second year and a good improvement on last year's 90D.

Key projects this year included investments in areas such as lighting, mechanical ventilation, building controls, heating and domestic hot water services.

We have invested in excess of
£500,000

at our National Distribution Centre and five further Spire Healthcare hospitals in 2016

Capital investment in low carbon infrastructure

We continue to invest in our engineering infrastructure to improve energy efficiencies.

Key projects this year included investment in areas such as lighting, mechanical ventilation, building controls, heating and domestic hot water services.

Key carbon reduction and energy-saving initiatives in 2016 included:

- High Efficiency Lighting – after the success of our lighting replacement projects previously reported, we continue to invest in this area to reduce our carbon footprint and also benefit from the much improved light quality that this technology brings. On the back of the measured energy and aesthetic benefits of our internal upgrade to LED lighting at Spire Leicester and Southampton hospitals, we have invested in excess of £500,000 at our National Distribution Centre and five further Spire Healthcare hospitals in 2016. We intend to invest heavily again in this area during 2017 to ensure we continue to reduce our electricity consumption.

It is planned to replace the internal lighting with LED technology at a further 25 of our hospitals in 2017 together with our central finance office in Reading to ensure we meet our stated energy reduction targets in 2020;

- High Efficiency Heating and Hot Water Services – modular condensing heating and hot water boilers were installed at Spire Parkway Hospital in 2016, which will deliver a reduction in gas consumption at this site in future years; and
- High Efficiency Ventilation Systems – our theatre ventilation plant ensures rapid air exchange within our theatre suites to protect our patients from infection. We have replaced ageing systems at Spire St Anthony's, Portsmouth, Edinburgh and Leeds hospitals in 2016. The new systems now include high efficiency control and heat recovery systems that help deliver this critical air in the most efficient way.

How we performed

Priorities for improvement 2016–2017.

In our last Quality Account, Spire Healthcare set three priorities for improvement:

- to build on our progress in 2015–2016 and ensure that electronic discharge summaries can be delivered to GPs via a single solution using the NHS MESH system;
- review our approaches to care to ensure patients receive optimum pain control following surgery; and
- complete the action plan arising from the independent review of Spire Healthcare’s complaints management process.

1. To build on our progress in 2015–2016 and ensure that electronic discharge summaries can be delivered to GPs via a single solution using the NHS MESH system

During 2016–2017, the development of SAP (our Patient Administration System) to support the production of discharge summaries was continued to further improve processes within hospitals and in order to better support GPs as we transfer the care of their patients back to them after discharge.

The discharge summary template was updated as planned in the autumn of 2016 so that it included all the recommended information suggested by the Academy

of Medical Royal Colleges (‘AoMRC’) and this is now the standard template in use across all our hospitals in England. We have also rolled out a further streamlined version of this form to a number of hospitals to address local feedback from GPs, commissioners and hospitals. This still meets all AoMRC guidelines and provides an easier point of reference for clinicians.

We implemented technical solutions across our estate to facilitate the electronic transfer of discharge summaries where possible. We sent over 23,000 successful electronic discharges over the calendar year 2016 with 15 of our hospitals sending some discharge summaries via this electronic interface. Spire Wellesley, Montefiore, Harpenden, Gatwick Park, Fylde Coast, Cambridge Lea, Bushey and Bristol hospitals are all sending the vast majority of their discharge summaries electronically. The exceptions are where local GPs do not have the capacity to receive electronic summaries using the technical solutions we have in place.

Whilst this represents significant progress, the delivery of SAP-generated discharge summary forms to GPs continued to be a challenge during 2016–2017. Our lack of direct access to national NHS systems and lack of a single address list for GP practices

meant that, whilst we are able to create electronic discharge summaries in SAP, we are in the main unable to transmit them with ease to the GP end-user. We note from our discussions with our colleagues in the independent sector and the NHS (the national tertiary providers in particular), that this is a common experience and impacts those providers who are truly national in their scope. The majority of NHS providers are relatively local or regional in their patient catchment areas, which has enabled them to put in place local workarounds.

We have reviewed the technical systems that are available and have identified what we believe will be a ‘single system’ solution. We have built the functionality to be able to connect to the MESH, the new NHS national system for sending clinical messages. We began developing messaging protocols to the approved clinical document standards but the direction for NHS Digital changed so this work was put on hold. There was a period during which NHS Digital were deciding whether Fast Healthcare Interoperability Resources (‘FHIR’) would replace Clinical Document Architecture (‘CDA’) for messaging. During this period we paused our CDA messaging development.

We will continue with this now that we have recently had confirmation from NHS Digital that we can use MESH for discharge summaries.

We will continue to work with colleagues at NHS Digital to ensure we meet the correct clinical document standards and messaging exchange protocols as these evolve.

2. Review our approaches to care to ensure patients receive optimum pain control following surgery

During an operation, nerves in the skin and sometimes inside the body are stimulated, causing them to send pain signals to the brain. Once started, this process continues for at least a few hours. As a result, the pain of an operation can be felt even after the operation has finished.

