

Changing lives

Annual Report and Accounts
For the year ended 31 December 2024



Changing lives

Our purpose

Making a positive
difference to
people's lives,
through outstanding
personalised care



[linkedin.com/company/
spire-healthcare/](https://www.linkedin.com/company/spire-healthcare/)



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spirehealthcare](https://x.com/spirehealthcare)

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Contents

Overview

- 2 Changing lives – our purpose
- 3 Contents
- 4 About us
- 5 Our businesses
- 6 The value we create – 2024 highlights from our strategy
- 7 The value we create – 2024 outstanding, personalised care
- 8 The value we create – 2024 financial highlights
- 9 The value we create – 2024 highlights: changing lives
- 10 Our model for success – shareholder value
- 12 Our model for success – societal value

Strategic report

- 14 Chief executive officer's strategic review
- 17 Our business model – how we create value
- 18 Our business model – how we generate revenue
- 19 Our market
- 21 Our strategy
- 38 Sustainability report
- 55 Engagement with stakeholders
- 62 Our key performance indicators
- 65 Risk management and internal control
- 77 TCFD report
- 83 Compliance statements
- 84 Chief financial officer's review

Key to Spire Healthcare Group plc

Group

Hospitals and Primary Care Services combined

Hospitals

38 hospitals

Primary Care Services

Vita Health Group, The Doctors Clinic Group (Spire Occupational Health and London Doctors Clinic), Spire GP*, Spire Clinics*, Spire Mental Health

Governance report

- 90 Chairman's governance letter
- 91 Corporate governance report
- 97 Board of directors
- 100 Executive committee
- 101 Nomination committee report
- 103 Clinical governance and safety committee report
- 105 Audit and risk committee report
- 111 Remuneration committee report
- 115 Annual report on remuneration
- 123 Directors' report
- 126 Statement of directors' responsibilities

Financial statements

- 127 Independent auditor's report
- 135 Consolidated financial statements
- 138 Notes to the financial statements
- 165 Notes to the parent company financial statements

Other information

- 169 Shareholder information
- 171 Alternative performance measures definitions
- 172 Glossary and forward-looking statements

* Spire GP and all clinics, except Spire Harrogate and Spire Abergele, are reported under the hospitals business in the financial statements.

Our strategy

- 1 Driving hospital performance
- 2 Building on quality
- 3 Investing in our workforce
- 4 Championing sustainability
- 5 Expanding our proposition



Sustainability

- Respect the environment
- Engage our people and communities
- Operate responsibly



Engaging with our stakeholders

- Patients
- Colleagues
- Consultants
- Suppliers
- Private medical insurers (PMI)
- NHS
- GPs
- Corporates
- Regulators
- Investors and lenders
- Community



About us

Our purpose

Making a positive difference to people's lives through outstanding personalised care

Our strategy

Helping to meet Britain's healthcare needs by running great hospitals and developing new services

Who we are

Britain's largest independent integrated healthcare company by turnover, operating across England, Wales and Scotland

What we provide

Spire Healthcare offers a range of diagnostics and medical treatments from hospital and clinic to community. We have a nationwide network of private GPs through Spire GP and London Doctors Clinic; offer a range of mental health, musculoskeletal and dermatological services via Vita Health Group; private mental health through Spire Mental Health; and provide occupational health services to corporate clients through Spire Occupational Health and Vita Health Group.

For private patients

We offer treatments for patients who have private health insurance or wish to pay for their treatment. They are able to choose when and where they are treated, and benefit from excellent clinical outcomes.

For the NHS

We offer capacity, capability and flexibility, supporting the NHS by taking thousands of patients off waiting lists nationally at the same tariff prices as local NHS trusts, and by delivering NHS services.

For corporates

We provide employers and corporates with tailored, flexible support for their employees through occupational health and employee assistance programmes, helping employees to recover and stay healthy.

Our values



Driving clinical excellence



Doing the right thing



Caring is our passion



Keeping it simple



Delivering on our promises



Succeeding and celebrating together



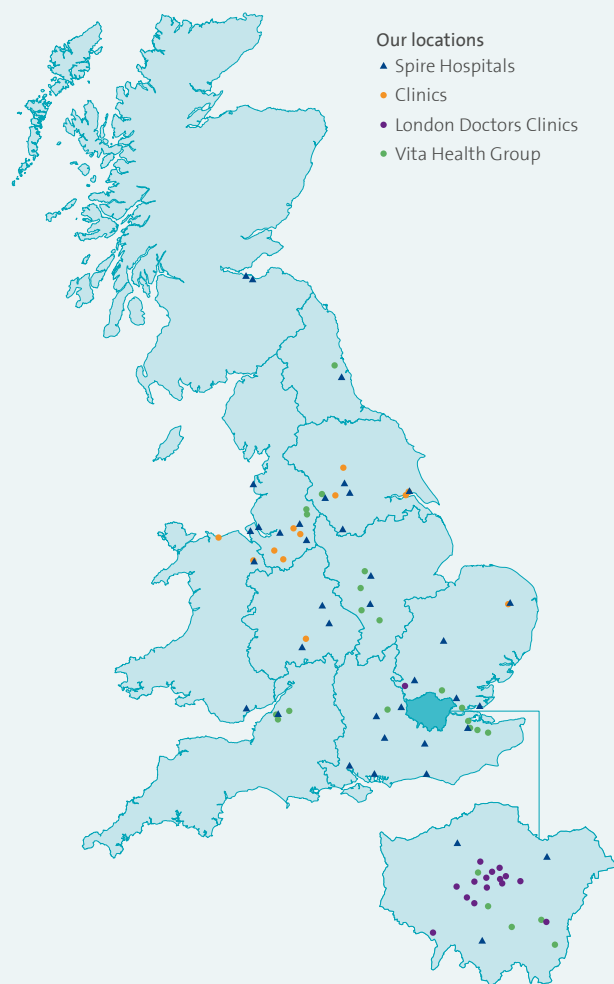
For more information see our business model on [page 17](#)



Our businesses

Where we operate

We provide people with more choice, and the opportunity to access the healthcare they need quickly and safely. Our dedicated and highly trained colleagues work hard to help people back to good health from a wide range of locations across England, Scotland and Wales.



What we deliver – our brands

Services	Hospitals	Primary Care Services						Payor			
	Hospitals	Vita Health Group	Spire Occupational Health	London Doctors Clinics	Spire GP*	Spire Mental Health	Spire Clinics*	PMI	Self-pay	NHS	Corporates
Inpatient care	✓							✓	✓	✓	
Outpatient care/referral	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Musculoskeletal (MSK) and physio	✓	✓	✓	✓			✓	✓	✓	✓	✓
Occupational health		✓	✓								✓
Mental health		✓				✓		✓	✓	✓	✓
GP services	✓			✓	✓			✓	✓		✓

* Spire GP and all clinics, except Spire Harrogate and Spire Abergele, are reported under the hospitals business in the financial statements.

The value we create

2024 highlights from our strategy



Drove hospital performance

- Invested in our hospitals business to transform care, quality and service through centralisation and digitalisation
- Increased private revenue by 3.7% to £995.2 million from £959.7 million in 2023
- £112.1 million capex investment across our estate, including solar energy and three new clinics
- New patient support centres

See page 22



Built quality

- Implemented the NHS England Patient Safety Incident Response Framework (PSIRF) across all hospital sites, ahead of NHS England requirement
- Developed our Driving Clinical Excellence in Practice (DCEP) programme
- Progressed the five-year nursing and allied health professionals strategy, aligning to directors of clinical services' objectives
- Delivered eight DAISY and 23 IRIS awards to winners across the country

See page 25



Invested in our workforce

- Introduced new reward framework for colleagues in hospitals
- Improved ability to attract and retain talent through improved in-house recruitment
- Sustained high engagement scores among colleagues during change
- Over 110 colleagues graduated from apprenticeship programmes

See page 29



Championed sustainability

- Waste management initiatives saved 2,742 tCO₂e, up from 358 tCO₂e in 2023
- Invested £10.2 million in solar panels and building management systems across the hospitals business
- 31.4% of dry mixed waste recycled up from 23.5% in 2023
- Increased female representation in senior leadership roles to 54.7% up from 52.5% in 2023

See page 32



Expanded our proposition

- Opened three new diagnostic and outpatient clinics in Abergele in north Wales, Harrogate and Norwich
- Won large new NHS talking therapies contract in Kent and Medway, and a second in Derbyshire to start in 2025
- Won new occupational health contracts, including with a prominent UK retailer
- NHS contracts in Bromley, Oldham, and Basildon and Brentwood were successfully renewed

See page 35

to deliver a strong financial performance for our shareholders
and the fiscal strength we need to invest in future growth



See key numbers on
pages 8 and 9

The value we create

2024 outstanding, personalised care

“The care, consideration and courtesy of everyone from cleaner to consultant was outstanding. The food was excellent.”

NHS patient

Spire Healthcare hospital

“I was suffering from multiple health issues. After weeks of suffering the GP was able to help me recover. What stood out to me was his commitment to my recovery. He followed up to ensure the medication was working.”

GP patient

London Doctors Clinic

“It was a really straightforward booking process. The online doctor was lovely and easy to talk to. I was offered useful advice, easy for me to apply to my everyday life. Highly recommended.”

Patient

London Doctors Clinic

“I was anxious and tearful but you reassured me and came to check on me twice, which was amazing. I also had a call at home to see how I was getting on and that made me feel at ease. Every time I pressed the buzzer at night, the staff would come straight away.”

Self-pay patient

Spire Healthcare hospital

“The service was easy to access and the counsellor was very understanding. I felt completely at ease to say anything and not judged in any way.”

Patient

Vita Health Group

“From the outset, Spire Occupational Health was totally professional in the development and integration of our occupational health service.”

Corporate client

Spire Occupational Health

“Medical care always on hand. All the team were kind, helpful and sympathetic. From the anaesthetist to the theatre team and everyone on the ward, the care was outstanding.”

Insured patient

Spire Healthcare hospital

“The care given to my patients is first rate. It is a friendly open environment from all staff. The upgraded facilities give a bright modern look and have enhanced an already superb hospital in my opinion.”

Consultant

Spire Healthcare hospital



The value we create

2024 financial highlights

£1,511.2m

revenue up 11.2% from £1,359.0m in 2023,
up 6.2%* on a comparable basis¹

Group

£137.5m

operating profit up 9% from £126.2m
in 2023

Group

9.9%²adjusted EBIT margin up 0.3 percentage
points from 2023, up 0.6² percentage points
from 2023 on a comparable basis¹

Group

£112.1m

invested in upgrading and maintaining
our estate, up from £84.4m in 2023

Group

18.0%²adjusted EBITDA margin for the hospitals
business up 0.4 percentage points from 2023

Hospitals

£260.0m²adjusted EBITDA up 11.1% from £234.0m
in 2023, up 9% on a comparable basis¹

Hospitals

6.3p

basic earnings per share, 6.8p in 2023

Group

2.3p

dividends per share up from 2.1p in 2023

Group

£20m+

in efficiency savings delivered in 2024

Hospitals

8.2%²

ROCE up from 7.5% in 2023

Group

1. Refer to page 171 for an explanation of comparable basis

2. Refer to page 88 for a reconciliation of non-GAAP financial measures



The value we create

2024 highlights: changing lives

1.3m+

people cared for across the group
(2023: 1.05m+)

Group

993,000

self-pay, insured and NHS patients cared for in 38 hospitals (2023: 989,300 in 39)

Hospitals

96,900

private GP consultations at Spire GP and London Doctors Clinic
(2023: 99,000)

Primary Care Services

6%

behind target for 2024 emissions
(26,522 tCO₂e emitted, target 24,963 tCO₂e)
(2023: 3% ahead)

Group

£17,000+

donated in corporate charity fundraising drive (2023: £40,000)

Hospitals

380+

apprentices in Spire Healthcare and Vita Health Group (2023: 430+)

Group

276,500

people cared for by Vita Health Group
(2023: 225,380)

Primary Care Services

98%

of locations rated Good or Outstanding or the equivalent by regulators in England, Scotland and Wales (2023: 98%)

Group

31.4%

dry mixed waste recycled at sites only
(2023: 23.5%)

Hospitals

17,600

colleagues (2023: 16,800)

Group



Our model for success

Delivering sustainable shareholder value

We are delivering on our strategy and have delivered a good performance in 2024, in line with our plans. The market fundamentals are strong and we are responding to meet a changing world to deliver strong performance and investor returns.

Our strategy and business transformation programmes are designed to achieve continued momentum in top-line growth, margin improvement and ROCE improvement.

Building scale and access

We have clinical sites nationwide and are building consumer-friendly digital access to care, with online booking, referral and treatment. We are selectively investing to attract patients, meet more of their healthcare needs and expand our proposition.

 [Read more in Strategy on page 21](#)



Investing in growth and high-return sectors

We deliver care across elective inpatient surgery, outpatient diagnostics, private GP services, occupational health, physiotherapy and musculoskeletal services, mental health and post-operative care, and will continue to invest in these areas. We care for patients who self-pay, are covered by PMI, are referred through the NHS and are funded by corporates.

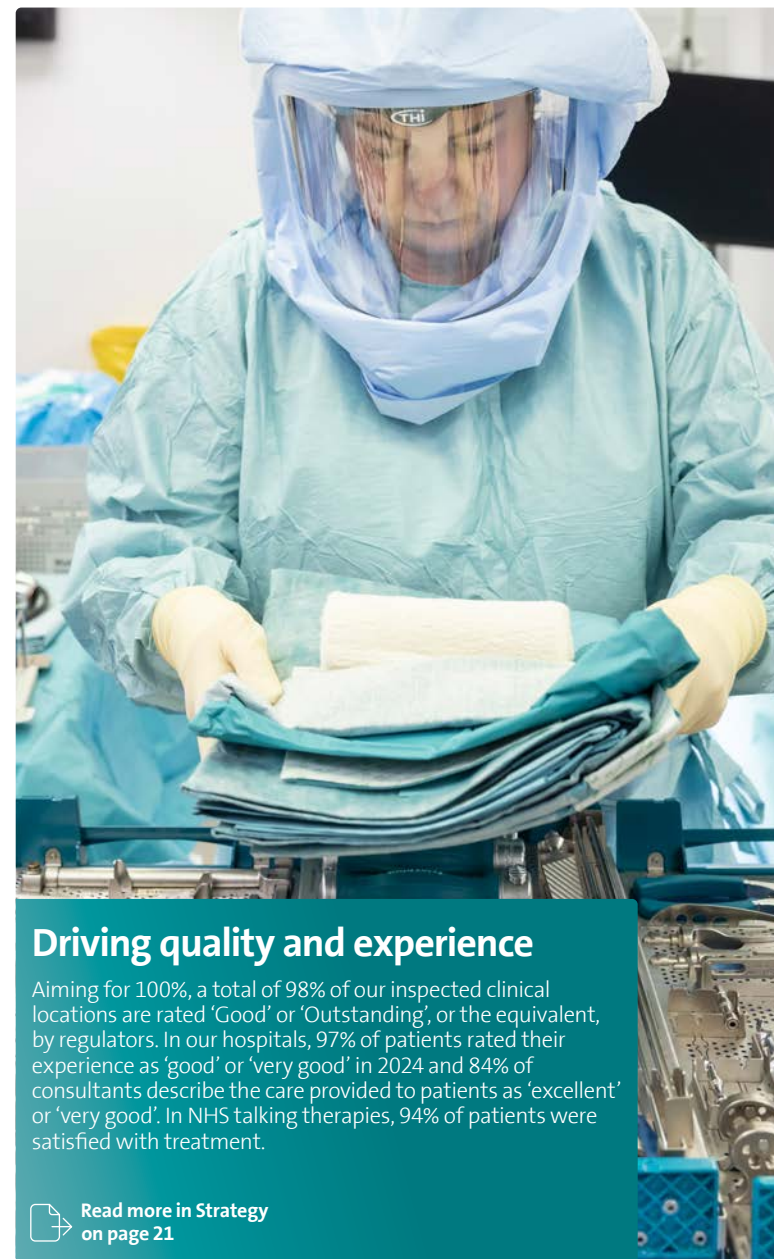
 [Read more in Strategy on page 21](#)

Our model for success continued

Focusing on efficiency and expertise

We are investing in the clinicians of the future, have improved our recruitment and retention rates and are reducing our use of agency staff. Successful transformation programmes are delivering efficiencies across the business and we are investing in robotic-assisted surgery and AI-assisted diagnostics.

 Read more in Strategy
on page 21



Driving quality and experience

Aiming for 100%, a total of 98% of our inspected clinical locations are rated 'Good' or 'Outstanding', or the equivalent, by regulators. In our hospitals, 97% of patients rated their experience as 'good' or 'very good' in 2024 and 84% of consultants describe the care provided to patients as 'excellent' or 'very good'. In NHS talking therapies, 94% of patients were satisfied with treatment.

 Read more in Strategy
on page 21

Our model for success continued

Delivering societal value

We seek to deliver value for society and aim to live our purpose.

We strive to be a sustainable company, delivering environmental, social and economic benefits. We want to operate sustainably and within our communities and society.

We seek to deliver positive benefits to our patients, colleagues, communities, practising consultants, clinicians, suppliers, partners, clients and investors.

Helping to create a healthier and more productive Britain

Everything we do aims to help people return to good health, so they can get back to work and to doing what they love; changing lives for the better. We have evolved from being purely hospital-based to an integrated healthcare provider, able to care for people's physical and mental health needs, offering GP appointments and occupational health, as well as community and hospital care. We partner with the NHS to reduce waiting lists and welcome the government's renewed partnership agreement with the independent sector.



Read more in Expanding our proposition on page 35



Providing the highest quality care

Quality and patient safety is at the heart of everything we do, and we receive excellent feedback from our patients and regulators. In 2024, 95% of patients said they felt 'cared for' or 'looked after' in our hospitals. Our clinical governance, culture and systems for overseeing the practice of consultants have been transformed in recent years, and the implementation of the Patient Safety Incident Response Framework (PSIRF) at every hospital has further strengthened learning in 2024.



Read more in Strategy on page 21

Our model for success continued

Boosting the economy

We support the UK economy by investing in skills, technology and infrastructure, boosting productivity and contributing to net zero. We run a large nurse apprenticeship programme, and around 3% of our permanent workforce – over 380 people – are apprentices. By growing and developing talented people, we are helping to address the shortage of skilled professionals in our sector. We work closely with suppliers to develop partnerships that will deliver value for the wider community as well as our people, patients and their families.



Read more in Strategy and Sustainability
on pages 21 and 38



Supporting communities, global and local

We are investing in green energy and delivered another increase in recycling rates in 2024. Most hospitals are now fitted with solar panels to reduce our use of greenhouse gases for power and reduce energy consumption. We now have electric trucks and cars to reduce carbon emissions, and electric charging at our hospitals. The group raises money for local and national charities and hospitals form long-standing relationships in their communities.



Read more in Sustainability
on page 38

Chief executive officer's strategic review

Performing well and confident of future prospects



Highlights

97%

of hospital patients rated their experience as 'Good' or 'Very Good' (2023: 96%)

11.2%

overall revenue increase, 6.2% on a comparable basis (2023: 13.4%)

2024 was a year of many achievements as we deliver on our strategy, improve quality and safety and continue to transform the business in a changing environment. I am confident of our continued growth into 2025."

Justin Ash
Chief Executive Officer

I am pleased to report a year of good progress as we transform our business. Our strategy is yielding results as Spire evolves into an integrated healthcare provider, meeting growing healthcare demand in the UK.

Our performance

Our business is performing well, with overall revenue in the year of £1,511.2 million, 11.2% up on 2023, 6.2% on a comparable basis, while adjusted EBITDA was £260.0 million, up 11.1% compared to 2023, 9% on a comparable basis. Trading and self-pay demand in hospitals has been softer, but NHS is strong and our strategy is delivering; I am pleased to report an improved hospitals business margin of 18.0% from 17.6%. Vita Health Group (VHG) is performing ahead of guidance with revenue of £107.4 million and adjusted EBITDA of £11.0 million.

We are delivering sustained financial performance by helping to meet Britain's healthcare needs, and we do that by running great hospitals and primary care services, developing our colleagues and keeping our patients at the centre of care. We do this at scale, now caring for more than 1.3 million people a year.

Not only that, we have also delivered on my four key themes for 2024:

Listen up: embracing the gift of feedback so we are open, honest and safe

Inspire kindness: having an open and honest culture

Being a change champion: driving business transformation and responding well

Making it count: delivering well as we continue to change and transform.

You'll read more about how we have done this throughout the report.

A changing environment

We are delivering our strategy while responding to a changing market; we broadened our range of services to meet more healthcare needs in our hospitals, our clinics, in the community and at home, welcomed more NHS patients and invested significantly in the hospitals business. We have improved quality and safety through various initiatives.

We have a strategic partnership with the NHS, and continue to discuss the 2025 tariff with them and government. Increases to National Insurance and minimum wage are a challenge for many businesses and will add to our cost base, but we are addressing this by accelerating our efficiency programme. We are disciplined in managing both margin and growth through acuity (complexity) mix, price, optimal use of capacity and delivery of cost savings.

Laying the ground for future delivery

We want to provide excellent primary and secondary healthcare services – continually improving the experiences of our patients, consultants and colleagues, through ongoing investment in quality and patient safety.