This is called acute pain and usually the acute pain of surgery improves within a few days or weeks at most. However, whilst it's normal to feel some discomfort after most operations and some hospital procedures, being in too

much pain is almost always unnecessary and can delay recovery. It can also make patients feel down and vulnerable to further pain.

Good pain control allows patients to carry out certain activities that are essential for recovery. Coughing, getting up to move around and having physiotherapy are important after many operations.

These activities help prevent complications such as blood clots (venous thromboembolism or VTE) or a chest infection, and promote wound healing.

Important aspects of good pain control are prompt pain assessment and ensuring that nursing staff regularly talk to patients about any pain they may be feeling.

Spire Healthcare monitors patient satisfaction with pain control and previously set a priority for improvement in this area. In our 2011–2012 Quality Account, we set out to exceed our target of 75% for pain scores to be recorded with every set of observations following surgery (with at least one pain score to be recorded in recovery).

Our aim in 2016–2017 was to review our approaches to care to identify:

- how quickly analgesia is given after a patient reports increasing pain;
- whether the pain score (a measure to assess how much pain a patient is experiencing) was recorded again after the analgesia was given;
- whether the analgesia provided reduced the level of pain reported by the patient; and
- whether the patient received appropriate care in response to the level of pain they reported.

To achieve this aim, Spire Healthcare hospitals completed a pain score 'trigger to action' audit in 2016 (based on a sample of patients who reported a pain score of 2 or more during their stay).

Spire Healthcare uses a five-point pain assessment scale to monitor patient perceptions of pain as part of taking routine observations:

- 0 = no pain
- 1 = mild pain
- 2 = moderate pain
- 3 = severe pain
- 4 = very severe/worst pain imaginable

Pain scoring compliance

2016	99%
2015	99%
2014	98%
2013	97%
2012	95%

The results of this audit indicate that:

- analgesia had already been given or was given within 15 minutes of the patient reporting increasing pain in 80% of cases. Analgesia was given within one hour in a further 12% of cases and within two hours for a further 4%;
- a pain score was recorded after analgesia was given in 98% of cases. This was commonly recorded within one hour of the analgesia being provided (61% of cases). In 90% of cases, the pain score was recorded within four hours;
- in 97% of cases, the pain score dropped below 2 within four hours (in 65% of cases, the pain score dropped below 2 within two hours); and
- the patient received appropriate care in response to the level of pain they reported in 87% of cases.

The audit suggests that the patient didn't receive appropriate care in 19 cases. The common theme in these cases was that suitable analgesia was provided, but the pain score could have been rechecked sooner than it was.

The results of this audit were reviewed through each hospital's local Clinical Governance Committee to capture any learning and additionally, the percentage of pain scores undertaken with every set of clinical observations will continue to be monitored through Spire Healthcare's clinical scorecard – as one of a range of clinical indicators that focus on safe, effective, caring, well-led and responsive care. The scorecard is published every quarter and provides information on trends over time and a rating of performance against other hospitals in the Group. This facilitates shared learning and drives continuous improvement.

3. Complete the action plan arising from the independent review of Spire Healthcare's complaints management process

Spire Healthcare recognises that there are times when things go wrong and when this happens we want to respond to complaints swiftly and, where we can, try to put things right. Spire Healthcare also values complaints for the feedback they provide and the part they play in the quality improvement process within our overall clinical governance framework.

Complaints are a valuable resource for monitoring and improving patient experience and safety.

Spire Healthcare's complaints procedure is based upon the principles shown below, reflecting the Parliamentary and Health Service Ombudsman's Principles of Good Complaint Handling.

Spire Healthcare's complaints procedure principles Getting it right

Quickly acknowledging and putting right cases of maladministration or poor service that led to injustice or hardship. Considering all the factors when deciding upon an appropriate remedy with fairness for the complainant and, where appropriate, others who also suffered.

Being customer focused

Apologising and explaining, managing expectations, dealing with people professionally and sensitively and using remedies that take into account individual circumstances.

Being open and accountable

Being clear about how decisions are made, proper accountability, delegation and keeping clear records.

Acting fairly and proportionately

Using fair and proportionate remedies, without bias or discrimination.

Putting things right

Considering all forms of remedy such as apology, explanation, remedial action or financial offer.

Seeking continuous improvement

Using lessons learned to avoid repeating poor service and recording outcomes to improve service.

Whilst Spire Healthcare's complaints rate is relatively low (0.37 per 100 NHS discharges in 2016), our Group Medical Director commissioned an independent review into the way that Spire Healthcare manages any complaints we receive. Following this, commitment was made to enact the recommendations relating to process, leadership/development and assurance in a bid to better address any concerns raised by patients when their care does not meet their expectations.

The main findings of the independent review were:

- Spire Healthcare has a clear complaints policy in place but its application could be improved; and
- recently closed complaints are discussed at relevant meetings but auditing of changes made as a result of complaints could be improved.

Our aim in 2016–2017 was to complete the action plan arising from this review and over the past 12 months we have taken the following steps to meet this priority for improvement:

- recommendations were presented at the Spire Healthcare's Registered Managers meeting in February 2016 and Spire Healthcare's Matrons meeting in April 2016;
- a complaints 'clinical brief' was issued in May 2016 to ensure all staff are clear on the policy and process for responding to complaints, taking into account the recommendations from the independent review;
- compliance with these recommendations has been added to our clinical review assessment framework for 2017 and progress will be assessed and reported for all sites following inspections undertaken by Spire Healthcare's national Clinical Services team; and

- training sessions are planned for 2017 for all key staff.

Additionally, the number of escalated complaints and timely management of complaints are currently reported through Spire Healthcare's clinical scorecard each quarter and information on rates of complaints and complaints escalation are provided to relevant committees with further information provided in a quarterly patient experience report for Spire Healthcare's national Clinical Governance and Quality Committee.

Our plans

Priorities for improvement 2017–2018.

Spire Healthcare has chosen the following three priorities for improvement during 2017–2018:

1. Improve Care Quality Commission ('CQC') ratings for any Spire Healthcare hospital with a published rating of 'Requires Improvement'

2. Roll out a new standard drug chart to all hospitals in support of antibiotic stewardship guidelines

3. Introduce procedure-specific consent forms to help improve the level of information provided to patients and enhance the informed consent process

Improve CQC ratings for any Spire Healthcare hospital with a published rating of 'Requires Improvement'

Why is this priority important?

All Spire Healthcare hospitals in England have now been inspected under the new methodology by the CQC.

During the 2016–2017 contracting year, the CQC inspection results for 16 Spire Healthcare hospitals and one clinic were published.

Whilst Spire Healthcare's ratings from inspection reports published up to the end of March 2017 were better than the sector average, we aspire to be recognised for the quality of the care we provide and therefore have all our hospitals rated as at least 'Good' by the regulator.

The CQC has committed to reinspect all hospitals rated 'Requires Improvement' within 12 months and therefore we expect to have the opportunity to improve the rating at a number of our sites.

Our aim/goals

Improve the CQC ratings for any hospitals currently rated 'Requires Improvement' that are reinspected by the CQC in 2017.

How will progress to achieve this priority be monitored by Spire Healthcare?

Progress against this priority will be reported to Spire Healthcare's senior management team, via our Operations Board on a monthly basis.

Roll out a new standard drug chart to all hospitals in support of antibiotic stewardship guidelines

Why is this priority important?

The National Institute for Health and Care Excellence ('NICE') published a quality standard on antimicrobial stewardship¹ in April 2016. The standard covers the effective use of antimicrobials (antibiotics and antiviral, antifungal and antiparasitic medicines) to reduce the emergence of antimicrobial resistance and whilst it recognises that it is difficult to achieve a balance between using antimicrobials when they are really needed, and reducing use when they are not indicated, it also reflects there is agreement about the need to raise awareness that an increase in antimicrobial resistance is associated with antimicrobial prescribing. Antimicrobial stewardship requires a system-wide approach with individuals and organisations working together to preserve antimicrobial effectiveness.

¹ www.nice.org.uk/guidance/qs121.

The quality standard includes three statements relevant to doctors in secondary care:

- people prescribed an antimicrobial have the clinical indication, dose and duration of treatment documented in their clinical record;
- people in hospital who are prescribed an antimicrobial have a microbiological sample taken and their treatment reviewed when the results are available; and
- individuals and teams responsible for antimicrobial stewardship monitor data and provide feedback on prescribing practice at prescriber, team, organisation and Commissioner level.

NICE has also recommended that Commissioners should ensure that antimicrobial stewardship operates across all care settings as part of an antimicrobial stewardship programme.¹

Our aim/goals

To enhance compliance with this standard, Spire Healthcare will introduce a new inpatient drug chart during 2017, which will include a dedicated section for the prescribing of antibiotics. Together with Spire Healthcare antibiotic prescribing guidelines and relevant local policies, our

aim is to promote the selection of the optimum antimicrobial drug regimen, dose, duration of therapy, and route of administration. In line with best practice, the prescriber will be asked to review the requirement for continuing treatment and route of delivery every 48 hours. Prescribing data from all Spire Healthcare sites will be audited and collated to enable our participation in the English Surveillance of Antimicrobial Usage and Resistance study.

How will progress to achieve this priority be monitored by Spire Healthcare?

Progress against this priority will be reported to Spire Healthcare's senior management team, via our Operations Board.

Introduce procedure-specific consent forms to help improve the level of information provided to patients and enhance the informed consent process

Why is this priority important?

Spire Healthcare's policy on consent states that:

- the provision of information is central to the consent process. Patients should be advised of any material, or significant risks even if small, of the

proposed treatment, any alternatives to it and the risks of doing nothing;

- health professionals should provide information regarding all possible significant adverse outcomes and document the information provided;
- patients should also be advised of any additional procedures that are likely to be necessary as part of the procedure, for example a blood transfusion, or the removal of particular tissue; and
- for significant procedures, it is essential for health professionals to document clearly both a patient's agreement to the intervention and the discussions which led to that agreement. This may be done either through the use of a consent form (with further detail in the patient's notes if necessary), or through documenting in the patient's notes that they have given oral consent.