We recognise that we need to simplify our processes and, of course, improve our impact on the environment. This will help us to better respond to patient expectations of a faster, more digital experience; grow our margins and deliver a better experience for our patients, colleagues, partners and consultants; and benefit from advanced data capabilities, leading to better decision-making.

In 2024, the focus of our transformation programme in the hospitals business has been laying the foundations for digitalisation and operational change, securing efficiencies and preparing to initiate significant investment projects from 2025 onwards, working towards more visible transformation, modernisation and margin growth. To maximise performance in our hospitals, we are prioritising operational control, increasing capacity and maximising utilisation across our hospitals. We are leveraging our hub ways of working, such as new patient support centres in Cardiff and Seaham in Sunderland in 2024, and an expansion of the Essex site opened in 2023.

Chief executive officer's strategic review continued

On my regular visits around the country, I heard that colleagues want our systems and processes to improve and they understand the need for change, but change is always challenging. We have learnt from this first year of significant change and our leaders and colleagues have received significant support, including new strategic management support that considers all aspects of business change and its impact, including IT. I am extremely pleased at the delivery of phase one of our transformation programme and thank all leaders and colleagues involved.

As part of our integrated, group-wide approach to healthcare, Derrick Farrell, CEO of Vita Health Group (VHG), has been appointed to lead all our primary care services and now sits on our central executive committee.

Investing for the future

In 2024 we invested £112.1 million in capex, including refurbishing five sites in Huddersfield, Cardiff, Sheffield, Edinburgh and Southampton. A significant investment has been £10.2 million on installing over 12,000 solar photovoltaic panels and building management systems across our hospital estate. This investment contributes to our sustainability goals and will reduce our demand for electricity and its cost. We continually seek ways to reduce the impact our business has on the environment and work towards our 2030 net zero target for Scope 1 and 2, and elements of Scope 3 GHG emissions. We are also focusing our efforts on waste and recycling. We have paused our purchase of renewable energy guarantees of origin (REGOs), credits which help to reduce our carbon footprint, in 2024 owing to a significant increase in cost. We would welcome further government investment in this area to enable us to achieve our net zero target.

Our cost savings programme is delivering efficiencies and customer service improvements. We secured over £20 million in cost savings in 2024 to increase shareholder returns, while moving forward at pace with the next phase that will deliver at least £80 million of cumulative benefit by 2026. We remain committed and well placed to deliver on our medium-term financial targets, but anticipate the delivery of margin targets moving back by one year, due to the additional cost pressures of national

insurance, national minimum wage, energy pricing and shifting payor mix.

Empowering our colleagues

To deliver our purpose, we depend upon a dedicated and engaged workforce. We aim to provide a stimulating, diverse, inclusive and healthy working environment in which colleagues can thrive and achieve their career goals and aspirations, and so we invest in our workforce through strong recruitment, retention and development programmes.

We are also focused on getting the fundamentals right on pay, benefits and reward for our colleagues. In 2024, we implemented a new job and reward framework in our hospitals providing clarity around reward and career progression opportunities. It will help us remain competitive, recruiting at the right salary levels and paying colleagues at the right level. I am grateful to all our hospital directors and colleagues who have worked tirelessly to get this right during a year of change.

Our 2024 annual colleague survey in November for all colleagues across the hospitals business, London Doctors Clinic (LDC) and Spire Occupational Health ran concurrently with VHG's colleague survey. It shows that 76% of colleagues are proud to work for Spire (2023: 81%) with a response rate of 83% (2023: 86%). It is pleasing to broadly sustain high levels of engagement and response through a year of fast transformation.

We continue to attract talented people to join our teams and have record levels of permanent employment in the hospitals business, high retention rates of 86.1% (2023: 84.4%), and the lowest number of vacancies for some time. We have also continued to manage our use of agency staffing.

During 2024, our equity, diversity and inclusion (EDI) strategy was reviewed with a view to defining organisational-level targets to help us improve diversity and belonging within the business. I look forward to implementation during 2025. I am pleased that Spire is again listed in the FT Statista Diversity Leaders index as the leading UK healthcare company and as an FT UK Best Employer. The FTSE Woman Leaders Review and Women in Work have also recognised Spire for the involvement of senior women in our business for 2024/25.



Clinical governance, quality and safety

Relentless focus on quality and safety is integrated into every aspect of our business. We collaborate and share vital information across hospitals to improve safety and encourage continuous improvement, ensuring the right conversations are happening and lessons are learned. During 2024, we have fully implemented the Patient Safety Incident Response Framework (PSIRF), significantly improving the quality of conversations between colleagues and consultants around learning and improving. Read more on this in Building on quality on page 25 and in Clinical governance and safety on page 103.

Delivering safe care in well run, high-quality hospitals and clinics is a fundamental underpin to our ability to deliver performance. Getting care right, as evidenced by patient, colleague and consultant feedback, meets our purpose and values and results in good commercial outcomes. For these reasons, quality is an integral part of every decision we make.

In 2024, 98% of our inspected hospitals and clinics are rated 'good' or 'outstanding' or the equivalent by regulators in England, Scotland and Wales, and 100% of VHG locations are rated 'good'. One hospital in Kent remains uninspected since 2016/17. We await the review, led by Dr Penny Dash, into the future of the Care Quality Commission (CQC) and safety regulation, and have contributed to the discussions.

All our business decisions, at central and local level, have clinical input and quality at their heart. The level of care we can provide in each hospital is clearly defined: by specialty, complexity of procedures and complexity of patients.

We maintain robust standards of clinical and corporate governance in line with best practice, while promoting an open and learning culture for all colleagues and using data to support hospitals on quality, and rigorous ward-to-board assurance. We are extending our robust governance approach to newly acquired parts of the business, seeking to share learning as we integrate services and develop new ones.

Chief executive officer's strategic review continued

At the heart of our growing primary care business is VHG which provides mental and physical health services in England. The other customer offerings are listed on page 5. I was pleased to see that VHG won the Health and Wellbeing Awards 'Best Company to Work For' award and the HealthInvestor 'Primary Care Provider of the Year' award, recognising their achievements.

We are continually improving our patient experience in the hospitals business. Our 2024 patient survey showed 97% of our hospital patients rated their experience as 'very good' or 'good', while 95% of patients said they felt 'cared for' or 'looked after' in our hospitals. Both of these are an improvement of one point on prior year. In VHG, 94% of NHS talking therapies patients were satisfied with their treatment.

We implemented a new patient experience framework in 2024, which provides a toolkit for each hospital to listen to patients, and the full implementation of PSIRF for all patients has resulted in a step change in our culture and approach to patient safety and response across our hospitals. We have also developed our driving clinical excellence in practice programme, launched in 2023, to support our registered nurses' and allied health professionals' continuing professional development.

I was thrilled that Spire was a finalist in the HSJ Patient Safety Awards in 2024 for 'Developing a Positive Safety Culture' and that we developed and led two sessions at the HSJ Patient Safety Congress, showing how we are leading the way on safety through integrating PSIRF, Quality Improvement and Freedom to Speak Up to deliver quality and safety within the right culture.

Expanding our proposition

Our primary care services are also tackling the causes of ill health and low productivity, working in partnership with the NHS and corporates to care for more people, while offering synergies to our hospital business.

In 2024, VHG won new NHS contracts in Derbyshire, and Kent and Medway, the latter being the largest talking therapies service run by a single independent



provider and the former starting in 2025. Our contracts in Bromley, Oldham, and Basildon and Brentwood were renewed for an extended period.

As part of a wider primary care strategy, we plan to push our services into new geographies, prioritising areas where we already have a hospital or clinic presence, linked to a patient support centre, increasing the opportunity for downstream revenue into hospitals and the ability to serve local communities better. It was pleasing to win new contracts for occupational health, including with a prominent UK retailer.

In 2024, we opened three new day case clinics to meet growing healthcare needs in our communities and to complement our 38 hospitals, as part of a previously-announced network of clinics. The first was in Abergele, North Wales, early in 2024, and clinics in Harrogate and Norwich opened in December creating links with new consultants and joint working with Spire Leeds, Spire Methley Park, Spire Norwich, and Spire Yale, including the new diagnostic centre we opened there in 2023. In late

2024, we launched a dedicated hip and knee network with Aviva as a preferred supplier across England, Scotland and Wales.

Working with the NHS

Waiting lists have remained sizeable, with 7.46 million treatment pathways at the end of 2024. The government seeks to reduce waiting times and modernise the service and is developing a 10-year plan to improve care, which is expected in 2025. In the early days of 2025, we agreed to support a new agreement between the NHS and the independent sector to work more closely together on relationships, systems and training and to care for more NHS patients.

In 2024, we cared for over 199,500 NHS hospital patients up on 2023. We proactively welcome more NHS patients to maximise capacity and worked on this in 2024. For example, we reached an agreement with the NHS to support the Sussex Health system, helping to reduce its list of long-waiting patients by providing treatment through a group of Spire hospitals in the south of England. Most of Spire's NHS activity comes

from NHS GPs via the electronic referral system (eRS), which allows patients to book appointments with providers with the shortest waits.

Leadership changes

In May 2024, I was pleased to appoint Harbant Samra as chief financial officer, taking over from Jitesh Sodha who stepped down. Harbant joined Spire Healthcare in 2018 as a group financial controller and became deputy CFO in 2022.

It was with great sorrow that we announced the death of Martin Angle, Deputy Chairman and independent Non-Executive Director in September. Martin had a distinguished career across banking, private equity and industry. He joined our board in 2019 and was chair of our audit and risk committee and a member of several other committees. I will personally miss Martin's knowledge, experience and passion for our business.

I look forward to welcoming Rebecca Harper to the new executive committee position of group corporate affairs director in April 2025.

In summary, our strategy is delivering and we have responded to a changing market with discipline. Thank you to all colleagues, consultants and leaders for their efforts and commitment during 2024. We remain confident in the combination of structural market growth, the growth potential of new primary care services, increased synergies between the two, and a continued strategic partnership with the NHS.

We are a diversified, integrated business with strong patient satisfaction and resilience for the future. In 2025, I look forward to further business transformation, the next phase of savings through operational efficiencies leading to growth, improved margin and benefits for patients and colleagues, and to contributing in even greater measure to the nation's health.

Justin Ash
Chief Executive Officer

Our business model

How we create value for the business and our stakeholders

Spire Healthcare helps people return to good health, providing more choices, quickly and safely, through our dedicated and highly trained colleagues, at a time of unprecedented healthcare demand.

Our drivers and resources

Our purpose

Making a positive difference to people's lives through outstanding personalised care.

Our resources

- A highly motivated and skilled team of clinical and non-clinical colleagues
- GPs, consultants and other health professionals who are experts in their field
- Hospitals, critical care units, Macmillan-accredited cancer centres, clinics and consulting rooms
- Our digital infrastructure and the latest medical facilities and equipment

See more detail on how we generate revenue on [page 18](#)



What we do and key trends

Our offer: from prevention to complex care

- A nationwide network of private GPs with rapid access clinics in London
- Occupational health and employee assistance programmes
- Diagnostics
- Treatment and surgery: from orthopaedics to cancer and complex care
- Physiotherapy, recovery and rehabilitation
- NHS talking therapies and corporate and private mental health

Market trends

- Population profile
- NHS waiting lists
- Private market
- Healthcare workforce
- Economic environment
- Role for corporates

Read more on this in our market on [page 19](#)

Our objectives

Our strategy

We're helping to meet Britain's healthcare needs by running great hospitals and developing new services through the five pillars of our strategy:

- Driving hospital performance
- Building on quality
- Investing in our workforce
- Championing sustainability
- Expanding our proposition

Which together deliver strong financial performance.

We discuss our strategy in detail on [page 21](#)

Risk management

We work towards achieving our strategic objectives by identifying, quantifying and monitoring risks, in terms of consequence and likelihood.

See our risks and internal control report on [page 65](#)

Sustainability

We aim to become recognised as a leader in sustainability in our industry. Through our sustainability strategy, we seek to drive positive change in the workplace, local communities, and the environment.

See our sustainability report on [page 38](#)

The value we create

For patients

We provide fast access to high-quality, personalised clinical and medical care, and advice, with world-class experts

For consultants

We invest in the best people, facilities, patient safety and equipment to make Spire Healthcare the partner of choice

For private medical insurers

We provide their members with prompt access to leading consultants, facilities and clinical teams with a strong track record on safety, quality and patient satisfaction

For NHS GPs

As a critical link in referrals, we liaise closely with them and deliver training, education and information

For regulators

We engage with a variety of regulators to ensure compliance with the law and high standards

For the community

We support the UK economy and corporates by investing in skills, technology and infrastructure, while **boosting productivity by helping people get back to work**

For colleagues

We provide high job satisfaction, a competitive reward and recognition framework, and the chance to learn, develop and grow

For suppliers

We provide clear policies, relationships and contracts to ensure long-term and mutually beneficial commercial arrangements

For the NHS and government

We help the NHS reduce waiting lists, work closely with the NHS centrally and in local communities, with commissioners and trusts, and provide NHS talking therapies, physiotherapy and dermatology services

For corporates

We provide their employees with access to leading clinicians, facilities, locations and virtual services to enable people to stay in or get back to work

For investors and lenders

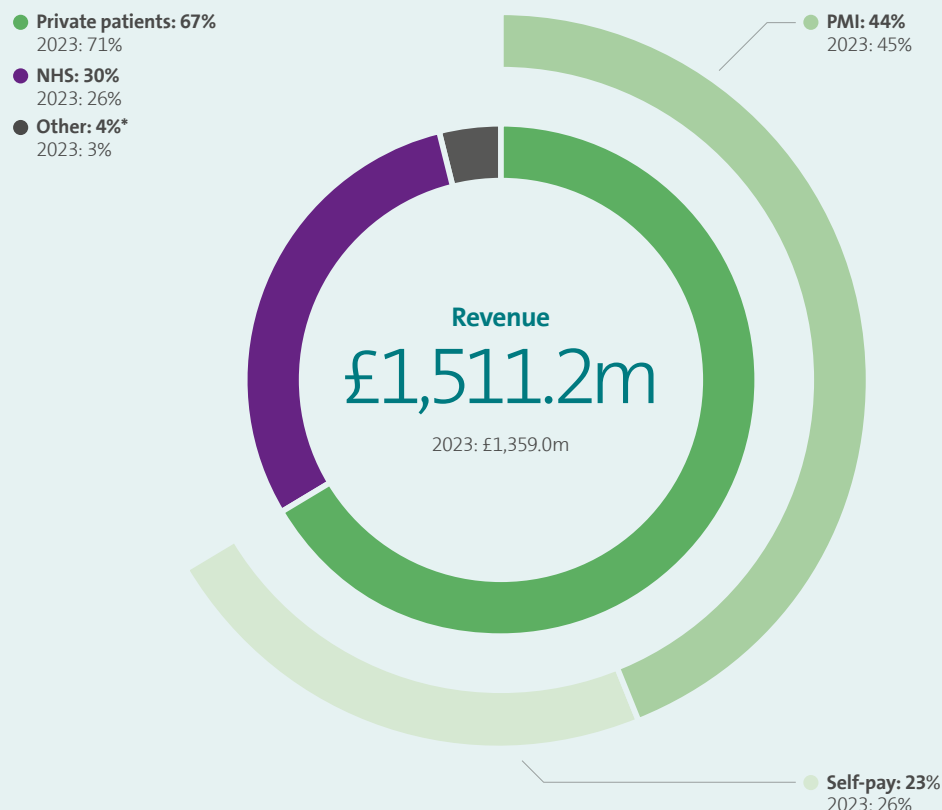
We aim to create value by delivering **strong total shareholder returns and keep them informed on all major issues**

Our business model continued

How we generate revenue

Where we generate revenue

As a leading independent healthcare group, we provide diagnostics, inpatient, day case and outpatient care to insured, self-pay and NHS patients, occupational health services to over 800 corporate clients, private GP services and physical and mental health services for the NHS.



How we generate revenue

Private patients

We offer assessment, diagnostic tests and treatments at our hospitals and clinics. People have a choice of when and where they are cared for, in hospitals and clinics that combine excellent clinical outcomes with 'hotel-style' levels of service.

To read more about trends in the private health market, see [page 19](#)

PMI

We have long-term contractual relationships with all the major private medical insurance (PMI) providers Aviva, AXA Health, Bupa and Vitality Health, which dominate the market. Patients' insurance covers future specified health needs, and when patients are cared for by us, agreed costs are covered by the insurer. We market a Spire-branded insurance product, inSpire, underwritten by AXA Health, which gives access to affordable private care at Spire Healthcare hospitals.

Self-pay

Where patients pay directly for their care they can directly book treatments, without the need for a GP referral. Patients pay a fixed price directly for each treatment or procedure such as a consultation, scan, surgery, mental health session, physio session or GP appointment.

NHS

We contract with the NHS to care for NHS patients, offering diagnostics, elective surgery and treatment and at our hospitals and clinics. Some work comes through block contracts, but most patients come to us directly through their NHS GP, allowing waiting patients to access care. Patients have the legal right to request NHS treatment in an independent setting and the government has agreed to promote this choice through a new agreement. Care is at the same tariff prices as local NHS trusts. The NHS agrees settlements with Spire annually for the cost of care and prices increased by 3.9% in 2024.

Through Vita Health Group (VHG), we provide talking therapies, musculoskeletal and physio services, and dermatology services for the NHS. Services are free at the point of delivery to patients, who can self-refer to services without seeing their NHS GP.

Corporates

We provide over 800 corporates with occupational health services through long-term contracts and employee assistance programmes. Our services support corporates to keep employees healthy, protect and promote good health and provide services such as health surveillance, training and mental health support. VHG has contracts with 200 corporate clients and Spire Occupational Health has over 610. We also offer a pay-as-you-go model with smaller businesses.

To read more about services for corporates, see [Engagement with stakeholders on page 59](#)

Our market

Key trends

Ongoing significant demand for safe, high-quality healthcare treatment is driving our market

The demand for healthcare in the UK remains strong – with accelerated demand for private healthcare, and the number of patients paying privately for healthcare continuing to increase.

We have a strategic partnership with the NHS and stand ready to take on more work, including increased complexity. We welcome patients exercising their right to choose where they receive treatment.

The number of people out of work in the UK due to ill health continues to increase, and with our expansion into primary care services including mental health and physiotherapy, we are confident we can help more people live healthier lives and get back to work, as well as supporting corporates to take care of their employees.

7.46 million

Patient pathways on waiting lists, down from 7.6 million in December 2023⁸

33.7 million

Working days lost to work-related illness and injury⁶

16.4 million

People in the UK now covered by a form of private health scheme, up from 13.5 million pre-pandemic¹⁴

1. Source: Get Britain Working White Paper, Policy Paper, 26 November 2024, www.gov.uk
2. Source: Rising ill-health and economic inactivity because of long-term sickness, UK: 2019 to 2023, ONS, 26 July 2023
3. Source: Statistics, Key figures for Great Britain (2023/24), Health and Safety Executive
4. Source: www.mind.org.uk
5. Source: The Mental Health Foundation
6. Source: Mental Health Statistics UK 2024: ForthWithLife.co.uk
7. Source: NHS England
8. Source: NHS England
9. Source: Independent Healthcare Providers Network (IHPN), 24 January 2025
14. Source: LaingBuisson

Macro trends



01 Population profile

The UK's growing and ageing population, and the prevalence of long-term conditions, are putting pressure on the UK's healthcare resources. The number of people in the UK who are economically inactive has grown to 2.8 million¹, with those inactive due to long-term sickness on the rise since 2022.² In addition, 1.7 million working-aged people are suffering from a work-related illness in the UK.³ One in four people will experience a mental health problem of some kind each year in England⁴ and poor mental health is costing the economy an estimated 5% of GDP.⁵

Impact

- Total costs to Britain were around £21.6 billion in 2022/23, while in 2024, 33.7 million working days were lost due to work-related illness and injury.⁶ There is an increased government spotlight on the need to get people back to work
- People continue to experience long waits to see their NHS GPs and are struggling to access community services for long-term conditions or other health issues
- In 2023, the NHS spent £217.5 million on medications to treat depression and anxiety.⁷ Talking therapies are effective and confidential treatments, delivered by trained and accredited practitioners for conditions including depression and anxiety

Our response

- We are committed to delivering a range of vital healthcare services to help improve the population's health, relieve pressure on the NHS and support those with long-term ill-health
- We continue to expand our range of primary care services including our physical and mental health business, VHG, and offer a range of services covering wellbeing, musculoskeletal therapy, mental health services and NHS talking therapies



02 NHS

NHS waiting lists remain high, with 7.46 million⁸ pathways although down from the all-time high of 7.8 million. In 2019, there were around 1,600 people waiting longer than a year for care; today, it is approximately 200,000, much reduced from 2023, but still much higher than before the pandemic. The 18-week waiting target has not been met for almost 10 years. Over 1.5 million patients were removed from NHS waiting lists via the private route in 2024 – at a rate of around 18,000 patients a week.⁹ The new government seeks to reduce waiting lists and waiting times, move more care into the community, focus on prevention, and improve technology in the service.