In 2015, two legal cases led to a change in the test applied to establish whether informed consent has been obtained.² The Bolam test – which asks whether the doctor's conduct would be supported by a reasonable body of medical opinion – no longer applies.

1 www.nice.org.uk/guidance/qs121.

2 In the first case, the court held that the doctor should have informed the patient of the potential risks and discussed the option of Caesarean section with her (*Montgomery v Lanarkshire Health Board*, 2015). In the second case, the court held that the man should have been given specific advice regarding the particular signs and symptoms of a complication (*Spencer v Hillingdon Hospital NHS Trust* 2015).

Instead the court rulings suggest that potential benefits and serious or significant risks (no matter how unusual) must be spelled out allowing the patient to make an informed decision. Information also needs to be orientated to what a 'reasonable person in the patient's position' might expect.

The consent process is also covered by a specific regulation – Health and Social Care Act 2008 (Regulated Activities) Regulations 2014: Regulation 11 – and compliance is monitored by the CQC during its inspections.

Spire Healthcare hospitals currently use a generic paper consent form to document the discussions relating to consent. This relies on the Consultant hand writing the proposed benefits and risks of treatment and recording the information provided to patients. This is supplemented by Spire Healthcare's written patient information or Consultant-specific information leaflets.

Our aim/goals

To improve consistency and help enhance the informed consent process, Spire Healthcare will develop and start to introduce procedure-specific consent forms during 2017. These forms will include tailored preprinted information on the risks and benefits of each proposed procedure, meaning Consultants will no longer need to hand write them every time they complete a consent form.

How will progress to achieve this priority be monitored by Spire Healthcare?

Progress against this priority will be reported to Spire Healthcare's senior management team, via our Operations Board. Spire Healthcare hospitals will also continue to undertake consent audits to help monitor compliance with guidance on consent.

Review and assurance

Data quality and governance, fundamental pillars of our performance.

Data quality

Building upon the excellent foundation of efficient systems and processes to support the collection and reporting of NHS data we are pleased to report that our overall data quality measures have further improved and continue to exceed the required national standards. Our hospitals and central NHS Management Information team remain focused on the three core areas we see as underpinning our strategy:

- national data set reporting;
- Secondary Uses Service (Commissioning Data Set); and
- UNIFY submissions and clinical coding to support Payment by results.

We have further refined and developed our monthly reporting packs for our commissioners as we seek to ensure we provide clear, timely and consistent performance and KPI information. Commissioner feedback continues to be positive and there is clear evidence from our local contract management meetings that these have supported improved contract management, governance and activity monitoring, and data validation.

The tables opposite show Spire Healthcare's Secondary Uses Services data quality performance for April 2016 to March 2017 as issued by NHS Digital, May 2017.

We are pleased to again report that we have market-leading data quality. Against each element, Spire Healthcare is highly rated, continues to equal or exceed the required standard and is significantly ahead of the national average.

Secondary Uses Services data for April 2016 to March 2017 as issued by NHS digital, May 2017 Spire Healthcare outpatient data, based upon 499,807 activities*

Data item	% valid
NHS number	100
Patient pathway	100
Treatment function	100
Main speciality	100
Reg. GP practice	99.8
Postcode	100
PCT of residence	100
Commissioner	100
First attendance	100
Attendance indicator	100
Referral source	100
Referral received date	100
Attendance outcome	100
Priority type	100
OP primary procedure	100
Operation status	100
Ethnic category	100
Site of treatment	100
HRG4	100

Spire Healthcare admitted patient data, based upon 86,170 activities*

Data item	% valid
NHS number	100
Patient pathway	100
Treatment function	100
Main speciality	100
Reg. GP practice	99.8
Postcode	100
Org. of residence	100
Commissioner	100
Ethnic category	100
Primary diagnosis	100
Primary procedure	100
Site of treatment	100
HRG4	100

Spire Healthcare continued to make the capture and reporting of NHS data a strategic priority during 2016–2017. Our hospitals have continued to refine and enhance their partnership approach with our hospital Consultants, clinical teams, patient administration staff and the corporate clinical coding provider, CHKS (part of Capita Health).

In order to drive forward with our clinical coding strategy we have this year invested in our clinical coding capability, creating the new posts of Head of Clinical Coding & Audit Assurance and Clinical Coding Quality Assurance Manager.

* NHS Digital, may 2017

This new team has worked actively across our network to further improve local hospital knowledge, processes and systems throughout the year.

Prescribed elements

Review of services

During 2016, Spire Healthcare provided and/or subcontracted NHS services leading to 100,005 admissions.

Spire Healthcare has reviewed all the data available to it on the quality of care in the provision of these NHS services.

The income generated by the NHS services reviewed in 2016 represents 32.6% of the total income generated by Spire Healthcare for the year.

Commissioner goals

A very small proportion (<1%) of Spire Healthcare's income in 2016 was conditional on achieving quality improvement and innovation goals agreed between Spire Healthcare and any person or body with whom it entered into a contract, agreement or arrangement for the provision of NHS services, through the Commissioning for Quality and Innovation ('CQUIN') payment framework.

Working with our Commissioners during the year, Spire Healthcare hospitals were able to significantly increase the proportion of income that was conditional on achieving quality improvement and innovation

goals. All Spire Healthcare hospitals worked with their commissioners to actively participate in the CQUIN payment framework for 2016–2017, delivering against their goals and achieving significant success, and securing additional payments.

Looking back on 2015–2016, we are pleased to be able to report we secured around £4.9 million of CQUIN funding, representing 96% of the total potential available to us from our local plans for the year.

Data quality

Spire Healthcare submitted records during 2016–2017 to the Secondary Uses Service for inclusion in the Hospital Episode Statistics which are included in the latest published data. The percentage of records in the published data:

- which included the patient's valid NHS number was:
 - 100% for admitted patient care;
 - 100% for outpatient care; and
- which included the patient's valid General Medical Practice code was:
 - 99.8% for admitted patient care; and
 - 99.8% for outpatient care.

Our achievement of GP practice code reviews are in line with the required national standard.

Information governance toolkit

Spire Healthcare achieved an overall score of 87% in the Information Governance Assessment for 2016–2017 (this assessment was completed using version 13 of the NHS Information Governance Toolkit ('IGT')). This is a 'green' rating (Satisfactory – level 2 or above achieved for all requirements) the highest level achievable by an independent sector provider.

Clinical coding

Since the recruitment of our Head of Clinical Coding & Audit Assurance at the beginning of 2016 a number of improvements have been made to Spire Healthcare's clinical coding service. In addition to the coding assurance audits undertaken by Capita, Spire Healthcare has been able to undertake its own independent coding reviews. Findings from these reviews have formed constructive feedback – not only for the individual sites/clinicians, but to the external coding team at Capita – which has driven noticeable improvements in coding accuracy. There are also regular coding review visits which encompass engagement discussions with clinicians to highlight the importance of clear documentation which in turn enables accurate coding assignment.

Additional coding education has been delivered to consultants and hospital staff and education materials have been updated and improved. Clinician validation documents are regularly reviewed and updated, and new documentation has been created for all in-patient and daycase activity in light of the advent of HRG4+. Our in-house coding expertise has grown with the addition of a Clinical Coding Quality Assurance Manager at the end of 2016.

The improvements brought about by the recruitment were particularly noticeable during the second half of 2016–17. Whilst the impact was not sufficient to improve the error rate for the whole year we are confident that the results for next year will be much improved.

Clinical coding error rate

Spire Healthcare undertakes comprehensive internal audits across the Group following the HSCIC clinical coding audit methodology v9.0. This provides assurance that coding error rates and HRG errors were being maintained at acceptable levels.

The results gave an overall HRG error rate for 2016–2017 of 4.3% (slightly up from 4.2% in 2015–2016). Benchmarked against the 2013–2014 published national results, the coding at Spire Healthcare hospitals is still in the best performing 25% of NHS providers (<=5.2%).

Primary procedure recording has fallen since 2015–2016 by three percentage points from 97% to 94%. The primary diagnosis accuracy improved from 93% in 2015–2016 to 94%. With both the primary diagnosis accuracy and primary procedure accuracy below 95%, this has resulted in the coding accuracy for 2016–2017 being assessed at NHS IGT level 2. The main cause of error for incorrect primary diagnosis and incorrect primary procedure was inaccurate data extraction by the coders. All other areas, secondary procedures and secondary diagnosis were at IGT level 3 in 2016–2017.

Clinical audit

During 2016, four national clinical audits covered the NHS services that Spire Healthcare provides. During that period, Spire Healthcare participated in 100% of the national clinical audits and national confidential enquiries in which it was eligible to participate.

The national clinical audits in which Spire Healthcare was eligible to participate during 2016 are as follows:

- National elective surgery: PROMs: four operations;
- National Joint Registry: hip and knee replacement;
- adult cardiac surgery: CABG and valvular surgery; and
- National Bariatric Surgery Registry.

The national clinical audits that Spire Healthcare participated in during 2016 are as follows:

- National elective surgery: PROMs: four operations;
- National Joint Registry: hip and knee replacement;
- adult cardiac surgery: CABG and valvular surgery;
- National Bariatric Surgery Registry.

The national clinical audits in which Spire Healthcare participated, and for which data collection was completed during 2016, are listed as follows alongside the number of cases submitted to each audit or enquiry as a percentage of the number of registered cases required by the terms of that audit or enquiry:

- National elective surgery PROMs¹: four operations – 84% (compared with a national average participation rate of 75%, based on provisional information for 2015–2016 published by NHS Digital on 11 May 2017);
- National Joint Registry: hip and knee replacement – 98% compared with 98% in 2015 and 2014;
- adult cardiac surgery: CABG and valvular surgery – information unavailable as sample sizes varied across participating Spire Healthcare hospitals and include a mix of NHS and private patients; and

1 Patient Reported Outcome Measures: PROMs measures health gain in patients undergoing hip replacement, knee replacement, varicose vein and groin hernia surgery in England, based on responses to questionnaires before and after surgery.