Impact

- The private sector is well placed to contribute to health provision in the UK. Government and the NHS recognise the need to work with the independent sector to care for NHS patients by using its capacity. The NHS spent £2.1 billion in private hospitals in 2023, up from £1.9 billion in 2022

Our response

- Most of Spire's NHS activity comes from NHS GPs via the electronic referral system (eRS), which allows patients to book appointments with providers with the shortest waits. Tariff prices per procedure are the same as in NHS trusts
- We have a strategic partnership with the NHS and stand ready to take on more NHS work, particularly on longer-term contracts, allowing us to create capacity for diagnostics and treatment. We are contributing to the 2025/26 NHS Payment Scheme consultation
- We are engaging with NHS England on the new 10-year plan due to be published in spring 2025, and we contributed to a new concordat statement of partnership between NHSE and the independent sector

Our market continued

Structural trends



03 Private market

The value of the UK's private healthcare market rose to a record £12.4 billion in 2023¹⁰, and while UK PMI penetration is low (c.15% of population), it is growing. Private hospital admissions for insured patients grew to record levels in 2023, with PMI established as the primary level of payment – now more popular than before COVID-19 – as more people understand the costs and benefits of PMI and more workplace schemes become available¹¹.

Impact

- The overall self-pay market for healthcare ceased to grow in 2024 but demand remains above pre-pandemic levels. More people are becoming insured, either through employment or direct purchase of policies

Our response

- We care for private, corporate and NHS customers through PMI, self-pay, contracts with employers and NHS referrals. Spire works with all major insurers
- We are widening our integrated healthcare offering to span hospitals and clinics, including Spire GP, LDC, Spire Mental Health and VHG alongside the hospitals business. These services can meet more needs of local patients and are increasingly part of the value chain into hospitals
- We are disciplined on pricing and acuity (complexity) mix. We have implemented price rises and managed our mix of services and choice of products

10. Source: Private Acute Healthcare Report, LaingBuisson, October 2024

11. Source: PHIN



04 Healthcare workforce

The UK healthcare sector continues to face a severe skills shortage, with healthcare professionals leaving the industry each year. The combination of recent high inflation and labour shortages is also impacting upon the profession. A long-term NHS Workforce Plan was published in summer 2023, setting out the strategic direction for the workforce in England, addressing the shortfall into the 2030s by expanding training.

Impact

- The current staff shortage in the UK's healthcare sector is creating strain on healthcare delivery and patient care
- Attracting and retaining the best people remains a challenge for all healthcare providers, both state and independent. Rates for agency staff and specialist clinical roles are rising owing to both shortages and inflation, presenting a further challenge

Our response

- We seek to be a positive contributor to the healthcare workforce. We run a large nurse apprenticeship programme and offer a range of clinical and non-clinical apprenticeships, along with many training opportunities
- In 2024, we increased the proportion of permanent colleagues, improved colleague retention to 86.1% and reduced agency spend
- We are competitive in the reward we offer colleagues, so we can attract and retain the best people, and have addressed that in our salary awards and benefits programme



05 Economic environment

Following sharp rises in inflation in the UK in 2023, the rate fell in 2024, but cost-of-living pressures are still affecting many people's disposable income. New government measures to increase national insurance rates for employers will add further pressure.

Impact

- The economic climate and financial concerns have resulted in a complex inflationary environment that affects our supply chain, our operational costs and salary expectations. However, people will continue to need healthcare
- Spire has some resilience to these pressures. Our core customer is more insulated against rising costs, while our older, self-funding customers are less likely to have borrowing costs. We have shown that three-quarters of the population could obtain access to funds to pay for care if needed¹²

Our response

- We forecast that our significant investment in solar power during 2024 will result in a reduction of energy costs by 17.9% and 3% for building management systems
- The largest rise in our costs is colleague salaries, with increases to address the cost-of-living in 2022, 2023 and 2024, and we remain a competitive employer on reward
- Our continued investment in the transformation and modernisation of the hospitals business will yield significant efficiencies to offset rising costs
- Our continued integration of primary care services and creation of new care pathways will enhance margin

12. Source: Spire Healthcare research, 2024



06 Role for corporates

Corporates are increasingly expected by their workforce to play a role in preventing, maintaining and improving the health of their employees, through PMI, occupational health and wellbeing interventions. Over 25% of businesses offer PMI and one in five are planning to introduce it over the next 12 months¹³.

Impact

- 16.4 million people in the UK are now covered by some form of private health scheme, up from 13.5 million pre-pandemic¹⁴
- Corporates who prioritise employee health and wellbeing are better able to attract and retain top talent, and enhance overall business success

Our response

- We are advising employees and corporates to support companies to have a healthy workforce, and broadening our primary care services into adjacent markets including occupational health, musculoskeletal services and mental health
- We provide mental health and musculoskeletal services and employee assistance programmes to corporates through VHG, helping companies to support their employees to remain healthy at work or aid those off work to recover and return to their duties, thereby improving productivity for corporates
- We provide services for corporates through Spire Occupational Health and VHG; prioritising occupational health yields benefits for corporates including reduced absenteeism, improved morale and complying with the law

13. Source: PHIN

14. Source: LaingBuisson

Our strategy

Helping to meet Britain's healthcare needs


As a leading integrated healthcare provider, we bring together the best people who are dedicated to developing excellent clinical environments and delivering the highest quality care.


Informed by our purpose, structured through our business model, we have evolved our strategy with a clear direction; not only in hospitals, but also across a range of primary care services, so we can better respond to growing healthcare demand in the UK.

Our five strategic pillars are helping us to meet evolving health needs across England, Wales and Scotland. We are focused on quality and safety, investing in our workforce and expanding our proposition, as well as championing sustainability and driving hospital performance.

Over the next few pages, we describe in more detail how we have progressed on each pillar over 2024.

	Driving hospital performance	Continue to grow across our existing hospital estate with increasing margins	 See page 22
	Building on quality	Maintain strong quality and safety credentials for patients and as a competitive advantage	 See page 25
	Investing in our workforce	Aspire to attract, retain and develop the most talented people to our business	 See page 29
	Championing sustainability	Become recognised as a leader in environmental, social and governance (ESG) in our industry	 See page 32
	Expanding our proposition	Selectively invest to attract patients and meet more of their healthcare needs	 See page 35
to deliver a strong financial performance for our shareholders and the fiscal strength we need to invest in future growth			

 Our key performance indicators (KPIs) are explained in detail on page 62

 Read about our engagement with stakeholders on page 55

 Read about our work in sustainability on page 38

Our strategy continued



1. Driving 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 2024

- Invested in our hospitals business to transform care, quality and service through centralisation and digitalisation
- Increased private revenue by 3.7% to £995.2 million from £959.7 million in 2023
- £112.1 million capex investment across our estate, including solar energy and three new clinics
- New patient support centres

Priorities for 2025

- Deliver the next milestones on our digital transformation: a new consumer website and new CRM platform
- Ongoing margin enhancement towards 21% by the end of 2027
- Further savings and efficiencies to deliver a cumulative £80 million by 2026
- Delivering patient support centres to improve efficiency and service

Maximising growth in our hospitals

Performance in our hospitals business is driven by delivering a great experience for our patients, our consultants and our teams – ensuring safe care in well-run, high-quality hospitals underpins our ability to deliver results. Getting care right, as evidenced by patient, colleague and consultant feedback, results in good commercial outcomes and maximises patient safety.

Quality is therefore an integral part of every decision we make. All our business decisions, at both central and local levels, have clinical input and quality at their heart. For more see Strategy: Building on quality, on page 25.

We continue to improve our hospitals performance, ensuring all our hospitals work together to deliver our purpose of making a difference to people's lives through outstanding personalised care. We are doing this by transforming the delivery of our hospital services to our patients and our partners and investing in digitalisation.

To maximise performance in our hospitals, we are prioritising operational control, increasing capacity and maximising utilisation across our sites. Today, this remains a skilled, but manual, process that enables us to respond to issues of absence and cancellations in real time. Over the next two years, we will continue to automate these processes to further improve our resilience and performance. We have a clear plan for growth, including returning administration space to clinical use and growing our network of clinics and primary care facilities.

Delivering efficiencies

We continue to roll out our efficiencies programme to deliver material savings, efficiencies and customer service improvements, and have an upgraded ambition to deliver a cumulative £80 million in savings by 2026, working towards an adjusted EBITDA margin for hospitals of at least 21% by the end of 2027.

Our strategy continued

We had a successful year in our business transformation of the hospitals business in 2024. Our focus in 2024 was securing the foundations and making sure that we have the internal and external security in place as we initiate significant investment projects, leading to more visible transformation and modernisation from 2025. We have improved the performance of core digital platforms such as our hospital management system, and delivered digital check-in for patients using a tablet, thereby saving time. We have also developed a sophisticated integrated PMI booking tool to help most PMI patients access outpatient consultant bookings more rapidly. In addition, we have completed much of the groundwork in 2024 to launch both a new customer relationship management system and a new consumer website in 2025. We are seeing encouraging momentum from new initiatives such as workforce planning and scheduling tools, and the transformation of our pathology business, better buying and procurement.

In 2024, we expanded our first patient support centre in Essex, which services five of our biggest sites around London, and opened new sites in Cardiff and Seaham in Sunderland. The centres bring significant benefits, meeting demand for patient bookings and reducing costs. Bringing teams together centrally has improved patient response, accuracy and service, with a reduction in average handling times and improved call capture rate. It has also enabled us to re-purpose space and increase clinical capacity by reallocating to clinical use and gaining economies of scale and revenue.

Digitalisation

We are investing in digitalisation to work more efficiently; removing paper and automating repetitive manual processes. Our transformation programme will deliver savings, better experiences for our patients, teams and consultants, and give us advanced data capabilities to make better decisions and build long-term relationships – from improved appointment management, to updating electronic prescribing systems and observations that improve patient safety and clinical outcomes. By embracing data, exploring emerging AI technologies and fostering innovation across our organisation,

our colleagues will be better placed to provide personalised patient care, with reliable access to the right tools.

Our move towards digital patient records will improve patient booking experiences with secure, reliable and instantly available medical records. We have also introduced automated invoice receipting for more than 50% of hospital invoices, enabling us to increase invoice volumes without increasing our team size. This process significantly reduces clinical time spent manually recording and uploading information, as well as improving patient safety and care.

Tactical deployment of Robotic Process Automation capex investment allows us to harness the power of automation and eliminate repetitive manual processes.

This programme of transformation requires careful planning and significant programme management support to ensure that we transition the hospitals business safely, without disruption to clinical care or financial outcomes.

Increasing capacity

Our hospital directors, directors of clinical services and other hospital leaders maximise physical capacity and increase utilisation at our sites. We aim to make more of the space we have, such as moving work from theatres (if it can be done in an outpatient setting) to free up valuable space for more complex work, or returning administration space to clinical use. Physical capacity is the output of several factors: theatre space, beds, outpatient capacity and imaging, and the mix and acuity of patients. We have seen significant growth in utilisation over the past three years and measure sites with unused capacity.

Patients who say their experience of our service in hospitals was 'very good' or 'good'

97%

(2023: 96%)

Source: Patient Discharge Survey 2024.



Strategy in action

Excellence in clinical innovation – reducing average length of stay

Playing our part in partnering with the NHS to improve safety and provide quality care for waiting patients is a key priority, as well as increasing capacity to support NHS elective recovery.

In 2022, we started a project to reduce the length of stay for joint replacements, freeing up more beds to enable increased capacity. We also wanted to help reduce NHS waiting lists by seeing more patients more quickly.

Since launch, hospitals have created more capacity and treated 5,000 more orthopaedic patients, leading to an increase in revenue of £1.64 million. The average length of stay reduced by 0.65 days for hip replacement and 0.63 days for knees.

Connected to this, we have achieved a 60% reduction in avoidable venous thromboembolism (VTE) over 2023 and 2024, achieved through early mobilisation and improved hydration. All our benefiting patients have spent less time in hospital, while there have been stable levels of readmissions

and no reports of readmissions due to unsafe discharge in those with a shorter length of stay.

Increasing ward bed capacity has enabled us to increase the number of NHS hip and knee replacement procedures. Compared with 2022, an additional 2,600 NHS procedures were carried out in 2023 and 800 in 2024. This is an increase of 19% in 2023 and 5% in 2024.

Faster treatment through increased capacity enables patients to return to normal life, contributing to overall wellbeing and removing patients from waiting lists. The shorter length of stay has also freed up key clinicians' time, allowing increased throughput without requiring extra clinical resources, such as physiotherapists or nurses.

The new pathway has now been introduced at some NHS hospitals, sharing the learning and further reducing NHS waits within an NHS setting.

Our strategy continued

In addition, we have directly increased capacity by opening three new clinics in Abergele in North Wales, Harrogate and Norwich. These day case clinics allow more patients to be cared for out of hospital and free up space in our hospitals.

Investing in our estate

In line with our five-year refurbishment programme across our core estate, we have invested in improving many of our hospital sites in 2024, including highly-visible, patient-facing reception areas, new technology and sustainability developments to provide the best environment for our patients and colleagues and contribute to our net zero targets. Major projects have included:

- Over £4 million on major refurbishment at five sites in Huddersfield, Cardiff, Sheffield, Edinburgh and Southampton
- Over £6 million on five new MRIs and a further £8.5 million on X-ray, mammography and CT equipment
- More than £10.2 million on installing solar photovoltaic panels and building management systems (BMS) across our hospitals estate, with solar expected to lower energy consumption by 17.9% and BMS by 3%, and enhance the sustainability of facilities nationwide
- Over £2.8 million on fire safety

Tracking our success

As a multi-site business, we have adopted a 'retail' approach to tracking performance and making trading decisions to drive consistency and give clear guidance to maximise performance. We use key performance indicators to track the performance of our hospitals. Through a combination of daily reports and weekly site-led forecasts of activity and cost, we review relevant levers to understand our hospitals performance, including digital traffic and conversion, bookings, workforce planning and costs, as well as key support functions such as IT systems.

We capture use and application of data across the business and use it to improve our insight and improve processes. We review the data we submit to external bodies such as PHIN, procedure registries and PROMs, and use our data extensively for internal assurance, as well as analysing consultant intervention ratios, feeding into our key performance indicators and key patient safety metrics.

Partnering with the NHS

We believe private healthcare has an important role to play in tackling waiting lists by working in partnership with the NHS. We continue to help the NHS recover: our volume of NHS work increased again during 2024 and we saw increased NHS volumes in the second half of 2024.

We supported the former government's Elective Recovery Taskforce in 2023 and gave our support to the new agreement with the NHS in early 2025, both of which aim to reduce waiting lists by using the independent sector. A continued role for the independent sector and more choice for patients, supported by the government and freshly promoted legal rights to choice, saw more than 199,500 NHS patients in our hospitals in 2024. We continue to engage and develop our relationships with the Integrated Care Boards that bring together providers and commissioners of health and care services across geographical areas.

We have completed the sale of Spire Tunbridge Wells to the NHS; we continued to run the hospital for six months and it is now fully in NHS hands.

Services for children and young people

Children and young people are an important part of our patient mix. In 2024, we saw more than 45,000 children in our outpatient departments and cared for over 5,000 on our inpatient wards. We offer a broad range of paediatric services in a hub and spoke model with 12 hub sites offering full services and 15 spoke sites feeding in. Services range from initial consultation and diagnosis through to treatment and surgery, including general paediatric medicine, allergy, dermatology, orthopaedics, gastroenterology, and ear, nose and throat services with the latter the busiest service. We have introduced new services at some hospital sites, including cardiology and endocrinology.

66 We are investing in digitalisation to work more efficiently; removing paper and automating repetitive manual processes. Our transformation programme will deliver savings and better experiences for patients, teams and consultants."



Capex investment, including solar energy and three new clinics

£112.1m

(2023: £84.4m)

Hospitals business private revenue growth 2024

+3.7%

£995,300 in 2024 (2023: £959,700)

Our strategy continued



2. Building on quality

Maintain strong quality and safety credentials for patients and as a competitive advantage

We are focused on maintaining high-quality and patient safety across the organisation, underpinned by an open, learning and quality improvement culture.



Our goals

- 100% of our inspected locations achieve 'Good' or 'Outstanding' ratings from regulators in England, Scotland and Wales
- Sector-leading patient satisfaction
- Above-average patient recorded outcomes

Highlights and priorities

Highlights of 2024

- Implemented the NHS England Patient Safety Incident Response Framework (PSIRF) across all hospital sites, ahead of NHS England requirement
- Developed our Driving Clinical Excellence in Practice (DCEP) programme
- Progressed the five-year nursing and allied health professionals strategy, aligning to directors of clinical services' objectives
- Delivered eight DAISY and 23 IRIS awards to winners across the country

Priorities for 2025

- Continue to deliver against our quality standards
- Embed our outcomes and effectiveness framework and our knowledge and learning framework
- Create a bespoke programme for all our directors of clinical services, who manage clinical quality in each hospital, on clinical excellence and leadership
- Launch new clinical tool for patient observation, eNEWS

Outstanding clinical quality

Quality underpins everything we do, with the delivery of high-quality patient care and patient safety central to operations and embedded in our purpose and culture. As an integrated healthcare provider, maintaining quality is always our priority across our hospitals and primary care services.

We aim to deliver care to the highest possible standards at all sites, all the time. This means being uncompromising on patient safety, aspiring to the highest levels of incident reporting and the lowest level of moderate and severe incidents. We work hard to support our colleagues and consultants to ensure they have the skills and facilities they need to ensure patient safety. In 2024, 98% of our inspected hospitals and clinics are rated 'Good' or 'Outstanding' or the equivalent by regulators in England, Scotland and Wales. Both Spire hospitals in Edinburgh, Spire Clare Park in Farnham and Spire Cardiff were re-rated as 'Good' or equivalent. We are still awaiting reinspection of Spire Alexandra in Kent, which has not been inspected since 2016/17. All inspected VHG locations are rated 'Good' by CQC.

We engage with patients every day to better understand their experience in our care, their outcomes, and the broader patient experience before and after they came into our care.

Delivering continuous improvement

We drive quality in the hospitals business around our own three core frameworks that encompass our approach to patient safety, patient experience, and clinical outcomes and effectiveness. We collaborate and share vital information and learning across hospitals to improve safety and encourage continuous improvement, ensuring the right conversations are happening and vital lessons are learned. We also believe it is important to create safe spaces for all our colleagues to reflect and gain insight on key matters, where they can hold professional conversations without fear of retribution; we reminded colleagues of their safety regularly in 2024.

Our strategy continued

The implementation of the new **Patient Safety Incident Response Framework (PSIRF)** across our hospitals in 2024 has resulted in a step change in our culture and approach to responding and learning from patient safety events in the hospitals business. Our hospitals implemented this for all patients in all areas, beyond our obligation for English NHS patients. PSIRF promotes a proportionate approach to responding to patient safety incidents through a robust methodology and a system of improvement, with compassionate engagement and involvement with those affected. It recommends learning from incidents, with considered responses, and supportive oversight, focused on strengthening response systems and improvement. PSIRF's impact has been far-reaching; it has transformed our approach to responding to incidents and positively affected our culture. It:

- Empowers us to review and respond to patient safety incidents with robust engagement across multidisciplinary teams, including consultants and our resident doctors
- Addresses the whole patient pathway, not just an element of care, proactively bringing together different departments, so relationships are improved
- Ensures that learning is identified faster, and actions to make change are more meaningful and effective
- Enhances the creation of a psychologically safe environment for teams to share what has happened and ensure that we learn better and faster
- Influences our approach to quality as we use all the information we gather from PSIRF to influence improvement projects

For some patients, while rare, care does not go as planned. Our PSIRF plan, published on our website, highlights the incidents for which we have an increased focus. The PSIRF process supports us to engage early and transparently with colleagues and patients, and we undertake duty of candour when required. Learnings from incidents across all hospitals and sources are collated in our quarterly learning report which is discussed at hospital, executive and board quality meetings. We support hospitals with toolkits to share learning, and also share learning

outcomes across the group with 48-hour flashes, fortnightly consultant newsletters, and other means. We review our data in the context of other published data; in 2024, Spire was not an outlier for our transfers out, mortality or other key nationally published indicators. We monitor the transfer out of patients to another facility as a quality KPI, and review each transfer out to learn and spot any trends. These reviews have been significantly strengthened with the implementation of PSIRF and our transfer out rate remains very low. Spire's risk management system was upgraded in 2024 and now allows us to report NHS England patient safety events via the national system and to benchmark with all NHS providers.

Our **patient experience and engagement framework** enables our hospitals to focus on the key needs of our patients: it gives them the tools to probe their own patient data, and a toolkit for listening to patients. We rolled out this new framework across our hospitals in 2024 and internal feedback has been positive: hospital leadership teams are focused on improving patient experience and engagement by interrogating data and learning.

This framework aligns with our patient survey, which we use to understand key issues in care. We map findings from our patient survey against what we know to be important for our patients, as well as other comparable metrics such as friends and family (a metric used by the NHS). In 2024, 97% of our patients rated their experience as 'very good' or 'good', while 95% of patients said they felt 'cared for' or 'looked after' in our hospitals, both up one percentage point from 2023. In VHG, 94% of NHS talking therapies patients were satisfied with treatment, level with 2023.