- National Bariatric Surgery Registry – information unavailable as sample sizes varied across participating Spire Healthcare hospitals and include a mix of NHS and private patients.

As a result of these audits, Spire Healthcare intends to take the following actions to improve the quality of healthcare provided.

- Review of PROMs participation rates indicates that participation is below average at a small number of hospitals. The national Clinical Services team will work with these hospitals to review current processes and identify any steps that can be taken to improve the participation rate. Spire Healthcare also extended its PROMs programme to privately funded patients during 2016, focusing on four procedures – hip replacement, knee replacement, groin hernia repair and cataract surgery. All eligible patients are now invited to complete an online, rather than paper, survey providing more immediate data on health gain, and also allowing us to follow up patients for longer with patients typically asked to complete a PROM survey every three months following their discharge.
- Review of reports received from the National Joint Registry ('NJR') indicates that consent rates (for data to be held on the registry) were slightly below average at nine hospitals. Action plans are in progress at each of these hospitals to improve compliance with this important process; overall 96% of all submissions included consent for patient data to be held on the register (the national target is 95%). Spire Healthcare hospitals also participated in the NJR's data quality audit in the first half of 2017.

The reports of 18 local clinical audits were also reviewed by Spire Healthcare in 2016 and the actions Spire Healthcare intends to take to improve the quality of healthcare provided include:

- completion of venous thromboembolism risk assessments, cancer standards compliance and temperature control during and after surgery (to reduce the risk of surgical site infection) will continue to be monitored through Spire Healthcare's clinical scorecard. The scorecard is published every three months and provides information on trends over time and a rating of performance against other hospitals in the Group; and
- a number of new indicators will also be added to the clinical scorecard in 2017, including:
 - average patient wait (minutes) from admission to theatre;
 - compliance with standards for informed consent; and

- percentage of theatre episodes complying with the WHO surgical safety checklist (to be monitored through observational audit).

Research

A number of patients receiving NHS services provided or subcontracted by Spire Healthcare in 2016 were recruited during that period to participate in research approved by a research ethics committee. Research undertaken at Spire Healthcare hospitals primarily involves private patients.

CQC inspections

Seventeen CQC inspection reports were published between 1 April 2016 and 31 March 2017.

Opportunities for improvement identified by the CQC during individual inspections were acted upon immediately. There were also a number of common themes identified during our inspections and from our internal clinical review process which are summarised below:

Safe

65% of Spire Healthcare hospitals were rated 'Good' for the Safe domain (the lowest rated domain across both the independent sector and the NHS). Key strengths highlighted in this domain include:

- incident reporting culture and management of incidents, together with staff knowledge of the Duty of Candour; and

- safeguarding controls and processes and safe staffing levels.

The key challenges in this domain for Spire Healthcare include:

- a single patient record – in line with practice across the independent sector, some Consultants hold their own outpatient records (i.e. when patients don't convert to in-patient treatment). However, Spire Healthcare hospitals do have processes in place to ensure they can access these records in the event they are needed; and
- ensuring consultants providing care to children have

completed level 3 safeguarding training (which they are not always required to complete at their NHS Trust) – successful applications for practising privileges for children now depend on this training being completed.

Effective

88% of Spire Healthcare hospitals were rated 'Good' or above. Key strengths highlighted in this domain include:

- clinical KPI performance and national audit results linked to Spire Healthcare's clinical scorecard;
- nutrition and hydration of patients;

- pain management and provision of information to patients; and
- strong patient reported outcomes (PROMs).

Caring

All Spire Healthcare hospitals were rated 'Good' or above. Key strengths highlighted in this domain include:

- treating patients with dignity and respect;
- excellent patient feedback from interviews;
- quality of patient information materials; and
- good friends and family performance.

CQC inspections

Hospital	Publication date	Overall rating	Domains				
			Safe	Effective	Caring	Responsive	Well-led
Spire Cambridge Lea	05 Dec 16	●	●	●	★	●	●
Spire Clare Park	22 Feb 17	●	●	●	●	●	●
Spire Dunedin	03 Oct 16	●	●	●	●	●	●
Spire Elland	21 Mar 17	●	●	★	●	●	●
Spire Harpenden	09 Jan 17	●	●	●	●	●	●
Spire Hartswood	10 Oct 16	●	●	●	●	●	●
Spire Hessewood Clinic	16 May 16	●	●	●	●	●	●
Spire Hull & ER	16 May 16	●	●	●	●	●	●
Spire Manchester	22 Mar 17	●	●	●	●	●	●
Spire Methley Park	29 Mar 17	●	●	●	●	●	●
Spire Norwich	30 Aug 16	●	●	●	●	●	●
Spire Portsmouth	07 Sep 16	●	●	●	●	●	●
Spire Regency	16 Feb 17	●	●	●	●	●	●
Spire South Bank	22 Feb 17	●	●	●	●	●	●
Spire St Anthony's	11 Jan 17	●	●	●	●	●	●
Spire Tunbridge Wells	17 Nov 16	●	●	●	●	●	●
Spire Wellesley	19 Dec 16	●	●	●	●	●	●

★ Outstanding ● Good ● Requires improvement ● Inadequate

Responsive

All Spire Healthcare hospitals were rated 'Good'. Key strengths highlighted in this domain include:

- flexibility and accessibility of outpatient services;
- welcoming and patient-centred environments;
- processes for admission and discharge; and
- complaints managed in line with Spire Healthcare's complaints policy.

Well-led

65% of Spire Healthcare hospitals were rated 'Good' for the Well-led domain. Key strengths in this domain include:

- adoption of national governance standards and structures;

- accessibility and visibility of the senior management team around the hospital/staff feeling comfortable raising a concern; and
- excellent patient and Consultant satisfaction results and strong GP engagement.

Key challenges in this domain include:

- Spire Healthcare is rolling out a new process for recording and managing risk (a standard approach to establishing a risk register) but this process is not yet fully embedded; and
- lack of action plans to follow up on patient satisfaction surveys – however, this may reflect the strong results achieved and noted in the 'Responsive' domain.

NHS Protect Security

Year 3 of our work plan has seen the completion of security audits of all Spire Healthcare hospitals to ascertain whether the levels of security management are suitable for the provision of NHS services.

Spire Healthcare premises continue to have good levels of security management in place and minor recommendations have been actioned where required.

Security incidents are captured and monitored, and included in an annual report to our Executive Board for review.

Counter fraud

Spire Healthcare has worked with TIAA, our retained external advisers, on its fraud risk assessment and developed a three-year rolling strategic work plan. The plan, which cross-references both the risk assessment and NHS Protect's standards, allows for adjustment as any specific risk areas are identified from year to year. The work plan also allows for proactive exercises in areas known to be of general risk, an example of this being the employment checks on agency staff.

Spire Healthcare completed and submitted its second counter fraud self-assessment to NHS Protect in March 2017. This submission showed an overall improvement on the previous year in six out of the 24 individual categories and no red categories under the RAG system.

April 2016 to March 2017 figures

	2016/17	2015/16
Accidental damage caused by patients/visitors/public	15	10
Accidental damage caused by staff or contractors	41	33
Building security incident	152	105
Computer equipment stolen or lost	5	2
Damage caused (or alleged) by vandalism	5	20
Damage caused by vehicles	17	21
Lost, missing or stolen medications	17	11
Theft or loss of patient, staff or public property	51	23
Theft or loss of Spire Healthcare property	44	23
Total	347	248

We note the increases in reported incidents in relation to building security and theft of property both from Spire Healthcare and others. Whilst we believe that the majority of this increase is related to improved reporting, following our engagement with hospitals around security management in general, we also believe further review of these areas is warranted. These matters are being escalated through our Health and Safety Committee and Operations team and will be managed accordingly.

Hospital performance data

Hospital	Unplanned return to theatre per 100 theatre episodes	Unplanned readmission per 100 in-patient/daycase discharges	Unplanned transfers to a higher level of care per 100 in-patient/daycase discharges	Surgical site infection following hip and knee replacement (%)	MRSA bacteraemia per 10,000 bed days
Alexandra	0.14	0.20	0.14	0.00	0.00
Bristol	0.19	0.16	0.03	0.00	0.00
Bushey	0.14	0.06	0.06	0.00	0.00
Cambridge Lea	0.17	0.15	0.07	0.17	2.11
Cheshire	0.07	0.16	0.09	0.00	0.00
Clare Park	0.00	0.00	0.00	0.00	0.00
Dunedin	0.05	0.08	0.03	0.84	0.00
Elland	0.14	0.15	0.00	0.20	0.00
Fylde Coast	0.04	0.24	0.06	0.68	0.00
Gatwick Park	0.12	0.09	0.06	0.00	0.00
Harpenden	0.04	0.04	0.02	0.16	0.00
Hartswood	0.09	0.10	0.01	0.25	0.00
Hull	0.04	0.08	0.02	0.19	0.00
Leeds	0.23	0.14	0.05	0.19	0.00
Leicester	0.02	0.08	0.07	0.00	0.00
Little Aston	0.10	0.07	0.01	0.00	0.00
Liverpool	0.07	0.06	0.00	0.00	0.00
Manchester	0.37	0.33	0.05	0.00	0.00
Methley Park	0.14	0.30	0.04	0.21	0.00
Montefiore	0.29	0.18	0.06	0.39	0.00
Norwich	0.32	0.36	0.09	0.26	0.00
Parkway	0.16	0.22	0.05	0.19	0.00
Portsmouth	0.16	0.22	0.03	0.13	0.00
Regency	0.13	0.27	0.07	0.00	0.00
Roding	0.09	0.12	0.06	0.00	0.00
South Bank	0.05	0.20	0.02	0.00	0.00
Southampton	0.31	0.50	0.06	0.41	0.00
St. Anthony's	0.08	0.15	0.20	0.00	0.00
Sussex	0.26	0.15	0.07	0.00	0.00
Thames Valley	0.16	0.27	0.10	0.00	0.00
Tunbridge Wells	0.07	0.24	0.09	0.00	0.00
Washington	0.08	0.32	0.01	0.00	0.00
Wellesley	0.15	0.28	0.03	0.19	0.00
Wirral	0.03	0.09	0.03	0.20	0.00