As part of our patient experience and engagement framework, our hospitals hold regular patient forums to better understand specific issues raised by patients. They give us an opportunity to speak directly with our patients; they feed back on our patient literature and help to review and develop our services. Together with our surveys, this engagement helps us to identify areas for improvement and create solutions in partnership.



We are committed to learning and improving when incidents occur, including where patients are harmed as a consequence of care. Our hospital leaders attend a daily safety briefing with a standard agenda to share key developments and determine any improvements we can make. This is complemented by a weekly meeting for all central function colleagues. A fortnightly meeting for senior leaders is hospital focused and supported by a detailed weekly briefing for cascade. In February all hospitals implemented an additional safety huddle during out-of-hours working time.

Our **Quality Improvement (QI) programme** reflects our continuous improvement approach to safety and quality. We have introduced over 300 successful, locally led projects since 2022 and have delivered on our three national 2024 QI priorities:

- Reducing rates of venous thromboembolism (VTE) as a recognised complication of surgery: over 2023 and 2024, avoidable VTEs reduced by 60%, sustained using some of the PSIRF methodology
- Reducing average lengths of stay (AVLOS): in 2024, we reduced average length of stays by 0.65 days for hip replacement and 0.63 days for knees
- Improving patient experience after care: focus in 2024 on patients being clear about next steps after an appointment or on discharge

Over 2024, we have also introduced a group national tissue viability lead to support our hospitals on wound management and care and advise on procuring equipment to manage patients needing wound care. In 2025, new digital enhancements will include eNEWS and AI – enabled digital records.

We have also developed a **Knowledge and Learning framework** to improve our approach as an organisation with sustained learning. It is designed to direct the creation, implementation and evaluation of shared learning across the hospitals business, ensuring it is aligned with strategy and driving improvements in standards and care. It will be embedded in 2025.

NHS patients cared for in 38 hospitals

199,500

(2023: 200,000 in 39)

Regulatory inspections (with 5 reports published in 2024)

4

(2023: 6 inspection reports)

Our strategy continued**Freedom to speak up**

We believe culture is core to a safe patient environment. We support a culture of excellence and engagement, and we place a strong focus on having a culture of openness and transparency. Ensuring our colleagues feel psychologically safe is a prerequisite for improving quality and providing safe care. We support those who may feel that they can't speak out and remind everyone that they have a voice, will be listened to, and that there is an avenue to raise concerns or ask questions. We prioritise a Freedom to Speak Up (FTSU) culture, and we are proud of our network of 239 FTSU guardians and ambassadors (both consultant and colleague) across all clinical and non-clinical locations plus 6 in VHG. A key part of our assurance and oversight is regular hospital visits across all our sites by our board and leadership teams. The guardians are championed by our chief executive officer, who meets regularly with them. He also holds colleague forums without management present at site visits to encourage openness and trust. Two of the CEO's top four initiatives for 2024 were culture-based: 'listen up' and 'inspire kindness'. We are encouraged that, in 2024 surveys, 81% of colleagues say they are comfortable speaking up. We used colleague responses and feedback alongside listening sessions to shape our speak up strategy.

We submit our FTSU data to the National Guardian's Office (NGO) quarterly to support transparency; we regularly involve the NGO in safety meetings. The chief executive also spoke at the NGO's FTSU conference in 2024 on Spire's FTSU culture. We hold our annual FTSU month in October, aligned to the NGO national campaign, to raise the profile of speaking up and of the guardian role, as does VHG.

Colleagues can submit a Freedom to Speak Up concern via risk management software, which is managed by our trained guardians. Colleagues also have access to an independent, confidential whistleblowing helpline, enabling them to raise anonymous concerns. Training in this area is mandatory for all colleagues, and for consultants who practise solely in our hospitals. Colleagues use the NGO's three training modules: 'Speak Up' training for all colleagues, 'Listen Up' and 'Follow Up' are for managers. In 2024, VHG rolled out this training and FTSU efforts are now integrated across the group with monthly meetings, and all guardians attending one group annual conference.

We have been early to introduce Spire's version of Martha's Rule, called Ask to Escalate. This provides family members with the ability to request a second opinion if they are concerned. It also supports a culture of listening.

Governance and oversight

We continue to strengthen our governance standards, assurance and board oversight, using data to support hospitals through comprehensive reporting processes. We have developed an assurance model which monitors policies and processes and identifies areas of excellence and improvement. The final level of assurance is the patient safety quality review (PSQR) process which ensures hospitals continue to provide high-quality care.

Our integrated quality assurance framework includes a clear meeting structure that enables 'ward-to-board' reporting. We have a suite of KPIs which are used at hospital, executive and board level.

A subset of KPIs are reported to the board monthly. An expanded report with a full suite of KPIs provides information, context and actions to our board (clinical governance and safety committee) and executive (safety quality and risk) quality subcommittees to support robust conversations around assurance.

The safety quality and risk committee, and clinical governance and safety committee, review all KPIs and forensically probe for themes, trends or opportunities for patient safety improvement. They scrutinise consultant performance; identify quality outliers by consultant, hospital, or procedure; ensure full compliance with our policies around multidisciplinary meetings, especially in cancer; and review specialist services such as cardiac and young people's services. They also review any learnings arising from mortality reviews and always receive a presentation from hospitals on patient safety improvement. Subcommittees of the board cover specific topics including incidents, QI, mortality, medical professional standards, VTE and data governance.



To ensure our central senior leadership teams are engaged in discussions around quality, we have introduced regular operational level safety, quality and risk (SQR) meetings that include reported data and heat maps to show performance across the business and improve assurance for senior leadership SQR meetings.

We have extended our robust governance approach to all parts of the business, including the services we provide outside of hospitals, seeking to share learning as we integrate newly acquired services and develop new ones. Our primary care services have the same reporting structures and senior leadership for VHG. London Doctors Clinic and Spire Occupational Health are now reporting into VHG.

Investing in quality

We continue to invest in colleague QI training through our QI Academy. Over 2024, we carried out 34 days of QI training, including how to talk to colleagues, engaging with patients, and handling concerns and complaints to ensure we continue to deal with all cases with compassion and care. To date, more than 15,000 colleagues have accessed QI training, either virtually or in face-to-face sessions, and we now have more than 250 QI-trained practitioners. We also deliver bespoke QI training to our medical advisory committee chairs, business unit directors, directors of clinical services, finance managers and Freedom to Speak Up guardians. The use of PSIRF has increased colleague appetite for QI training by 100% with colleagues keen to learn how to be more effective and enable lasting change.

We continue to ensure that we benchmark our quality standards against best practice, including using appropriate accreditation programmes. We have earned JAG accreditation for our endoscopy services at 14 sites; this accreditation is awarded by the Royal College of Physicians' Joint Advisory Group on Gastrointestinal Endoscopy. In addition, 15 of our 16 chemotherapy sites have Macmillan Quality Environment Mark (MQEM) accreditation, which champions cancer environments that create welcoming and friendly spaces for patients. In 2024, 35 hospitals achieved the National Joint Registry's Quality Data Provider certificate, with 25 receiving the 'gold' award (2023: 31 and 19).

We carry out patient safety quality reviews to ensure we continue to provide high-quality care throughout our hospital network.

Colleagues across the group

17,600
(2023: 16,800)

Patients who say they felt 'cared for' or 'looked after' when receiving care in hospitals

95%
(2023: 94%)
Source: Patient Discharge Survey.

Our strategy continued



Strategy in action

Investing in facilities to drive choice and quality

Spire Portsmouth Hospital has completed a £6.4 million refurbishment to expand theatre capacity, refurbish patient areas and deliver a wider range of inpatient and day case treatment options for patients.

The new facilities have increased Spire Portsmouth Hospital's overall capacity and are intended to help care for more than 1,700 additional NHS and private patients a year. Our new day case facility increases the hospital's capacity to deliver more scans and investigative treatments, while the refurbished walk-in unit provides patients with fast access to orthopaedic, ophthalmology, gynaecology and urology treatments, without the need for an anaesthetic.

Our investment into new facilities ensures we can build our services to care for more patients, increase revenue and meet changing patient demands towards shorter stays in hospital. It can also alleviate pressure on local NHS waiting lists and reduce diagnosis waiting times in the local area.

The refurbishment has also created a brighter hospital with comfortable waiting areas and patient bedrooms, ten-day case suites, and updated patient bedrooms and ensuites. The new facilities ensure a better working environment for our colleagues and brought Spire Portsmouth up-to-date for its 40th year of operating in the local community.

National Safeguarding Week is an annual campaign supported by Spire that aims to raise awareness about the importance of safeguarding and protecting adults from abuse and neglect. It brings together organisations and communities to discuss key safeguarding issues, share best practice and promote safer cultures. In November, Spire Manchester hosted the Independent Healthcare Providers Network's Safeguarding Forum.

Driving clinical excellence

Our clinical effectiveness and outcomes framework demonstrates that the care we deliver provides the desired outcome, in line with guidance and best practice. This framework covers five toolkits: national audits and registries, internal best practice, external best practice, multi-disciplinary teams, and clinical documentation. Each toolkit provides guidance and support on compliance, reporting, tools and support for our teams to ensure they are supported to deliver best practice, measure and analyse outcomes. We are rolling out this framework throughout our hospital sites and, by 2025, each hospital will have action plans to articulate outcomes and effectiveness.

Our five-year nursing and allied health professional (AHP) strategy (2023-2028) supports our nurses and AHPs to practice to high professional standards. It is structured around the core pillars of developing our workforce, delivering clinical excellence through practice and enhancing professional pride through celebration.


Our Driving Clinical Excellence in Practice programme supports our registered nurses and allied health professionals' continuing professional development and the requirements of their professional revalidation. In 2024, 350 people started the programme which is unique to Spire and is designed with the needs of patients at the centre. It reflects the needs of colleagues, their clinical competencies and incorporates lessons from incidents and themes from prior years.

66 Our hospital teams have really embraced PSIRF, engaged with it and embedded it. It's been a massive cultural shift – enabling our colleagues to make a change and make a difference.”

We recognise the dedication and care of clinical colleagues across Spire Healthcare hospitals who live our purpose every day. The new National Diseases Attacking the Immune System (DAISY) Awards recognise extraordinary nurses who are registered with the Nursing and Midwifery Council and rewards them for their nursing achievements. The Inclusive Recognition of Inspirational Staff (IRIS) Awards recognise all other clinical colleagues not registered with the NMC, for providing excellent care to our patients. Our colleagues can nominate each other, and we are also encouraging more patients to nominate colleagues.

We monitor excellence in our hospitals through an excellence in care delivery and safety framework to make sure colleagues are delivering the best quality care. We continue to review key safety and experience metrics thoroughly, listen to patient feedback and staff feedback, and monitor and assure around compliance.

We have introduced this professional framework, aligned with the national nursing and AHP strategy, to better understand how our colleagues are driving clinical excellence and quality within each of our hospital settings. We have standardised the objectives for all our directors of clinical services to make sure that every hospital is aligned to drive forward clinical quality and improvement, improve productivity and efficiency, and enhance quality and safety.

 To read more, see the clinical governance and safety committee report on [page 103](#)

Our strategy continued



3. Investing in our workforce

Recruit, retain and develop great people

With the shortage of clinical staff across the healthcare sector, we aspire to attract, retain, train and develop the most talented people to our business.



Our goals

- Sector-leading colleague satisfaction
- Sector-leading consultant satisfaction
- Sector-leading private hospital apprenticeship programmes

Highlights and priorities

Highlights of 2024

- Introduced new reward framework for colleagues in hospitals
- Improved ability to attract and retain talent through improved in-house recruitment
- Sustained high engagement scores among colleagues during change
- Over 110 colleagues graduated from apprenticeship programmes

Priorities for 2025

- Supporting colleagues through business transformation
- Replace learning management system for all colleagues in hospitals and central functions
- Supporting development and career progression and development of colleague value proposition
- Implement updated equality, diversity and inclusion strategy

Creating a positive working environment

We recognise and value the hard work and dedication of all our colleagues – and we seek to make a positive difference to their lives. That's why investing in our workforce is a key pillar of our strategy. Our four key themes for 2024, led by our CEO, were: 'Listen up' embracing the gift of feedback, so we are open, honest and safe; 'Inspire kindness', having an open and honest culture; being a 'Change champion', so our future works better for everyone; and 'Making it count', growing our business. We aim to develop, support and protect our colleagues within a welcoming culture that is characterised by openness, respect, collaborative working, a focus on clinical safety and a spirit of continuous improvement. We drive our colleagues to be curious and to challenge each other in a professional way to seek the best patient care, and ensure safety is paramount in the care that we're providing. We know when colleague, consultant, client and patient satisfaction join up, we see better performance.

We understand the importance of having high-quality leadership in our hospitals and our board annually reviews the calibre and diversity of our leaders, and visibility of our succession pipeline. We have an agreed target for ethnic minority representation in senior management (see more in Sustainability on page 38).

We are focused on creating a positive working environment, where people feel that they can speak up, with Freedom to Speak Up guardians at all sites. We are investing in our employee experience as part of our commitment to supporting and protecting our colleagues and our business. For example, during 2024 we introduced new initiatives including our new managers programme to support colleagues in hospitals and central functions who have recently moved into a managerial role, and bespoke learning sessions to support teams across the business. In VHG, in-house mentoring sessions developed colleagues' skills, confidence and networks.

Our strategy continued

We want our colleagues to have a great work experience, and if they feel engaged, they can perform at their best. Read more on how we engage with colleagues in Sustainability on page 38.

Equity, diversity and inclusion

We believe that diversity and inclusion are core to sustaining a successful business, and we aspire to create an environment where everyone is respected and cared for, and where difference is celebrated. We want to ensure that our colleagues feel confident to bring their whole selves to work, which in turn makes us stronger as a team and a business.

In 2024, we worked towards our new equity, diversity and inclusion (EDI) strategy, examining and improving our data to better understand our colleagues, leading to improved insights into what changes should be made and to cultivate a feeling of belonging. We have identified areas that we want to focus on to either improve diversity or make positive change, and the strategy will progress in 2025.

Our network groups provide safe spaces for our diverse colleagues to discuss issues of relevance, raise awareness and influence, and include our Let's Talk LGBTQ+ network, menopause network and race equality network in the hospitals business and further networks on women, LGBTQIA+ and race equality in VHG.

We were pleased to again be listed in the FT Statista Diversity Leaders index as the leading UK healthcare company, based on a survey of 100,000 employees across Europe. For the first time we were ranked 254 by the FT UK's Best Employers 2025, of 500 companies ranked and 20,000 surveyed. We were also ranked as 4th in the FTSE 250 Women Leaders Review and in the top 100 businesses by Women in Work for senior female leaders, who also praised us for having transparent maternity policies available for job applicants. Read more on diversity in Sustainability on page 38.

Valuing and rewarding colleagues

We are focused on getting the fundamentals right on pay, benefits and reward for our colleagues. We have invested in pay and reward this year with the implementation of our new reward framework across our hospitals business, which maps all our core

roles and associated salaries. The framework was shaped through listening sessions with colleagues and senior leaders. Our robust structure ensures fairness and equity, with clarity on where colleagues fit in our structure and how they are rewarded. It will also help us ensure that we remain competitive – recruiting at the right salary levels and paying colleagues at the right level.

With the ongoing cost-of-living pressures, our colleagues want clarity and certainty about their pay. That's why for all eligible colleagues we prioritised a 2.75% salary increase from September 2024, announced in May to give colleagues predictability. It should be noted that the introduction of increased national insurance contributions for employees in 2025 will add to our cost base. In 2024 we got ahead of this by increasing and accelerating our efficiencies programmes.

During a year of change, our HR colleagues gave significant support to all projects, recruiting and inducting a large number of colleagues, supporting reward framework conversations, and redeploying people into new roles during business transformation, and this will continue in 2025.

Most colleagues have access to PMI cover, and access to a comprehensive health assessment every other year. In 2024, we introduced a menopause assessment as an additional choice. We also offer a comprehensive employee assistance programme, providing confidential advice support online and via a free helpline, available 24/7 to clinical and non-clinical employees.

Mental health and wellbeing

Colleagues working in our hospitals hold emotional and challenging roles. Our network of trained volunteer mental health first aiders support colleagues at our hospital sites. In 2024, we ran new and refreshed training to ensure our first aiders have the support they need and the opportunity to acquire additional skillsets that prioritise self-care before helping their colleagues. We delivered five personal resilience courses to support colleagues to recover from adversity, stress and difficult situations. In autumn 2024, we ran a 'Kindness works here' campaign, covering colleagues' physical, emotional, mental, social and spiritual wellbeing.

**Strategy in action**

Investing in apprentices

Professional development is an important part of our offer to attract and retain the best people at Spire Healthcare.

In February, we appointed our first oncology support pharmacy technician at Spire Montefiore. This role runs the oncology pharmacy service with remote support, speeding up care for our patients.

It was borne from our apprenticeship programme, where we supported an apprentice through a two-year apprenticeship after four years in community pharmacy elsewhere, leading to a Level 3 Pharmacy Technician apprenticeship in June 2023, and further training with the lead oncology pharmacist in 2024.

At Spire, we encourage employees to share our value of investing in the future, by investing in their own learning and development to build their skills for the future. By growing and developing talented people, we are helping to address the shortage of skilled professionals in the health sector. We offer apprenticeships across the country in a range of skills including nursing, biomedical science, physiotherapy, laboratory work and engineering.

Some of our apprentices are school leavers, others join us mid-career, and a significant group already work for Spire but seek to improve and develop with us. Read more in Sustainability on page 45.

Our strategy continued

Bringing recruitment in-house

Our workforce is a critical enabler to deliver our strategy, and resourcing well remains important to building capacity across our services. We brought resourcing in-house in 2023, and over 2024 fully realised the benefits of developing and managing our own recruitment capability. While vacancies are a continuing challenge across the healthcare sector, notably for specialist clinical roles, the past year has seen high rates of fulfilment with reduced turnover.

We continue to attract talented people to join our teams, and actively promote people to new roles from within. We have record levels of permanent employment in the hospitals business, high retention rates of 86.1% (2023: 84.4%), and the lowest number of vacancies for some time, with a 20% increase in the number of permanent offers made to new colleagues, compared to 2023. This drives continuity of care to our patients and reduces our reliance on agency, leading to improvements in safety, quality and patient experience.

Agency costs remain a key area to manage for all healthcare providers, and rates for specialist skills have increased, but we are controlling them well. We have a single agency booking system, with a master agreement in place. This helps us to manage our agencies and see all costs up front, while retaining necessary flexibility for our workforce.

Working with consultants

Our practising consultant partners operate as self-employed practitioners in our hospitals across all medical and surgical disciplines. Each hospital's medical advisory committee (MAC) meets quarterly to ensure proper, safe, efficient and ethical medical use of the hospital. In addition, the MAC chair meets regularly with the hospital director.

It is important that we engage with consultants and make it easy for them to do business with us, not only so they understand our quality standards and how we wish care to be delivered, but also so we can support them as they develop their business. Over 2024, we spent time listening to them and understanding the consultant journey – from first referral to patient discharge. In summer 2024, we introduced a new consultant induction handbook and in-person consultant private practice development sessions to support those new to private practice and ensure that they are clear on their responsibilities when practising with us; both developments have received positive feedback and ensure a national approach.

Our annual consultant survey in 2024 showed that 84% of consultants now state that the care provided in hospitals is 'very good' or 'excellent' (2023: 83%). The percentage of consultants rating the quality of service provided to them by our hospitals as 'very good' or 'excellent' is 70% (2023: 69%). We use findings from the consultant survey for each hospital leadership team to develop action plans.

Absence and turnover

Managing absence and turnover supports our colleagues' wellbeing, is essential to maintaining a stable and productive workforce, and ensures continuity of care for patients. We use data to flex our workforce and manage capacity and resilience.

Absence rates in the hospitals business were level with 2023, though short-term absence continued to decline. The overall rate of absence was 4.7%. Our monthly turnover rate continued to reduce, to 13.3% (2023: 15.1%), with 6.7% fewer leavers in 2024. The highest recorded reasons for leaving are changes in personal circumstances, career progression and retirement; our focus continues to be on career development and flexible working solutions. The market for talented people remains competitive, with demand for nurses particularly high.

Absence rose slightly at Vita Health Group during 2024 with an overall rate of absence of 3.7% (3.6% in 2023). Turnover fell from 23.5% in 2023 to 18.3% in 2024. Absence at The Doctors Clinic Group during 2024 was 1.65% overall (1.2% in 2023), and turnover was 45% (46% in 2023).

 **Read more in Sustainability on page 38**

66 We are focused on creating a positive working environment, where people feel they can speak up, and we are investing in our employee experience as part of our commitment to supporting and protecting our colleagues and our business."

Colleagues proud to work for Spire Healthcare

76%

(2023: 81%)
Spire Healthcare annual survey 2024
(Spire Healthcare Limited and The Doctors Clinic Group).

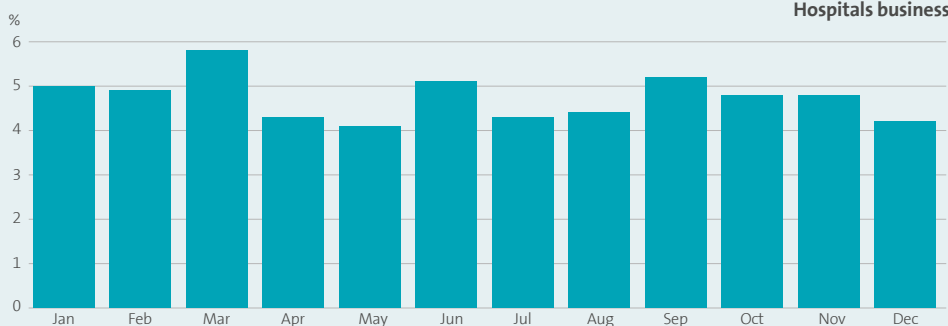
Consultants who describe the care provided to patients in hospitals as 'excellent' or 'very good'

84%

(2023: 83%)
Spire Healthcare consultant survey 2024.

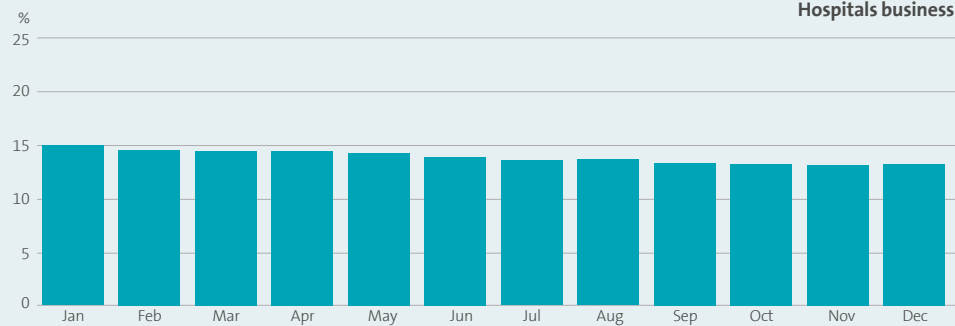
Employee absence 2024

Total sickness absence in hours as a % of total employed hours



Employee turnover 2024

12-month rolling turnover rate as a % of total headcount



Our strategy continued



4. Championing sustainability

Become recognised as a leader in sustainability in our industry

We will deliver on our ambition to be a sustainability leader by focusing on our purpose, 'making a positive difference to people's lives through outstanding personalised care,' and seek to create lasting economic and social value through collaborating with our stakeholders.



Our goals

- Leading the independent sector in being carbon neutral by 2030
- Contributor to Britain's healthcare workforce and a diverse employer
- Protect and manage all sensitive data
- Reduction in waste and improved recycling

Highlights and priorities

Highlights of 2024

- Waste management initiatives saved 2,742 tCO₂e (2023: 358 tCO₂e)
- Investment of £10.2 million in solar panels and building management systems across the hospitals business
- 31.4% of dry mixed waste recycled (2023: 23.5%)
- Increased female representation in senior leadership roles to 54.7% (2023: 52.5%)

Priorities for 2025

- Refresh of sustainability goals to better reflect the whole group
- Refresh carbon reduction targets
- Increase recycling rates
- Better understanding of diversity, inclusion and belonging to improve patient and colleague experience

Championing sustainability

Sustainability is a core component of Spire Healthcare's strategy and operations. By managing sustainability successfully, we aim to create lasting social economic value. Our ability to succeed today and plan for tomorrow depends on us being able to positively contribute towards enhancing the world for current and future generations.

We have an important societal role to play as our delivery of people's care contributes to the health of the nation, and benefits society. As we execute our strategy, we seek to take a long-term view, whether through the investments we make in our colleagues, hospitals, clinics and services, or our interactions with the communities that we serve.

We aim to develop a business that is fit for purpose now and capable of providing lasting impact in the future. We believe that acting conscientiously as a business and investing responsibly to achieve positive social and environmental outcomes, are critical to the long-term success of the group.

Our sustainability strategy charts our progressive journey from risk management to providing social value and driving opportunities for sustainable growth. We actively collaborate with our stakeholders, including patients, colleagues, consultants, local communities and partners, to enrich lives and be a net contributor to society, not just through the services we provide, but in everything we do. This includes challenging our colleagues and the people we work with to factor sustainability into everything they do.

Our ambition, through our sustainability strategy*, is to become recognised as a leader in sustainability in our industry and we are implementing this through our three-pronged sustainability strategy, outlined on page 33.

* The sustainability strategy was written for the hospitals business. We anticipate working to bring the rest of the group under the same plan in 2025.

Our strategy continued

Respect the environment

We are committed to minimising the environmental impact of our operations and maintaining the group's resilience to environmental risks and impacts.

Engage our people and communities

We are a people business. By hiring talented people and providing an environment in which to grow and develop their careers, our patients and the communities with whom we interact, and society at large, will benefit.

Operate responsibly

We aim to operate to the highest standards in everything we do, ensuring honesty, integrity, proper governance and compliance at all times. We promote an ethical culture across the group.



How we manage sustainability


Responsibility for approving Spire Healthcare's sustainability strategy and overseeing its delivery rests with the board of directors. Regular progress updates are provided at board meetings. Our Chief Financial Officer, Harbant Samra, oversees delivery of the sustainability strategy at a business level, while our executive committee tracks progress towards the group's sustainability targets on an ongoing basis throughout the year.

Our cross-functional internal sustainability committee brings together six members from across the business. The sustainability committee reports to the executive committee and acts with delegated authority. It meets quarterly to share progress on delivering actions and meeting targets and explore initiatives that will accelerate our progress and identify associated risks and opportunities.

The main roles and responsibilities of the sustainability committee are to:

1. Oversee, review and advise the executive committee on the company's strategies, objectives and commitments related to sustainability and environmental, social and governance (ESG) factors
2. Oversee, review and recommend changes to Spire Healthcare's sustainability-related goals, objectives, commitments and key performance indicators and monitor our progress against them

During 2024, the committee was reviewed and slimmed down from 15 members to six to improve accountability and decision-making. Late in 2024, it agreed to review our 17 goals; a refreshed set of goals, better reflecting activities across the group and the activities of VHG, Spire OH and LDC, and more integrated with our strategy, will be agreed in 2025.

 **Read more about sustainability and our goals, progress and KPIs in our sustainability report on page 38**



Strategy in action

Investing in solar to reduce emissions

During 2024, we began the installation of over 12,000 solar photovoltaic panels at our 38 hospitals across England, Wales and Scotland, as part of our decarbonisation strategy.

Backed by an investment of £10.2 million in both the panels and building management systems, we expect the solar panels to significantly lower energy consumption and enhance the sustainability of facilities nationwide. We aim to achieve net zero carbon emissions (Scope 1 and 2), and elements of Scope 3 by 2030.

Spire Healthcare was the first independent sector healthcare provider in the UK to commit to becoming carbon neutral by 2030. With energy costs expected to remain high for the foreseeable future, and with our drive to become a recognised leader in sustainability, investing in solar not only

makes sound financial sense, but is also a key part of our 10-year carbon reduction roadmap. This substantial investment underscores Spire's dedication in supporting renewable energy sources.

The installation of solar panels was mostly complete at the end of 2024 and will reduce our hospital estate's combined annual carbon footprint by approximately 994 tonnes, the equivalent of:

- planting 39,700 trees, or
- taking 370 medium-sized cars off the road or
- flying from London to Sydney over 220 times

Spire Murrayfield in Wirral was the first Spire hospital to have solar technology installed, with more than 400 panels installed on the roof and in the grounds of the hospital. The 400 panels are expected to generate 15% of the hospital's annual electrical needs.

6%

Behind 2024 target emissions – 26,522 tCO₂e emitted, target 24,963 tCO₂e (2023: 3% ahead)
Report on CO₂ emissions by SE First for Spire Healthcare.

Our strategy continued



Respect the environment

We continually seek ways to reduce the impact our business has on the environment. We have annual carbon emissions targets and are working towards reducing our carbon emissions to meet our 10-year plan to reach net zero by 2030. We also focus our efforts on waste and recycling, including reducing the use of single-use plastics, finding ways to reuse our single-use instruments and reducing the number of disposable gloves we use. We are doing all of this while working with suppliers to align goals, to ensure we work together to develop healthcare in sympathy with a sustainable planet. As an example, in 2024, waste management initiatives saved 2,742 tonnes of CO₂ (2023: 358 tonnes). This is equivalent to: 9,475 trees planted each year, or 1,028 cars off the road, or 1,683 houses powered each year.

Our journey towards achieving net zero carbon by 2030 is progressing, and in 2024 we were just short of our target, coming in 6% under our goal. The sustainability committee intend to review all 17 sustainability goals in 2025 and review the net zero plan in light of changing external factors. We have paused our purchase of renewable energy guarantees of origin in 2024 owing to the significant increase in cost. Government policy in supporting the decarbonisation of the National Grid, and degassification of heating systems, will be critical to enable us to achieve our net zero target.

We invested £10.2 million in solar energy and building management systems, and have increased the amount of dry mixed waste we recycle at hospital sites to 31.4% (2023: 23.5%), with most domestic waste now diverted from landfill and used for renewable energy, reused or recycled. All our sites now manage food and glass recycling.

Engage our people and communities

To deliver our purpose, we need a dedicated and engaged workforce. We aim to provide a stimulating, diverse, inclusive and healthy working environment in which colleagues can thrive and achieve their career goals and aspirations, and so we invest in our workforce through strong recruitment, retention and development programmes.

Our overall median gender pay gap in Spire Healthcare Limited is 11.6% in 2024 (2023: 9.2%) and the mean is 16.2% (2023: 17.7%). Gender pay reflects the structure of our workforce and the differences in the balance of male and female workers within the wider healthcare sector. We understand and value the benefits that diversity can bring across all levels of the organisation. Having a visibly diverse leadership fosters a culture of inclusion that both attracts a broader talent pool, and allows our future talent to recognise that progression is possible to senior leadership roles. We are taking a number of positive steps to invest in, and provide development opportunities for, our female colleagues to progress into senior roles and to help reduce the gender pay gap. These efforts are underpinned by a targeted talent pipeline strategy, designed to identify, develop and support female colleagues at all levels. We are also embedding equity, diversity and inclusion across the group, with active colleague-led networks for sexuality, race and mental health and a new EDI strategy.

Alongside expanding our healthcare services, we also fundraise throughout the year, including during our annual charity drive each summer, during which our teams can choose to support our chosen company charity or a local cause. Our charity drive included bike rides, fun runs, book and cake sales, and walks.


Locally, our teams supported high-profile fundraising events in 2024 such as the Macmillan Cancer Support coffee mornings and Breast Cancer Now's 'Wear it Pink' day, alongside informal local activities. Our dedicated charity committee, which includes representatives from across the business, help design and coordinate our fundraising initiatives and in 2024 introduced 'grants' to support local teams' charity efforts. The committee also began to offer fundraising donations for individuals undertaking personal charity challenges. The committee plans to expand these initiatives in 2025. To promote services

to 'hard-to-reach' patient groups, our VHG colleagues work closely with voluntary sector partners to stimulate referrals and bring services to supermarkets, libraries and community centres through a network of partnership liaison officers. They seek to enable equitable access to services, including those who are underrepresented and face additional barriers.

Operate responsibly

We have a relentless focus on delivering healthcare to the highest standards and prioritise patient safety at all times. We aim to maintain robust standards of clinical and corporate governance in line with best practice, while promoting an open and learning culture for all colleagues. Operating responsibly also requires strict compliance with the law. We continue to monitor all aspects of the group's operations to ensure we comply with all applicable laws, including competition law, anti-bribery law, anti-tax evasion facilitation law, healthcare regulations and data protection law.

 Read more on our 17 sustainability goals on [page 38](#)

 Read more about our diversity and people initiatives in sustainability from [page 45](#) and Investing in our workforce on [page 29](#)

Dry mixed recycling rate for hospital sites only

31.4%

(2023: 23.5%)

Source: Spire Healthcare waste report 2024.

Female representation at executive committee and board level combined

47%

(2023: 47%)

Source: Spire Healthcare data.

Our strategy continued



5. Expanding our proposition

Selectively invest to attract patients and meet more of their healthcare needs

Expanding our proposition enables us to meet changing demands for healthcare, reach a wider target market, and provide a broader service to patients and the public.



Our goals

- Develop the group as an innovative integrated healthcare business
- Build new revenue and profit streams by building and acquiring new services, as well as partnering to expand our proposition
- Meet more of Britain's healthcare needs with a broader service

Highlights and priorities

Highlights of 2024

- Opened three new diagnostic and outpatient clinics in Abergele in north Wales, Harrogate and Norwich
- Won a large new NHS talking therapies contract in Kent and Medway, and a second in Derbyshire to start in 2025
- Won new occupational health contracts, including with a prominent UK retailer
- NHS contracts in Bromley, Oldham, and Basildon and Brentwood were successfully renewed

Priorities for 2025

- Continue to realise the benefits of an integrated primary and secondary healthcare business to improve our patient offering, experience and pathway
- Harness synergies between acquired primary care services and hospitals to create integrated value
- Expand our national footprint of new diagnostic and outpatient clinics
- Grow our services for corporates to help people stay healthy and safe, and to get back to work

An integrated healthcare provider

We offer localised care through a combination of primary and secondary healthcare services when and where people need them – including private GP consultations, occupational health, musculoskeletal treatment, and NHS talking therapies services. We aim to care for people in new ways, in new locations and at more stages in their care pathway, and meet more of their healthcare needs.

Our primary care services are tackling the causes of ill health and low productivity, working in partnership with the NHS to care for more people, while offering synergies to our hospital business. More employers or corporates are seeking to support their employees' health and wellbeing, with a preventative approach that addresses health issues before they become a major concern. Early intervention is an increasingly important aspect of healthcare, and we believe Spire Healthcare can make a significant contribution.

Management structure

As part of our integrated, group-wide approach to healthcare, Derrick Farrell, CEO of Vita Health Group (VHG), has been appointed to lead all our primary care services and now sits on our central executive committee. In 2024, a central management team was formed to run primary care services with work during the year to align cultures and priorities across our new acquisitions from 2022-2024, and with the hospitals business.

Occupational health

800+

corporate clients through Spire Occupational Health and Vita Health Group (2023: 800+)

Integrated healthcare provider

8%

of our revenue is now from primary care services (2023: 4%)

Our strategy continued

Vita Health Group (VHG)

At the heart of our primary care services is VHG, a major provider of mental and physical health services in England. Through this group, we provide NHS outpatient mental health talking therapies, musculoskeletal (MSK) and dermatology services, with operational hubs in London and six regional centres in Bristol, Harington, Oldham, Leicestershire, Nottingham and Newcastle. Approximately 75% of the business provides care for NHS patients and 25% for patients covered by employer schemes or PMI.

We provide MSK services to NHS, private and corporate patients, and work with over 500 companies to help their workforce stay fit and healthy. Our physical health services range from physiotherapy to exercise classes and treatments, such as acupuncture and injection therapy, while mental health services include cognitive behavioural therapy (CBT), guided self-help and group therapy.

NHS talking therapies are effective and confidential treatments for conditions including depression and anxiety. Unlike our hospital services, this area of our business operates through long-term contracts, giving a high degree of revenue visibility. We work with 16 NHS integrated care boards. We also offer counselling services to the corporate and occupational health markets.

The core quality metric for all our services is recovery: whether our patients have recovered to the extent that their issues allow a return to their usual activities. NHS talking therapies are above the national NHS target of 50% at 53.1% for 2024.

In 2024, VHG won and mobilised a new NHS talking therapies contract in Kent and Medway, worth £70 million over the life of the contract. Another was won in Derbyshire which will start in 2025. Contracts in Bromley, Oldham, and Basildon and Brentwood were renewed through 2025 and VHG's financial results are ahead of plan. We continue to push services into new geographies, prioritising areas where we already have a hospital or clinic presence, increasing the opportunity for downstream revenue into hospitals.

In 2025, we will continue to link more VHG services with our digitalisation programme in hospitals and in our customers' journeys, and accelerate hub working, making Spire more efficient so we can continue to deliver on our purpose.

Spire Mental Health

In 2024, we launched Spire Mental Health, which harnesses the expertise of our experienced and accredited mental health therapists in VHG, to give self-pay patients confidential access to virtual cognitive behavioural therapy and counselling. Patients can gain fast access to treatment and book and pay online without a GP referral.

Spire Clinics

Our new diagnostic and outpatient day case clinics carry out lower complexity care that doesn't require an overnight stay, enabling us to see patients in the correct setting for their care, and free up space for more complex care, meet the healthcare needs of more people and build relationships with new consultants. Every clinic offers Spire GP services.

We have a pipeline of clinic openings and in 2024, we opened new clinics in Abergele, north Wales, Harrogate and Norwich. The Abergele clinic provides patients with fast access to diagnostic services and treatments such as ophthalmology, dermatology and gynaecology, and works closely with Spire Yale in Wrexham and Spire Wirral. Our new clinics in Harrogate and Norwich opened in December 2024 and offer a variety of services, including a new MRI in Harrogate in early 2025. Patients needing more complex care can be referred to Spire Leeds or Spire Norwich. More than five new clinics are in development.



Strategy in action

Increasing capacity and broadening services

In December, we opened Spire Healthcare Harrogate Clinic to provide day surgery treatments and minor orthopaedic procedures, Spire GP services and X-ray and ultrasound diagnostics.

The clinic will deliver up to 1,500 operations every year to patients who do not require an overnight stay. This £13.5 million investment provides people across North Yorkshire faster access to a range of surgical treatments, as well as the ability to select a consultant and treatment time. People needing more complex care or treatment that requires an overnight stay can be referred to Spire Leeds.

This is an important milestone in broadening our services, providing local people fast access to outstanding personalised care in their own community. Harrogate clinic is part of a network of new clinics to complement our 38 hospitals across England, Scotland and Wales. Spire Abergele Clinic in North Wales opened in March, and our Spire Ella May Barnes Clinic in Norwich welcomed its first patient in early December.

Special focus has been given to ensure the comfort and safety of patients within the warm and inviting environment of Harrogate Clinic. Clinical areas comprise GP and diagnostic suites, a minor procedure area, and a comfortable discharge suite.

Our strategy continued

Spire Occupational Health

Spire Occupational Health offers services to over 600 corporate clients throughout the UK. We enhance the health, safety and productivity of employees by helping to prevent ill health at work, and proactively supporting mental and physical wellbeing. In 2024 we won new contracts, including one with a prominent UK retailer.

In line with operational focus in our hospitals division, we centralised operations and streamlined processes in 2024. We are focused on maintaining the highest standards of clinical excellence and successfully renewed our SEQOHS accreditation in 2024.

We are actively exploring opportunities for marketplace consolidation, guided by our commitment to identifying the right partnerships at the opportune moment and at the right price. We are also seeking to streamline our offering to corporates in 2025, seeking synergies between Spire Occupational Health and VHG, allowing us to offer advice to employers and employees, and to then care for and provide the right treatment options for that employee as a patient.

Our private GP services

Our nationwide private GP network has 16 rapid-access clinics in central and greater London, delivering around 8,000 private GP appointments each month. Offering same-day private GP appointments, our consulting rooms provide health screens, blood tests and other GP services, and provide a seven-day service with a variety of appointment lengths and online options. Three locations relocated to improved premises in 2024 – Kings Cross, Liverpool Street and London Bridge. The trading position for London Doctors Clinic (LDC) still shows a small loss for 2024; improvements in 2025 will result from bringing Spire GP and LDC under a single management structure.

Spire GP is available in all our 38 hospitals, providing patients with 30-minute GP appointments and a fast way to access the diagnoses and treatments we offer in our hospitals.

Growth and synergies

As we integrate our healthcare offerings, we expect to accelerate the benefits of offering both primary and secondary care services to deliver a more joined-up patient pathway. We have the ability to identify a problem, provide different levels of in and outpatient treatment, carry out potential surgery and restore patients back to health through rehabilitation. For example, we now offer MSK services, covering triage, community-based physiotherapy, pain management and conditioning, through to diagnostic consultant-led services, surgical interventions and rehabilitation.

To drive more patients to our primary care services, we are addressing key geographical areas and creating a hub model for local regions, as well as building our virtual service hubs, to ensure we offer a complementary proposition with the right services in the right place. In 2024 we opened new patient support centres in Cardiff and Seaham in Sunderland, in conjunction with an expanded centre in Essex; this will support integration of primary and secondary offerings.

We are identifying good synergies to develop our primary care services, especially in referrals and corporate relationships. Our strategy to grow our primary care services includes:

- Leveraging the combination of our services to provide a group platform for growth, to meet customer demand and create new offerings
- Building an exceptional team and optimising our operations to meet the evolving needs of our patients, while delivering improved overall margins
- Centralising operations and streamlining processes to enhance service delivery and cost savings
- Expanding into new services, notably in MSK
- Exploring opportunities for marketplace consolidation, guided by our commitment to the right partnerships at the opportune moment and at the right price



Private GP consultations in 2024

96,900

36,324 Spire GP, 60,598 LDC
(2023: 35,798 Spire GP, 63,270 LDC)
Spire Healthcare data

Patients cared for by Vita Health Group

276,500

(2023: 225,380)
Vita Health Group data

Sustainability

We are a progressive, sustainable business

We want to become recognised as a leader in sustainability in our industry. Through our sustainability strategy we seek to create value in the workplace, our local communities and the environment.