MSSA bacteraemia per 10,000 bed days	E-coli bacteraemia per 10,000 bed days	Clostridium Difficile infection per 10,000 bed days	Inpatient falls per 1,000 bed days	The Friends and Family Test
0.00	0.00	0.00	2.92	99
0.00	0.00	0.00	2.74	98
0.00	2.94	0.00	2.79	98
0.00	0.00	0.00	3.80	96
0.00	0.00	0.00	2.19	99
0.00	0.00	0.00	0.82	99
0.00	11.58	17.37	4.63	97
0.00	0.00	0.00	2.52	99
0.00	0.00	0.00	4.57	98
0.00	5.13	2.57	2.05	98
0.00	0.00	0.00	3.53	99
0.00	3.12	0.00	0.94	99
0.00	0.00	0.00	4.30	98
0.00	0.00	0.00	3.11	99
0.00	0.00	0.00	3.72	98
0.00	0.00	0.00	1.66	99
0.00	0.00	0.00	3.49	97
0.00	0.00	0.00	0.28	99
0.00	0.00	0.00	4.76	99
2.82	0.00	0.00	3.67	99
0.00	0.00	0.00	1.80	98
1.94	0.00	0.00	3.29	99
0.00	2.09	0.00	1.46	98
0.00	0.00	0.00	0.42	99
0.00	0.00	0.00	4.50	98
0.00	7.60	0.00	3.42	97
0.00	0.75	0.75	1.86	98
0.00	0.00	0.92	4.05	99
0.00	0.00	4.94	2.47	99
0.00	0.00	3.99	2.00	98
0.00	0.00	5.08	2.54	99
0.00	0.00	0.00	4.42	98
0.00	0.00	0.00	4.10	99
0.00	0.00	0.00	2.06	99

Clinical indicator data refers to calendar year 2016 and includes both NHS and privately funded patients admitted for treatment to Spire Healthcare hospitals in England.

Data is not adjusted for case mix so direct comparisons between hospitals of different sizes and with differences in case mix complexity may not be appropriate.

Bed day calculations are based on in-patient total length of stay and exclude daycase admissions.

Because independent sector organisations admit a higher proportion of daycases than the NHS, rates published for MRSA, MSSA and E-coli bacteraemia and Clostridium Difficile infection may appear high for hospitals that admit smaller numbers of in-patients.

Friends and Family Test ratings are based on the % of patients responding "extremely likely" or "likely" to the question: "How likely are you to recommend our hospital to friends and family if they needed similar care or treatment"?

CCG statement

NHS Liverpool Clinical Commissioning Group – Quality Account Statements

Liverpool CCG welcomes the opportunity to jointly comment on the Spire Healthcare Quality Account for 2016/17. We have worked closely with the provider throughout 2016/17 to gain assurances that the services they delivered were safe, effective and personalised to service users. The CCG shares the fundamental aims of the provider and supports their strategy to deliver high quality, harm free care. The Account reflects good progress on most indicators.

This Account indicates the provider's commitment to improving the quality of the services it provides for commissioners and supports the key priorities for improvement of quality during 2017/18.

Priority 1: Improve Care Quality Commission ('CQC') ratings for any Spire Healthcare hospital with a published rating of 'Requires Improvement'.

Priority 2: Roll out a new standard drug chart to all hospitals in support of antibiotic stewardship guidelines.

Priority 3: Introduce procedure specific consent forms to help improve the level of information provided to patients and enhance the informed consent process.

This is a comprehensive report that clearly demonstrates progress within the organisation. It identifies where the organisation has done well, where further improvement is required and what actions are needed to achieve these goals, in line with their Quality Strategy.

Through this Quality Account and the on-going quality assurance process, the organisation clearly demonstrates their commitment to improving the quality of care and services delivered.

Spire Healthcare places significant emphasis on its safety agenda, with an open and transparent culture which is reflected throughout the Account, with work continuing on the reporting of incidents and the embedding of learning across the organisation.

Commissioners are aspiring through strategic objectives and 5 year plans to develop an NHS that delivers great outcomes, now and for future generations. This means reflecting the government's objectives for the NHS set out in their mandate to us, adding our own stretching ambitions for improving health and delivering better services, to go even further to tailor care to the local health economy.

Providing high quality care and achieving excellent outcomes for our patients is the central focus of our work and is paramount to our success.

It is felt that the priorities for improvement identified for the coming year are both challenging and reflective of the current issues across the health economy. We therefore commend Spire Healthcare in taking account of new opportunities to further improve the delivery of excellent, compassionate and safe care for every patient, every time.



Katherine Sheerin
Chief Officer,
Liverpool CCG
20 June 2017

Contact us

We welcome your feedback.

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Or use the contact form on our website

spirehealthcare.com

If you would like this Quality Account in large print, braille or another language, please contact **hocomms@spirehealthcare.com**

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