Our sustainability goals, timelines and KPIs



Respect the environment

- | | | |
|---|---|-----|
| 1 | Attain net zero carbon status by the end of 2030 – includes carbon emissions, energy use and capital investment | p39 |
| 2 | Manage our waste more efficiently while minimising detrimental effects to our planet | p42 |
| 3 | Undertake a comprehensive review of climate risk across our operations | p43 |
| 4 | Identify opportunities to reduce use of single-use plastics | p43 |
| 5 | Identify and act on water-saving opportunities | p44 |



Engage our people and communities

- | | | |
|----|--|-----|
| 6 | Be a contributor to the UK's healthcare workforce through innovative programmes | p45 |
| 7 | Take action to ensure that the ethnic diversity of Spire Healthcare's leadership reflects, or is ahead of, the overall ethnic diversity of the business as a whole | p46 |
| 8 | Achieve a balance of at least 40% female representation at board and executive committee level by 2025 | p47 |
| 9 | Further reduce gender pay gap among Spire Healthcare colleagues | p48 |
| 10 | Maintain an overall colleague engagement score of at least 80% | p49 |
| 11 | Build strong connections between Spire hospitals and local communities | p50 |



Operate responsibly

- | | | |
|----|--|-----|
| 12 | Target 'Good'/'Outstanding' CQC scores across all our hospitals (or equivalent) | p51 |
| 13 | All Spire Healthcare hospitals to achieve a rating of at least 80% across colleague experience, patient experience and consultant experience | p51 |
| 14 | Maintain robust standards of clinical and corporate governance in line with best practice | p52 |
| 15 | Promote an open and learning culture | p52 |
| 16 | Further develop our approach to controls around modern slavery | p53 |
| 17 | Maintain and strengthen information governance and data security | p54 |

* The sustainability strategy was written for the hospitals business. We anticipate working to bring the rest of the group under the same plan in 2025

Sustainability report continued



Respect the environment

Attain net zero carbon status by the end of 2030 – includes carbon emissions, energy use and capital investment

Timeline End 2030

KPI

Target: tCO₂e emissions in line with our decarbonisation plan – 6.2% behind target (2023: 3% ahead of target)

Initiatives

- Installation of PV solar panels on all hospitals
- Optimisation of Building Management Systems (BMS)

Group

Progress in 2024

In 2024, we have invested £10.2 million on installing PV solar panels and building management systems throughout our hospitals estate, reduced our targeted emissions from our baseline year of 2019 by 24%, but have paused our purchase of renewable energy guarantees of origin (REGOs) owing to the significant increase in cost. However, we remain committed to our goal of attaining net zero status by 2030. We welcome the recent announcement by the National Grid to double the transmission capacity of the UK's electricity grid with backing from the UK government. Government policy in supporting the decarbonisation of the National Grid, and degassification of heating systems, will be critical to enable us to achieve our net zero target.

Our 10-year carbon reduction target

Using 2019 as a base year, we have set ourselves emission reduction targets out to 2030. Our base year emissions were 34,910 tCO₂e. The emissions covered by our target reporting include all Scope 1 and Scope 2 emissions, as well as Scope 3 emissions from air and rail travel. These are the emissions we control (the Spire Healthcare Carbon Footprint).

In 2024, we extended our target reporting boundary to include all our subsidiaries. We have now included emissions in 2024 for Vita Health Group and The Doctors Clinic Group. In accordance with the GHG Protocol we have determined that the structural changes to our organisation have breached our qualitative criterion 'significance threshold' and triggered the need to reset the baseline. Our 2019 base year and all subsequent years' targets have increased with the inclusion of these additional subsidiaries.

In 2024, our emissions were 26,522 tCO₂e which is a 24% reduction since our 2019 base year. As our interim annual target for 2024 was 24,963 tCO₂e, our performance was 6.2% adverse to our target.

When targets were set, we had anticipated purchasing REGOs in 2025. With none being procured, due to factors out with our control, electricity targets were difficult to achieve. The market value of REGOs

have been prohibitively high with significant increases in market prices resulting from the exit of the UK from the Europe-wide REGO scheme. It is our long-term objective to use this market-mechanism, but have decided to wait and monitor the markets and in the meantime reinvest in our own renewable projects.

Additionally, during the year we believed we were on track to achieving target until final billing with our energy supplier revealed data inaccuracies. Additionally, Scope 1 transport has increased slightly due to increased business activity.

Despite missing the year-end target, it should be noted that we still reduced emissions from 2023 to 2024 by 1,197 tCO₂e and from the base year 2019, we continue to make good progress, reducing emissions by 8,388 tCO₂e.

We invested significant capital to decarbonise in 2024 and these projects should more fully develop and generate savings into 2025. We are installing solar PV arrays at all our hospital sites. The majority were completed and energised in 2024. Solar power generated on site will displace purchased electricity and therefore related carbon emissions.

Additionally, we are well progressed with upgrading all hospital building management systems (BMS). This will help us improve operational control of our hospitals' heating, ventilation and cooling systems (HVAC). Once again, most hospital sites have been upgraded with the remainder to be completed in early 2025. A rolling programme of LED lighting has continued, which has helped curb electricity emissions.

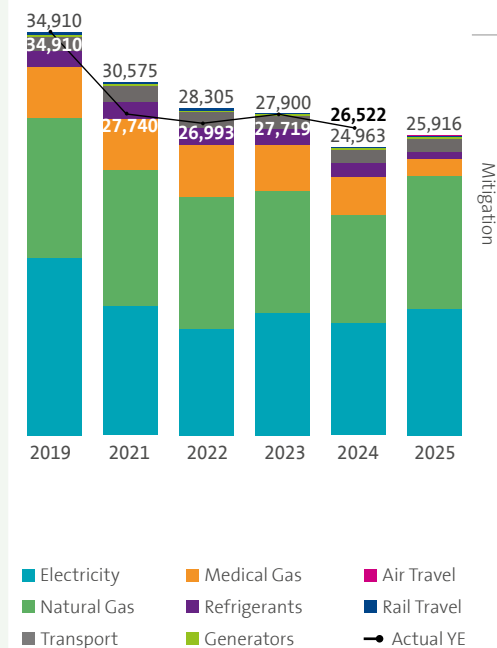
Piped nitrous oxide has been physically removed from service at all hospitals and our improved reporting accuracy for fluorinated gases has resulted in lower emissions, which has helped mitigate performance elsewhere. The hospitals continue to invest time in energy efficiency projects, using hospital level targets to drive our carbon champions to save energy through communications such as our newsletter, by promoting behavioural change and through small capital projects, complimenting the large capital projects that we have underway.

Our carbon reduction roadmap

The graph below shows annual targets for emissions reductions as well as actual performance. The targets and baseline now include Vita Health Group and The Doctors Clinic Group. Considering our 2024 performance and the evolving emissions reporting sphere, we have created a new interim target for 2025, to allow us time to review our options for future reporting years. Among consideration is adopting targets that are in line with the Science Base Targets Initiative (SBTi) methodology. We will also review any other best practice for emissions target setting.

Our review has been triggered by REGOs now costing more than initially expected and the cost of degasification not being at the levels anticipated when targets were set in 2020.

Spire Healthcare net zero carbon emissions (tCO₂e) reduction plan



1. The trajectory to net zero by 2030 and figures presented here exclude VHG; we will look to integrate our plans going forward.

Sustainability report continued

Additionally, our review will increase the scope of our emissions reporting to include our whole GHG inventory and adopt best-practice target setting.

The 2025 target of 25,916 tCO₂e will ensure we continue to strive for emission reductions from 2024's year-end position of 26,522 tCO₂e. The 2025 target is for all Scope 1 and Scope 2 emissions as well as Scope 3 emissions from air and rail.

Carbon credits

Our surplus emissions, over target, amount to 1,559 tCO₂e. In order to demonstrate our commitment to the avoidance and removal of greenhouse gas (GHG) emissions we have purchased credits for this surplus. The project in which we decided to invest is a REDD (Reducing Emissions from Deforestation and Forest Degradation) project in Brazil. This project is certified by Verra through its Verified Carbon Standard (VCS) Program which is the most widely used greenhouse gas (GHG) crediting programme in the world. We are aware that carbon credit programmes have their limitations and will undertake appropriate due diligence prior to engaging in any major use of carbon credits to offset future emissions.

CDP reporting

We have retained our Climate Disclosure Project (CDP) management level band scoring for the 2024 response. There was a minor drop in the actual scoring to a 'B-' from 2023's 'B'. The questionnaire had a large overhaul in 2024 with many additional questions and sections. We are looking to address gaps in our response to improve scoring in 2025. Several categories within the response improved in scoring such as our Risk Disclosure, Governance and Scope 3 Emissions reporting.

6%

Behind 2024 target emissions – 26,522 tCO₂e achieved, target 24,963 tCO₂e (2023: 3% ahead)

Full GHG inventory and streamlined energy and carbon reporting

This section provides the emissions data and supporting information required by the Companies Act 2006 (strategic report and directors' report) Regulations 2013 and the Companies (directors' report) and Limited Liability Partnerships (energy and carbon report) Regulations 2018.

Total GHG emissions for the Spire Healthcare Group in 2024 were 352,202 tCO₂e. For the first time we are reporting our full GHG inventory with all scopes included (see table opposite). The only notable exception is Scope 3 Category 7: Employee Commuting. From 2025 we will begin to include commuter surveys in our annual questionnaires to allow us to determine emissions from this category.

Notes on the table

Emissions stated are for all Scope 1 and Scope 2 emissions as well as all Scope 3 categories where information is currently available.

a. Methodology and emissions factors

The Streamlined Energy and Carbon Reporting Regulation (SECR) report relates to Spire Healthcare Group PLC (and all subsidiaries) and covers the emissions from its operations from January 2024 to December 2024.

The reported carbon emissions have been calculated following the guidance in the UK government's Environmental Reporting Guidelines, 2019, and the methodology outlined in The GHG Protocol Corporate Accounting and Reporting Standard (revised edition). The carbon emission factors have been obtained from the UK government's GHG Conversion Factors for Company Reporting 2024. An 'operational control' methodology has been adopted to outline the scope of carbon emissions reporting for Spire Healthcare; operational control refers to the ability of an organisation to direct the activities of a facility or operation. In the context of GHG reporting, a company is considered to have operational control over a facility or activity if it has the authority to introduce and implement operating policies at that facility or in that activity, regardless of ownership.

Activity – Category	2023 (tCO ₂ e)	2024 (tCO ₂ e)	Percentage Change (%)	Actual Change (tCO ₂ e)
Scope 1: direct emissions from the operation of owned and controlled facilities and equipment				
Scope 1 Total (tCO ₂ e)	15,491	14,528	-6%	-963
Scope 2: indirect emissions – from the production of purchased energy				
Scope 2 Location based total (tCO ₂ e)	12,204	11,903	-2%	-302
Scope 3: indirect emissions from the value chain				
1. Purchased goods and services	233,441	264,277	13%	30,836
2. Capital goods	46,013	53,608	17%	7,596
3. Fuel and energy related activities	6,276	6,286	0%	10
4. Upstream transportation and distributions	280	467	67%	187
5. Waste generated in operations	418	226	-46%	-193
6. Business travel	335	402	20%	67
7. Downstream transportation and distribution	407	506	24%	99
Scope: 3 Location Based Total (tCO ₂ e)	287,170	325,772	13%	38,602
Total Gross Emissions Location Based (tCO₂e)	314,865	352,202	12%	37,338
Revenue (£m)	1,359	1,511	11%	152
Intensity Ratio tCO ₂ e per (£m) Location Based	232	233	0.6%	1



Sustainability report continued

This means that the organisation is responsible for the GHG emissions from the 'operations it controls'.

This report includes the material carbon emissions, in line with the emissions categories, as required to be reported under the SECR regulations as well as voluntary emissions from all other sources available.

b. Scope 1: direct emissions from the operation of owned and controlled facilities and equipment

Scope 1 emissions are made up by emissions from natural gas, transport, medical gases, gas oil (backup generation) and refrigerants.

c. Scope 2: indirect emissions from the production of purchased energy

Scope 2 emissions used a location-based methodology in 2024. These emissions are primarily from purchased electricity across our estate. A minor percentage was for the use of battery powered electric vehicles.

d. Scope 3: indirect emissions from the value chain

Category 1 and 2 emissions have been calculated using spend-based data with Department for Environment, Food and Rural Affairs (DEFRA) conversion factors for the whole group. Additionally, some primary activity data for water supply has also been included. Category 3 emissions are for well-to-tank for all fuels used, well-to-tank for electricity generation, well-to-tank for transmission and distribution (T&D), and electricity T&D losses.

Category 4 emissions are for the purchase of courier services for incoming goods. Category 5 is for waste generated in operations, coming primarily from waste partners for recycling, combustion and landfill. Some waste data was calculated on a spend-based method for disposals. Category 6 emissions are from air travel, rail travel and hotel stays. Category 9 emissions are for the purchase of courier services for outgoing goods.

From the full inventory it can be seen that Scope 3 emissions dominate. These contribute more than 92.5% of all emissions, with Scope 1 and Scope 2 contributing 4.1% and 3.4% respectively. Scope 1 emissions decreased 6% in comparison to 2023, and Scope 2 emissions decreased by 2%. These are the emissions that we have been proactively targeting for reduction. Emissions from Scope 3 waste performed very well, having decreased by 46%. The rest of our Scope 3 emissions increased, with these mostly being tied directly to spend-based activity data.

As required by SECR legislation we have stated our emissions, 2023's emissions for comparison, an intensity ratio, energy efficiency actions carried out, our methodology and our energy usage. These can be found on page 39-40. Despite our overall emissions increasing our intensity metric has decreased by 0.4% to 231 tCO₂e per £m revenue.

In 2024 we carried out a comprehensive review of our supply chain in our ongoing commitment to environmental sustainability and reducing carbon emissions. As part of this effort, we were seeking to understand better the environmental impact of our suppliers' operations, particularly GHG emissions. The response received will aid us in identifying opportunities for collaboration in reducing emissions across the supply chain.

Our aim for the future is to begin to develop targets for our Scope 3 emissions.



Sustainability report continued



Respect the environment

Manage our waste more efficiently while minimising detrimental effects to our planet

Hospitals

KPI

Target: overall recycling 30% by end 2024 – 48% in 2024 (2023: 35%)

Target: hospital sites only dry mixed recycling 30% by end 2024 – 31.4% in 2024 (2023: 23.5%)

Target: offensive waste 40% by end 2024 – 42.9% in 2024 (2023: 36.5%)

Initiatives

- 23 sites averaged over 30% for DMR in 2024 (2023: 13)
- Recycling at 49 clinical and non-clinical sites, up from 47 in 2023 – hospitals, central functions offices, distribution and other non-clinical sites
- Fully rolled out recycling of reusable sharps containers
- Increased recycling rates through further segregation of waste and hazardous materials eg tray wraps and curtains
- Worked to increase segregation of offensive waste and reduce use of paper towel and gloves
- Sustained reduction in infectious waste to 0.4% (2023: 3%) of total clinical waste which lowered carbon emissions and cost, and helped remove offensive waste from incineration
- Sustained working with current waste contractors to mitigate waste going to landfill sites (0.7% of total waste went to landfill)
- Trained over 10,000 colleagues (2023: 1,300) in waste segregation, with mandatory training for all colleagues

Progress in 2024

Ensuring that we manage our waste properly, and recycle what we can, is vital for a healthcare business. It is all about doing the right thing, contributing to our carbon reduction programme, protecting the environment, and reducing costs.

In the hospitals, we generate a considerable amount of general waste. This is a combination of domestic waste, most of which can be used to generate renewable energy, and dry mixed recycling (DMR), which can be reused or repurposed. The hospitals business also disposes of clinical, infectious and offensive healthcare waste that requires specialist treatment, incineration or disposal through the renewable energy system. The challenge of managing and sorting such complex waste streams is unique to the healthcare sector.

It is important for our teams to understand the various types of waste and we have been rolling out mandatory waste segregation training since 2023. By November 2024, over 10,000 colleagues (2023: 1,300) had been trained. We incinerated less proportionately of total waste (from 29% in 2023 to 25% in 2024), and absolute tonnage has decreased by 11%. However, as incineration prices per tonne have increased, costs have increased in this area.

In 2024, Spire Healthcare's waste management initiatives saved over 2,742 tonnes of CO₂ (2023: 358 tonnes) This is equivalent to:

- 9,475 trees planted each year or
- 1,028 cars off the road or
- 1,683 houses powered each year

We are now recycling at 49 clinical and non-clinical sites, up from 47 in 2023.

DMR rates improved in 2024 to 31.4% from 23.5% because mandated training is raising awareness of the importance of segregating waste, combined with investment in new waste segregation bins.

Most sites are now segregating disposable curtains and tray wraps. Following a feasibility study for a 'gloves off' campaign with the aim of reducing glove numbers in clinical waste in hospitals, we implemented the initiative successfully in 2024. We also tested the removal or reduction in use of disposable paper tissue roll in many of our outpatient areas and concluded we could implement reduction initiatives safely; we did so from October 2024.

We have 'offensive waste' segregation at all our hospital sites. Disposal of offensive waste costs over 60% less per tonne and uses a more environmentally friendly waste disposal process than clinical or infectious waste. It is not incinerated; instead, it goes to a special materials recovery facility, where it generates renewable energy without releasing

any harmful substances into the atmosphere. By encouraging segregation into offensive waste and clinical waste, we reduced our carbon emissions. In 2024, we continued to push the segregation of clinical and infectious waste into offensive waste by focusing on waste segregation in our theatres.

To help reduce our carbon footprint, the sharps bio system roll out, designed by our waste partner Stericycle, was completed across the estate in 2024. Stericycle's containers are reusable, UN-approved, puncture-resistant containers that can be used up to 600 times after washing and disinfection, as opposed to the single-use sharps containers that are disposed of after just one use.

48%

overall waste recycled in 2024, up from 35% in 2023

This includes recycled waste returned to our National Distribution Centre.

31.4%

dry mixed waste recycled, up from 23.5% in 2023

This excludes National Distribution Centre waste and is at hospital sites only.



Sustainability report continued



Hospitals

Respect the environment

Undertake a comprehensive review of climate risk across our operations

Timeline

End 2026 – completed in 2023

Progress in 2024

We completed a comprehensive review of climate risk across our operations in 2023, undertaking our scenario analysis from the impacts of climate change on our business. Our TCFD report on pages 77 to 82 provides the detail and outcomes of the analysis. We will undertake this analysis again by 2026, to ensure that we continue to revise our understanding of the possible impacts as the modelling of future global warming trends improves with a mixture of further actual data and more powerful models.



For more information, see our TCFD section [page 77](#)



3



Hospitals

Respect the environment

Identify opportunities to reduce use of single-use plastics

Initiatives

- Reusable sharps containers saved over 20,000 containers from incineration

Progress in 2024

To help reduce our carbon footprint, the sharps bio system, designed by Stericycle, our waste partner, was rolled out across the hospital estate in 2024.

In 2024, this initiative diverted an estimated 20,455 containers from incineration, 39 tonnes of avoided plastic in manufacturing and 241 tCO₂e of emissions.



Read more in goal number two on [managing waste on page 42](#)



4

Sustainability report continued



Respect the environment

Identify and act on water-saving opportunities

Hospitals

KPI

Target: consumption m³ to be determined

Initiatives

- Automatic meter reading
- Reviews of housekeeping and catering

Progress in 2024

Water conservation

In 2024, our key focus was the deployment of PV solar panels and building management systems as described on page 39. As these programmes are now materially complete, more action will now be taken in relation to water saving initiatives.

Initial focus will be on the roll out of automated meter reading for all our hospital sites, delivering accurate measurement of water consumption, and to understand the impact of water saving activities. We are in discussion with our advisors and suppliers over this initiative with a view to implementation in 2025.

In the meantime we have continued to make tactical savings, eg identifying and removing low-use outlets. From reviews of our housekeeping and catering processes, we believe further savings in water consumption will be forthcoming in 2025.





Group

Engage our people and communities

Be a contributor to the UK's healthcare workforce through innovative programmes

Initiatives

- Learning and development strategy
- Apprenticeship programmes including a large nurse apprenticeship programme
- Driving Clinical Excellence in Practice programme
- People management training

Progress in 2024

Investing in our talented people is a major focus for us, as we seek to train and upskill colleagues, preparing them for a fulfilling and rewarding career at Spire Healthcare or elsewhere in the wider health and care sector.

Our apprenticeships and people development

Supporting the development of our colleagues is crucial to maintain our high standards of quality and care. Our five-year nursing and allied health professional (AHP) strategy focuses on delivering excellent, safe practice and care and has three strands: developing our workforce, driving clinical excellence through practice and enhancing professional pride.

In 2024, we launched our new Driving Clinical Excellence in Practice programme, which supports the continuing professional development of registered nurses and allied health professionals; 350 colleagues have started it. The programme considers clinical skills and competencies, and meaningful subject matters within healthcare.

Professional development is an important part of our offer to attract and retain the best people to work in our hospitals and clinics. We seek to refresh colleagues' competencies and skills regularly. Clinical competencies will be part of our new automated online learning management system for mandatory training, launching in 2025. The new platform will not only reduce risk by ensuring that compliance and mandatory training is appropriately delivered, but also allow colleagues to drive their own development when it is launched in 2025.

In 2024, over 110 apprentices graduated from our apprenticeship programmes, including many who achieved functional skills in maths and English to be able to participate in higher level programmes. We give them the right environment in which to thrive, study and learn. We continue to sustain a healthy pipeline of new apprentices enrolling in our programmes, and closely monitor performance against retention and career progression data.

Our largest apprenticeship programme is the Registered Nurse Degree, and our apprentices continued their studies in 2024 with the University of Sunderland and in placements in a range of nursing settings. Nurse graduates deliver critically needed nursing skills directly into the UK's healthcare sector. We currently have over 380 apprentices across the group in a wide range of clinical areas such as laboratory medicine, physiotherapy, pharmacy, theatres, as well as non-clinical disciplines such as engineering, governance and hospitality, and in Vita Health Group, representing around 3% of our permanent workforce.

We offer a range of opportunities to help colleagues learn and grow at work. In 2024, we continued to focus on developing manager capability, including the introduction of a new managers programme where more than 100 managers with less than six months' experience learned the fundamental skills for great people management.

In Vita Health Group, a mentoring scheme in 2024 supported 56% of participants to advance in their career. A new induction process for joining colleagues was introduced in 2024 to manage the training at a more manageable pace.



For more information, see our TCFD section on [page 77](#) and Investing in our workforce on [page 29](#)



350

colleagues have started Driving Clinical Excellence in Practice training programme (new for 2024)

Sustainability report continued



Group

Engage our people and communities

Take action to ensure that the ethnic diversity of Spire Healthcare's leadership reflects, or is ahead of, the overall ethnic diversity of the business as a whole

KPI

Target: 18% ethnic minority representation in executive committee and their direct reports

Initiatives

- Agreed targets to improve diversity and belonging, ahead of new EDI strategy implementation in 2024
- Consider ethnic diversity balance when constructing Spire Healthcare's leadership programmes
- Broad range of networks including for sexuality, racial equality, menopause and women
- Reviewed external benchmarks – Parker Review
- Working towards better data to improve reporting and planned action

Progress in 2024

We have reviewed this goal in line with the requirements of the Parker Review: 'Improving the Ethnic Diversity of Business', published in 2023, to assess how best to support diversity in the business. At the end of 2024, we agreed a target of 18% ethnic minority representation within executive committee and their direct reports.

Diversity remains vital to our success, and our equity, diversity and inclusion (EDI) strategy was reviewed in 2024 with a view to defining organisation-level targets to help us improve diversity and belonging within the business.

We were pleased to be listed in the Financial Times Diversity Leaders index for another year; an index of companies considered to be Europe's diversity leaders, based on a survey of 100,000 employees across Europe. We aspire to create an environment where everyone is respected and where difference is celebrated.

The group's executive committee demographic was 22% ethnically diverse in 2024 (2023: 25%) and the board is 10% ethnically diverse, up from 8% in 2023. For executive committee and their direct reports, the proportion was 9.2% ethnically diverse (2023: 7.8%).

Colleague networks

We have networks supported by a member of the executive committee to give focus and impetus. All networks contribute to policy and inclusion.

Our race equality network is a supportive and confidential colleague network that provides individuals from diverse backgrounds with a safe and open platform to share their personal experiences. The network has been active with regular meetings and communications updating colleagues on actions taken and celebrating successes. Regular catering events encourage embracing diverse cultures and backgrounds.

Our menopause network completed a second survey in 2024, which showed an improvement in awareness of menopause and symptoms among colleagues and knowledge of the menopause policy. Comments showed a need for training to support line managers' understanding of symptoms and each person's

experience; we have released an awareness booklet and now offer additional health benefits for permanent employees. We have also trialled an alternative gender-free uniform, which can be worn by anyone.

The LGBTQ+ network is colleague-led and offers support, training and celebration, and contributes to group policy formation. In early 2025, the network was awarded 'highly commended' by the Metro Pride Awards as in the LGBTQ+ best colleague network category, for strengthening organisation culture.

VHG has networks on women, LGBTQIA+ and race equality, presenting safe spaces for those communities. Each network is involved in setting policies for the business.

Understanding our workforce better

Colleagues are encouraged to share their ethnicity during the annual colleague survey to help Spire Healthcare better understand the different experiences of colleagues. The survey results are reported and shared across the hospitals business, including the responses to questions on reporting instances of harassment, bullying, or abuse at work from patients, managers, and colleagues. The survey also asks whether colleagues believe that Spire Healthcare provides equal career progression and promotion opportunities, regardless of factors such as ethnic background, gender, religion, sexual orientation, disability or age.

Of those colleagues in Spire Healthcare Limited who disclose their ethnicity, 20.4% report having a non-white background, up from 18.9% in 2023.

VHG has positive action schemes in place to reduce barriers to employment faced by people with disabilities, women, veterans and those from ethnic minority backgrounds. The schemes guarantee interviews for those applicants who meet the role criteria. Colleagues have also been offered a wide variety of training including, anti-racism, disability awareness and LGBTQIA+ awareness.



20.4%

of those hospitals business colleagues who disclose their ethnicity, report having a non-white background (2023: 18.9%)

Headcount by ethnicity Spire Healthcare Limited

Asian	1,582
Black	610
Chinese	78
Mixed	246
White	10,410
Other	158
Not stated	2,655

Sustainability report continued



Engage our people and communities

Achieve a balance of at least 40% female representation at board and executive committee level by 2025

Timeline End 2025

KPI

Target: proportion of females 42% at board and executive committee combined – 47% in 2024

Target: board diversity policy, minimum of 33% female directors on the board: 33% by 2023 AGM and 40% by 2025 – 50% in 2024

Initiatives

- FTSE Women Leaders Review – first in healthcare and 4th in the FTSE 250
- FT Diversity Leaders Index top 850 companies in 2024 – ranked 165 up from 433 in 2023
- Women in Work top 100 company 2024

Group

Progress in 2024

Spire Healthcare is committed to diversity and inclusion, which includes supporting women to become leaders within the business.

We have five women on the board, equal to 50% of the membership, in 2024, up from 45% in 2023, reflecting our commitment to fair representation across the business. The board considers its members' diversity regularly through data reviews, recruitment decisions and discussions in board meetings. Diversity is also regularly reviewed as part of the workforce demographics discussions at meetings of the remuneration committee and executive committee.

Our executive committee demographic was 33% female in 2024 (2023: 38%).

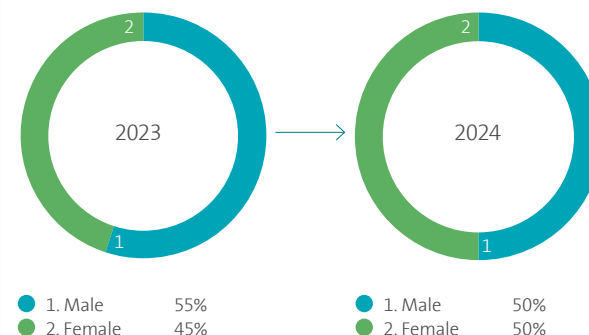
The combined board and executive committee demographic in 2024 is 47% female, level with 2023.

Spire Healthcare is 4th in the FTSE 250, and first in healthcare, for women in senior leadership positions, as recognised by the FTSE Women Leaders Review report for 2024/25 which covers the largest UK companies. Our executive committee combined with our senior managers – their direct reports – was 55% female at 31 October 2024 (2023: 58%), as reported to the review.

We are one of the FTSE 350 companies that has already met, or exceeded the target for Women in Leadership, and did so two years ahead of the target date of 2025.

For more information, see Investing in our workforce on page 29, gender pay gap on page 48 and KPIs section on page 62

Gender balance of board



Sustainability report continued



Engage our people and communities

Further reduce gender pay gap among Spire Healthcare colleagues

Hospitals

Timeline End 2025

KPI

Gender pay gap: year-on-year reduction – positive initiatives underway

Initiatives

- Inclusive approach to training and development
- Monitor and report on gender pay gap
- Build talent pipeline and support colleague development

Progress in 2024

Our main employing entity is Spire Healthcare Limited – covering 83.8% of all reportable employees of Spire Healthcare Group. In the interests of transparency, we have provided additional data that captures relevant employees across the Spire Healthcare Group.

Gender pay reflects the structure of our workforce and the differences in the balance of male and female workers within the wider healthcare sector. Gender pay is distinct from 'equal pay', which considers whether men and women are paid the same for carrying out the same or equivalent roles.

In 2024, the overall median gender pay gap in Spire Healthcare Limited was 11.6% (2023: 9.2%) and the mean reduced to 16.2% compared to 17.7% in 2023.

The median gender pay gap in Spire Healthcare Group was 12.3% for 2024 (2023: 9.1%) which is below the Office for National Statistics median of 13.1% published in October 2024. The mean gender pay gap for Spire Healthcare Group reduced to 16.1% from 17.2% in 2023.

Our mean and median gender bonus gap reduced in 2024 compared to 2023 for Spire Healthcare Limited and Spire Healthcare Group. For Spire Healthcare Limited the mean gender bonus gap for 2024 was 74.7% compared to 82.0% in 2023 and the median gender bonus gap was 25.0% from 50% in 2023. For Spire Healthcare Group the mean gender bonus gap for 2024 was 76.2% compared to 81.7% in 2023 and the median gender bonus gap was 25% from 50% in 2023.

Responding to the gender pay gap

We understand and value the benefits that diversity can bring across all levels of the organisation. Having a visibly diverse leadership fosters a culture of inclusion that both attracts a broader talent pool and also allows our future talent to recognise that progression is possible to senior leadership roles.

We have made a focused effort to better understand our gender data across all levels within our organisation and where we have either weak or strong levels of gender balance in the talent pipeline. In addition we have been reviewing, updating and creating new policies (for example menopause policy) that can support all women in our workforce. This has been a conscious effort to both attract and retain our female talent.

The introduction of the job framework for hospital colleagues has provided clarity on progression pathways, enabling better flow and retention of female talent. These efforts are underpinned by a targeted talent pipeline strategy, designed to identify, develop and support female colleagues at all levels.

In addition, 2024 was the second successful year of insourcing our recruitment which has significantly reduced vacancies and time to hire, allowing even more focus on the right candidates for roles and will help focus on gender and diversity representation.

We continue to undertake talent and succession planning where we look to create opportunities and support the development of female leaders.

We continue to invest in colleague development and training, focusing particularly on management and leadership capabilities. In 2024 representation was gender balanced across our executive coaching programme.

Gender breakdown

Employees – Spire Healthcare Limited	Male	Female
Overall employees	2,436	9,319

Employee table

Entity	Spire Healthcare Limited	Spire Healthcare Group plc		
Number of employees (includes bank workers) ²	13,115	15,703		
Women's hourly rate is:				
Mean	16.2% lower	16.1% lower		
Median	11.6% lower	12.3% lower		
Pay quartiles:				
	Men	Women	Men	Women
Top quartile	25.8%	74.2%	26.5%	73.5%
Upper middle quartile	20.4%	79.6%	20.2%	79.8%
Lower middle quartile	20.9%	79.1%	20.5%	79.5%
Lower quartile	16.1%	83.9%	16.3%	83.7%
Women's bonus pay is:				
Mean	74.7%	76.2%		
Median	25.0%	25.0%		
Who received a bonus?				
Men	32.0%	30.8%		
Women	29.8%	28.2%		

1. Including Spire Healthcare Limited, Montefiore House Limited, Claremont, Vita Health Group, Spire Occupational Health and London Doctors Clinic

2. In line with government reporting requirements, the number of employees stated in the table above is the number of colleagues who received full pay in the pay period April 2024.

Sustainability report continued



Hospitals

Engage our people and communities

Maintain an overall colleague engagement score of at least 80%

KPI

Target: 80% proud to work for Spire Healthcare – 76% in 2024 (2023: 81%)

Initiatives

- Actively grew number of colleague survey engagement champions so each area of the hospitals business is represented.
- Introduced regular online meetings with champions, sharing key activities such as awareness events and pilot of Viva Engage, examples of action planning in practice and local engagement initiatives to develop best practice
- Worked closely with the people operations team to develop ways of working to provide local support for management team action planning, and in delivering the 2024 colleague survey
- Supported 2024 survey preparations in our hospitals with bespoke team presentations and Q&A documents for management teams' use
- Engaged with hospitals with the lowest colleague survey response rates in 2023 to provide extra support as required for the 2024 survey

Progress in 2024

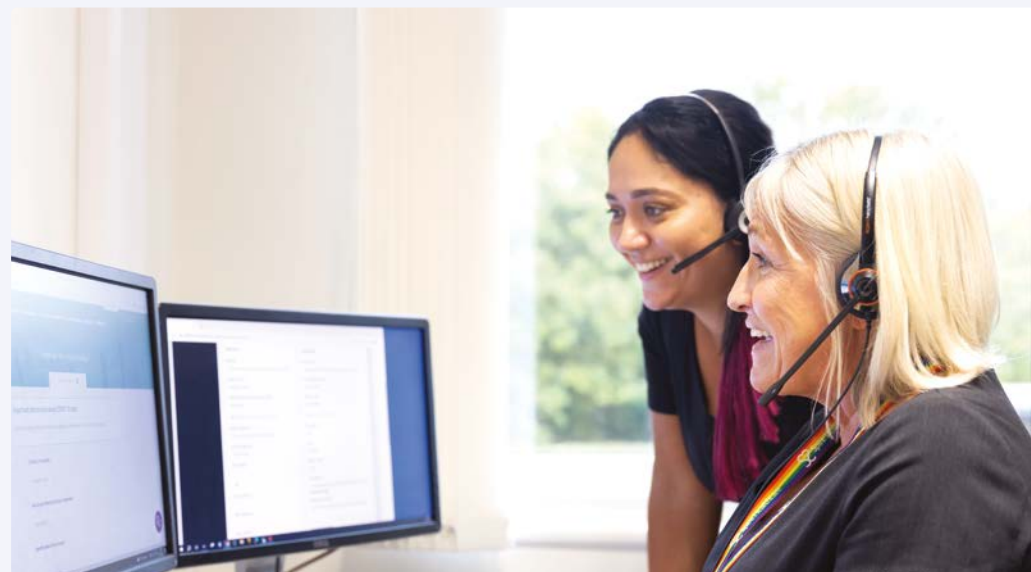
We want our colleagues to have a great work experience, and if they feel engaged, they can perform at their best. Regular communication is an important part of our engagement activities and we use a variety of communication channels to provide regular updates on all aspects of our hospitals business.

We aim to make it easy for frontline hospital colleagues without regular access to email to get involved in our communication and engagement activities. Our colleague communications app (provided by Ryalto) is available for colleagues to access on their own personal devices to stay connected easily. The app is an excellent platform to recognise teams and individuals. In 2024 we published key information in a variety of formats including photos and animations, as well as videos from our chief executive officer and the executive committee.

In 2024, we introduced Microsoft Viva Engage in the hospitals business, a key communication and collaboration tool. Following a pilot in the summer with senior leaders, we successfully launched Viva Engage into Spire Leeds and Spire Yale hospitals, set up a company newsfeed and launched to two central functions teams. Integrated as part of the Microsoft 365 suite of applications and available on personal devices and computers, Viva Engage will build upon the success of Ryalto and make it easier for colleagues to interact across different communities that represent local teams, role type and personal interests.

We encourage regular feedback from colleagues, with annual surveys to gain in-depth feedback across the group. We held our group-wide colleague surveys in November, with colleagues in hospitals, central functions, LDC and Spire Occupational Health completing the same survey*. For the first time, VHG aligned the timing of its survey and introduced new questions to provide important year-on-year comparisons, and group-wide indicators.

The survey was of Spire Healthcare Limited, LDC and Spire Occupational Health colleagues.




Results for the hospitals business showed an overall response rate of 83% (86% in 2023), with 76% of colleagues saying they are proud to work for the business (81% in 2023), and 83% would be happy with the standard of care if their friends or family needed treatment (86% in 2023).

Results for VHG showed an engagement score of 78% (2023: 81%) with a response rate of 82% (2023: 80%).

In March, we held a colleague survey champions day for the hospitals business with a focus on understanding the drivers behind the key themes from the 2023 colleague survey, ideas for action plans and how to drive meaningful change. The year's key themes included recognition and trust in leadership, celebrating differences and recommending Spire as a place to work. Since its last survey, VHG has followed up to understand their scores and seek improvements.

We focused on four main themes from a safety survey of hospitals business colleagues in 2024, related to accessing the patient safety policy, speaking up, feedback and behaviour. This survey was linked to the chief executive's 'Listen Up' theme for the year and sought to gain more insight into this important area, supporting an open culture where people feel comfortable to speak up. The findings show that there is opportunity for focus and for us to question ourselves 'how do we get better?'. We are also analysing possible reasons why some hospitals appear to be making greater progress than others and will share learning in committee reports.

Line managers conduct regular one:one meetings and full and half-year reviews. Our executive committee and non-executive directors dedicate quality time to people issues across the group, and continued to engage with colleagues over 2024 through the workforce committee and colleague listening sessions at sites across the country.

 For more information, see Investing in our workforce on [page 29](#) and KPIs section on [page 62](#)

10

Sustainability report continued



Engage our people and communities

Build strong connections between Spire hospitals and local communities

Group

Initiatives

- Corporate charity drive
- Strong community relationships with local charities
- Financial support to sites or individuals who are fundraising
- Working with voluntary sector partners
- Informal community efforts, including supporting local foodbanks
- Outreach to bring NHS services to local communities

Progress in 2024

Contributing to our communities

We believe in the power of giving back to our local communities and making a positive impact on society. In 2023, Spire Healthcare established a group-wide charity committee to coordinate, consider and agree the group's overall charitable initiatives. The committee is chaired by a member of the executive committee with participants from across the organisation. In 2024, the committee held a strategy day and agreed to start pledging grants to sites and individuals who are fundraising. The committee agrees the level of grant or donation – for the latter, individuals must raise at least the amount donated by Spire.

During our annual corporate charity drive in June, hospitals raised £7,000 for Maggie's, the cancer charity, and the business donated an additional £10,000. In addition, hospitals took part in local fundraising for more than 25 different worthy causes – activities included a charity bike ride, a fun run and baking. Colleagues sought to live out the objectives of being kind, making a positive difference to worthy causes and having some fun along the way.

As well as supporting national charities such as Maggie's, many hospitals strengthened their relationships with local charities and organisations in their communities throughout the year. These charities, which are chosen by our colleagues, closely reflect the communities they serve, and the support goes beyond fundraising. The relationships are often long-standing and we offer them valuable resource, locations for meetings and events, workplace experience, and publicity where possible.

Christmas was a particularly active time in 2024. Spire Bushey Hospital was delighted to provide its annual Christmas lunch to the Over 60's club in a local church, an event which has been ongoing for over 30 years; the hospital catering team produced a fantastic meal with all the trimmings. Spire Liverpool's colleagues and consultants donated gifts for the Cash for Kids appeal, doubling their 2023 collection. The charity works with disadvantaged children from birth to 18. Spire Cardiff colleagues donated 90 gift bags to a south Wales charity for underprivileged children, the Mr X Appeal, and raised over £1,000 for the Welsh Air Ambulance.

Earlier in the year, Spire Parkway raised over £10,000 for Cancer Research UK's Race for Life. Over 50 colleagues took part in the muddy obstacle course in Birmingham, some of whom have, themselves, been affected by cancer.

To promote services to 'hard-to-reach' patient groups, Vita Health Group's partnership liaison officers work closely with voluntary sector partners to stimulate referrals and bring services to locations such as supermarkets, libraries and community centres. In 2024, they engaged with local community partners and voluntary organisations to better understand patient groups to improve access and outcomes. In 2024, a project began to prepare for the patient carer race equality framework, which comes into force in March 2025 for all providers of mental health services for NHS patients.

At Vita Health Group, each colleague can take one volunteer day per year; this was little used in 2023 but in 2024 over 80 days were taken, giving time to local communities.



Sustainability report continued



Hospitals

Operate responsibly

Target 'Good'/'Outstanding' CQC scores across all our hospitals (or equivalent)

KPI

Target: 100% of our inspected hospital locations to achieve 'Good' or 'Outstanding' ratings or the equivalent from regulators in England, Scotland and Wales – 98% in 2024 (2023: 98%)

Progress in 2024

Quality underpins everything we do. We have robust ward-to-board governance and internal audit procedures, and members of the board and executive committee regularly visit and meet with hospital leaders, colleagues, consultants and medical advisory committees.

We expect the highest possible standards every day across all locations, delivering care and providing safety to patients. Currently 98% of our inspected hospital sites are rated 'Good', 'Outstanding' or the equivalent by health inspectors in England, Scotland and Wales. Both hospitals in Edinburgh and Spire Clare Park in Farnham were rated 'Good' overall in 2024. We are still awaiting reinspection of Spire Alexandra in Kent which has not been inspected by the Care Quality Commission since 2016/17.

100% of Vita Health Group locations inspected by CQC are rated 'Good'.



For more information, see **Building on quality** on **page 25**

12



Hospitals

Operate responsibly

All Spire Healthcare hospitals to achieve a rating of at least 80% across colleague experience, patient experience and consultant experience

KPI

Target: 80% of employees stating they are proud to work for Spire Healthcare – 76% in 2024

Target: 80% of private patients rating their overall experience as 'very good' – 82% in 2024

Target: 80% of consultants who rate the care given to their patients by our hospitals as either 'excellent' or 'very good' – 84% in 2024

In 2024, six hospitals met all three of these criteria (2023: 7), 34 hospitals met at least one (2023: 31) and 22 met at least two (2023: 16).

Progress in 2024

We seek to offer our patients rapid access to high-quality, compassionate, personalised healthcare, with expert clinicians, at a price they can afford. We aim to make our hospitals the first choice for consultants, and to invest in the best people, facilities and equipment to achieve this.



For more information, see **Driving hospital performance, Building on quality and Invest in our workforce** on **pages 22 to 31**

13



Sustainability report continued



Group

Operate responsibly

Maintain robust standards of clinical and corporate governance in line with best practice

Initiatives

- Implemented PSIRF across the organisation
- 35 hospitals accredited by NJR with 25 gold awards
- 15 MQEM recognised chemotherapy units
- 14 hospitals JAG accredited

Progress in 2024

We constantly seek to improve our standards of clinical and corporate governance, as quality sits at the heart of our culture. Our Quality Improvement (QI) strategy is now fully embedded across the organisation, while our non-executive directors conduct regular hospital visits, meet with hospital leaders, and attend local medical advisory boards and national conferences.

In 2024 we implemented the Patient Safety Incident Response Framework (PSIRF), which promotes an improved approach to responding to patient safety incidents. It recommends a system-based approach to learning, with supportive oversight of consultants focused on strengthening our response systems and continuous improvement. We have linked PSIRF to our QI programme and Freedom to Speak Up efforts to seek lasting learning and sustain a learning and open culture. This promotes colleague and patient engagement, and improved relationships.

We continue to actively contribute data to relevant registries such as the National Joint Registry (NJR) in 2024. In 2024, 35 Spire hospitals achieved the Quality Data Provider certificate, with 25 receiving the 'gold' award (2023: 31 and 19). Of 16 chemotherapy units, 15 are recognised with the Macmillan Quality Environment Mark (MQEM) accreditation (2023: 15) and we have 14 hospitals with accreditation by the Joint Advisory Group on endoscopy (2023:14)

In 2024, we remain fully compliant with the Independent Healthcare Providers Network's (IHPN) Medical Practitioners Assurance Framework (MPAF).



For more information, see [Building on quality on page 25](#) and [Clinical governance and safety committee report on page 103](#)

14



Group

Operate responsibly

Promote an open and learning culture

Initiatives

- Freedom To Speak Up Guardians at all our sites
- Launched a Speak Up training module from the National Guardian's Office, mandatory for all colleagues and consultant partners
- PSIRF implemented in all hospitals

Progress in 2024

We welcome PSIRF, as the framework not only helps us manage professional standards, but also builds on our open and learning culture.

We work hard to create a culture that is characterised by openness, respect, collaborative working, a focus on clinical safety, and a spirit of continuous improvement. Attracting, retaining and developing great people is a high priority for us, and we can only do this if colleagues feel valued, rewarded, motivated, and supported by clearly defined career paths.

We continue to encourage our colleagues and consultant partners to speak up if they see something that's wrong, and we will always listen to them and support them. We have Freedom to Speak Up Guardians at all sites, and available for colleagues who work remotely, to whom colleagues can turn.



For more information, see [Building on quality on page 25](#) and [Investing in our workforce page 29](#)

15





Operate responsibly

Further develop our approach to controls around modern slavery

Group

Initiatives

- Reviewed third-party risk management solution
- Continued supplier and product rationalisation initiatives

Progress in 2024

Spire Healthcare Group is committed to acting ethically and with integrity in all our relationships, in line with our value of 'Doing the right thing'. Our approach to tackling the risk of modern slavery continues to evolve under the oversight of our sustainability committee, which reports to our executive committee to ensure that our directors have full oversight on all relevant matters.

Our two main areas of focus are: a) to safeguard patients, colleagues and others who come through our facilities; and b) in our supply chain. In our business operations, we believe practitioners and colleagues are well-placed to identify and deal with modern slavery concerns through the safeguarding training and protections we have in place. The safeguarding system trains those practitioners and other colleagues (clinical and non-clinical) to recognise and report signs of abuse. We believe the rigour of this system mitigates the risk of modern slavery from either going undetected or being dealt with inadequately. This risk is further controlled by the support, training and infrastructure in place for all colleagues to be able to raise concerns through our network of Freedom to Speak Up Guardians, or other available channels. In 2024, we:

- Maintained our modern slavery due diligence process for new suppliers with an annual spend in excess of £1 million. There were no issues identified through this process
- Continued to apply our procurement policy, which ensures that our hospitals and clinics are equipped with guidance and a risk assessment tool for evaluating modern slavery risks in local contracts
- Continued supplier and product rationalisation initiatives, focusing our attention on increasing the proportion of spend with long-standing reputable suppliers, with whom satisfactory due diligence has been carried out
- Reviewed the merits of procuring a third-party supplier risk management solution and determined, at this stage, not to progress further as we considered our internal processes to be adequate



Spire Healthcare's Modern Slavery Act statement
investors.spirehealthcare.com/investors/modern-slavery-act-statement

Vita Health Group's Modern Slavery and human trafficking statement
vitahealthgroup.co.uk/slavery-and-human-trafficking-statement

Sustainability report continued



Hospitals

Operate responsibly

Maintain and strengthen information governance and data security

KPI

Establish security performance dashboard to facilitate investment decisions by measuring investment versus protection – by 2024

Establish security programme of work to implement the NIST recommendations of 2022/3

Onboard new security operations centre – by 2024

Define data strategy and implement modern data platform architecture – by 2024

Initiatives

- Established a security programme of work to implement the NIST recommendations of 2023 with an ongoing programme of planned 'must do' interventions until end of 2025
- New security operations centre on-boarded
- Defined an enterprise-wide data strategy and are implementing a modern data platform architecture.
- Continued investments to strengthen and enhance security posture and overall cyber security strength
- Cyber security strategy and cyber operating model refreshed in line with digital strategy
- Architecture review board established, responsible for reviewing and approving the architectural aspects of new systems, ensuring adherence to defined security guidelines and principles
- Cyber risk retainer established with the world's number one incident response provider
- Ransomware table-top exercise (TTX) conducted with executive committee and IT senior leadership team

Progress in 2024

In 2024, we made significant strides in enhancing our cybersecurity posture, focusing on people, processes and technology to mitigate risk and strengthen information governance.

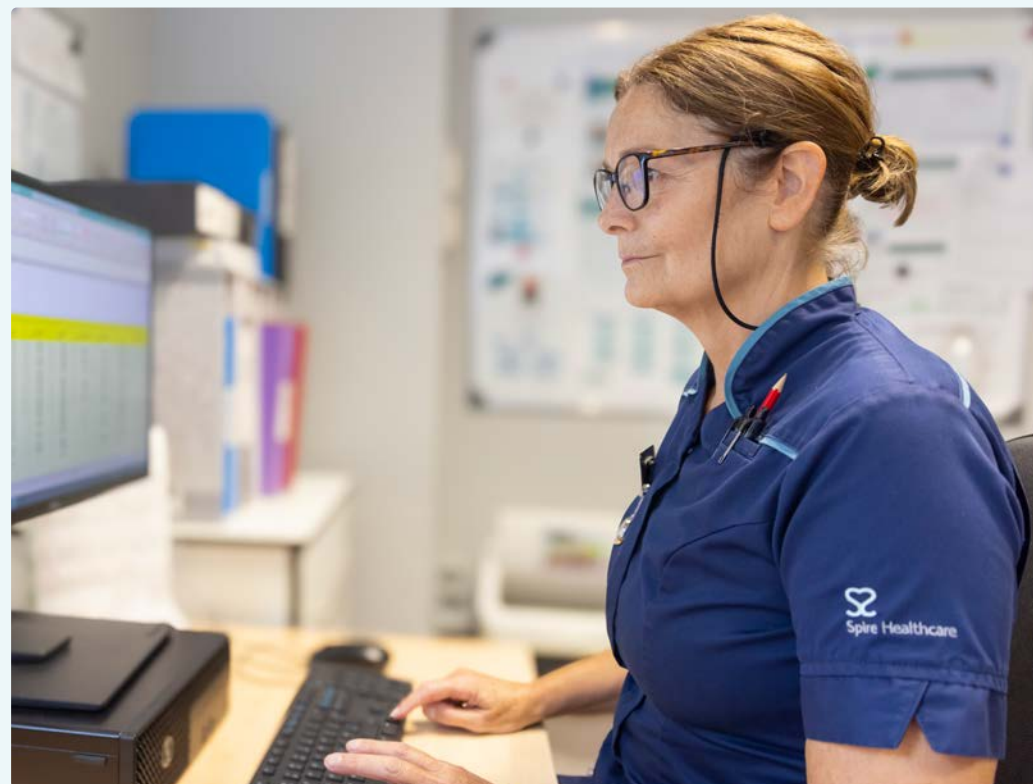
Robust security foundation: we successfully transitioned to the updated ISO27001:2022 standard, demonstrating our commitment to best-practice security management. We also maintain cyber essentials plus certification and full compliance with NHS data security and protection requirements.

Proactive risk management: we conducted independent security reviews and audits, leveraging industry-leading partners, to proactively identify and address potential vulnerabilities. We continuously benchmark our performance using the National Institute of Standards and Technology (NIST) framework, ensuring alignment with industry best practices.

Enhanced governance and oversight: the data strategy, governance and security committee provides robust oversight of our cybersecurity programme, reporting regularly to the audit and risk committee. This cross-functional committee ensures comprehensive consideration of data and security matters across the hospitals business.

Strategic technology investments: we deployed enterprise-grade security platforms and fully leveraged the advanced security capabilities within the Microsoft 365 suite, significantly enhancing our protection against sophisticated cyber threats.

Strengthened expertise: our internal cybersecurity team was expanded with experienced professionals, including the appointment of a group chief information security officer (CISO), and we established a cyber risk retainer with specialised threat intelligence experts. This combination strengthens our proactive threat detection, incident response and overall security posture to bring alignment and consistency for information security.



Proactive threat intelligence: we actively monitor threat intelligence from multiple sources, enabling us to anticipate and respond effectively to emerging cyber risks.

The strategy covers Spire Healthcare Limited only at this stage; we are working to bring the rest of the group under the same security governance.

Engagement with stakeholders

Creating value with
our stakeholders

Engagement with our stakeholders is critical to our success and delivering on our purpose, strategy and objectives. Their input informs our strategic and everyday business-level decisions, and the board is provided with an overview of any relevant stakeholder feedback.

Our stakeholders

Patients	p56
Colleagues	p56
Consultants	p57
Suppliers	p57
Private medical insurers (PMI)	p58
NHS and government	p58
GPs	p59
Corporates	p59
Regulators	p60
Investors and lenders	p60
Community	p61



Engagement with stakeholders continued

Patients

Responsible executive owner
Group clinical director

Who they are and how we engage

Who they are
We treat a wide variety of patients who self-pay, with PMI, those referred through the NHS and those funded by corporates.

Why they are important to us
Providing the highest quality, safe, personalised care to our patients is at the core of everything we do.

What is important to them
Rapid access to high-quality healthcare, assessment, advice, diagnosis and treatment, at a price they can afford.

How we engage
We engage continuously with patients before, during and after their treatment and seek to involve them in all key decisions about their care.

We use a framework of customer and patient surveys, including questions mandated by regulation (eg Private Healthcare Information Network) or contracts (eg NHS). These cover our major touchpoints with patients, whether they receive admitted care or come to us as outpatients.

We work closely with patients, with the support of The Patients Association, on a range of projects, to understand their experience of care with us, and we use their feedback to further shape and refine our processes. We run hospital patient forums and conduct regular director and board level site visits.

Board engagement
While we review the feedback from our patient engagement locally in our hospitals and clinics and as part of our operational reviews, we also do this through the board's clinical governance and safety committee. This helps us develop and continuously improve the services we provide to patients, as well as define our annual quality priorities, which we set out in our annual Quality Account to the NHS.

Sentiment	
– 97% of patients say their experience of our service in hospitals was 'Very Good' or 'Good'	
– 85% of London Doctors Clinic patients gave four or five stars on Feefo	
– 94% of NHS talking therapies patients were satisfied with treatment	
Areas of interest	Action/outcomes
– Increased demand for patient care, in and out of hospital, due to longer NHS waiting times and a sicker population	– Care provided for over 993,000 patients (NHS and private) in 2024
	– Expansion of care for private patients seeking to avoid NHS waiting lists
	– New agreement between the independent sector and NHS, in which Spire Healthcare is participating, improving efficiency and choice
– Increased need for care provided by corporates owing to ill health of employees	– Relationships with NHS GPs to enable patient choice
	– Expansion of Spire GP, new musculoskeletal offerings, Spire Mental Health and occupational health services to meet demand
	– Development of new Spire day case clinics to provide more outpatient capacity
– Need to provide safe and efficient patient pathways	– New provision of corporate services through Spire Occupational Health, and Vita Health Group
	– Increasing use of digital technology, offering in-person and virtual consultations and assessments, online brochures and appointment booking

- **Strategy: Building on quality, page 25**
- **Chief executive officer's strategic review, page 14**

Colleagues

Responsible executive owner
Group people director

Who they are and how we engage

Who they are
We have 17,600* colleagues: nurses, theatre teams, allied health professionals, non-clinical support (such as reception staff, porters, finance and human resources), central function teams, musculoskeletal, counselling and occupational health specialists and GPs.

Why they are important to us
Our colleagues interact with thousands of patients and clients every day and play a crucial role in delivering the highest quality care and outcomes. Non-patient facing colleagues are vital in making the business run smoothly and efficiently.

What is important to them
A fulfilling career with an organisation that offers opportunities for development, the chance to make a difference, and appropriate rewards and recognition for their efforts. Colleagues are supported to learn and develop.

How we engage
We value what our colleagues do, engage closely, and support them with their health and wellbeing, as well as in their professional lives and career aspirations. We gain regular feedback from colleagues and new starters, and those leaving the business. Our annual survey took place in November, including LDC and Spire Occupational Health colleagues and with the Vita Health Group (VHG) survey running concurrently. In March, a colleague survey champions day shaped actions from the 2024 survey to drive change.

Board engagement
The survey feedback we receive is analysed by the full board, remuneration committee and executive committee, with action plans put in place to respond to the findings.

*Number includes bank colleagues.

Sentiment	
– 76% of colleagues proud to work for Spire Healthcare (hospitals business, LDC and Spire Occupational Health)	
– 83% of colleagues happy with standard of care if friends or family treated	
– VHG colleagues have an engagement score of 78%	
Areas of interest	Action/outcomes
– Continued focus on colleagues' health and wellbeing	– Increased investment in wellbeing support, including mental health support
	– New menopause support option provided
	– Occupational health provided to all colleagues
– National shortage of healthcare professionals across the UK, increasing pressure on existing workforce	– Support available to colleagues promoted internally and externally
	– Nursing and other apprenticeship programmes, addressing future as well as current requirements
	– Introduction of new reward framework and reward packages in 2024 to attract and retain hospitals colleagues
– Continued focus on issues from feedback such as vacancies, volume of work	– Insourcing of recruitment to improve outcomes and reduce costs
	– Strong recruitment, retention, and development programmes
	– Surveys during the year, eg new joiner surveys, exit interviews, full annual survey
	– Forums with chief executive officer, executive committee, and board members when they visit sites
	– Regular all-hands calls and online sessions, 'askJustin' email address
	– Consultation with selected colleagues on key initiatives
	– Listening sessions with board members and hospital teams
	– Fortnightly listening calls with chief operating officer for hospital directors

- **Strategy: Investing in our workforce, page 29**

Engagement with stakeholders continued

Consultants

Responsible executive owner
Group medical director

Who they are and how we engage

Who they are

We work with 8,740 consultants, who operate as self-employed practitioners in our business. They are experts in their fields, drawn from all medical disciplines, who are granted privileges to practise in our hospitals, in line with our stringent medical governance procedures.

Why they are important to us

Our consultants are integral to providing high levels of medical care to our patients.

What is important to them

High-quality facilities, continuity of trained, committed employees providing support to help them establish and develop an efficient practice at our sites, and the quality of care that we provide to patients.

How we engage

We meet with consultants to plan individual procedures, understand their future needs and horizon scan for developing clinical innovation. They are invited to complete an annual feedback survey. In addition, each hospital has its own medical advisory committee (MAC) to advise the hospital director and the director of clinical services on any matter relating to the proper, safe, efficient and ethical medical and dental use of the hospital; they meet quarterly. Each medical speciality is represented. Topics including clinical quality, learning from concerns, incidents and complaints are discussed, plus feedback from members about matters concerning consultants. MACs are governed by standard terms of reference, and all discuss the same key items using a standard agenda. The medical director and associate medical directors attend MACs at hospitals, with the aim of attending all MACs at least annually. In addition, hospitals hold an AGM for their whole medical society, to which all consultants are invited. MAC chairs run performance appraisals for each consultant.

Board engagement

Feedback from our annual survey is reviewed by the board's clinical governance and safety committee and we use this to enhance the offer we provide to consultants. Board and executive committee members visit regularly to listen, learn and guide and there are biannual reviews with hospital directors.

Sentiment

- 84% of consultants say care provided in hospitals is 'very good' or 'excellent', up from 83% in 2023
- Improved relationship and closer involvement between MAC chairs, consultants and Spire Healthcare leadership
- Consultants experience stronger clinical and medical governance

Areas of interest

- Desire for improved digital solutions including one patient record
- Desire for improved administrative processes

Action/outcomes

- Structured digitalisation and business transformation which will enhance working practices for consultants
- Investment in equipment and marketing support, which create an improved patient experience and make it easier for consultants to do business with Spire Healthcare
- Such investment results in improved feedback from consultants on the high-quality service we provide
- Ongoing need for open and regular dialogue with our consultants
- New consultant induction booklet and training sessions delivered in 2024 to improve communication, clinical governance and help new consultants build a safe and worthwhile practice
- Fortnightly 'Two Minute Times' connects consultants with each other and with Spire Healthcare with a mix of national and local news
- MAC chairs meet regularly with board members and executive committee
- Continued close working with our MAC Chairs, led by group medical director
- Continued rigorous oversight of all aspects of consultant clinical practice

 **Strategy: Building on quality, page 25**

Suppliers

Responsible executive owner
Chief operating officer

Who they are and how we engage

Who they are

We work with a diverse range of organisations which supply the group with everything from medicines, equipment, services and food to people.

Why they are important to us

A reliable and effective supply chain is vital to us being able to carry out medical treatment and run the business. In an increasingly volatile environment, resulting from rising inflation and international conflicts, the existence of a reliable and effective supply chain was particularly important during 2024.

What is important to them

Clear policies, contracts and a strong relationship to ensure long-term and mutually beneficial commercial arrangements.

How we engage

We hold performance evaluation sessions with our existing suppliers, with the frequency determined by the nature of purchase and the risk profile of the goods or services supplied. Spire Healthcare's procurement team undertake detailed supplier assessments as part of tender evaluation processes to ensure a supplier's capabilities are aligned to the group's business requirements. We require suppliers to be contractually compliant on key issues, including modern slavery.

Board engagement

The audit and risk committee reviews all relevant risks in our supply chain as part of its annual risk assessments.

Sentiment

- Our strategic suppliers value our collaborative engagement
- Suppliers recognise our integrity and professionalism
- Key suppliers have recognised how their values are aligned to ours

Areas of interest

- Continuity in our supply chain
- a) Inflation
- b) Temporary cessation of supply of renewably-sourced electricity

Action/outcomes

- Work with supply chain to mitigate detrimental impacts from global product recalls, supply issues and supply chain friction
- a) Work with suppliers and internal stakeholders to minimise impact of inflation through effective use of demand and supply levers
- b) Ongoing delivery of solar installation and building management systems to reduce emissions impact
- c) Rephasing of trajectory to reflect impact until end of 2025



Engagement with stakeholders continued

Private medical insurers (PMI)

Responsible executive owner
Chief commercial officer

Who they are and how we engage

Who they are

Private Medical Insurers (PMI) provide medical insurance cover for both employees and individual members.

Why they are important to us

We have contracted relationships with all the major PMIs in the market. PMIs are a core part of our private business, representing around 45% of our hospital and clinic revenues.

What is important to them

The need to provide their members with prompt access to leading consultants, facilities and clinical teams with a strong track record on safety, quality and patient satisfaction. The move to digital booking channels and integration is now of increasing importance.

How we engage

Regular commercial and clinical review meetings are held with insurers, covering strategic initiatives, contract performance, clinical and financial governance, member satisfaction and operational and clinical KPIs. We also work to agree and action strategic joint projects. This is a key part of the relationship management of our payors and therefore is conducted quarterly.

We opened more cancer specialist centres with Bupa, adding a further two breast centres and our first prostate and bowel centres in 2024. Development work is ongoing, seeking to take the concept of specialist centres to musculoskeletal and other conditions.

Further work with Aviva, another of our key strategic partners, saw our hospitals and clinics join their hip and knee network as a preferred provider across England, Scotland and Wales in 2024.

Board engagement

The board supports management as needed in their relationships with leading PMIs.

Sentiment

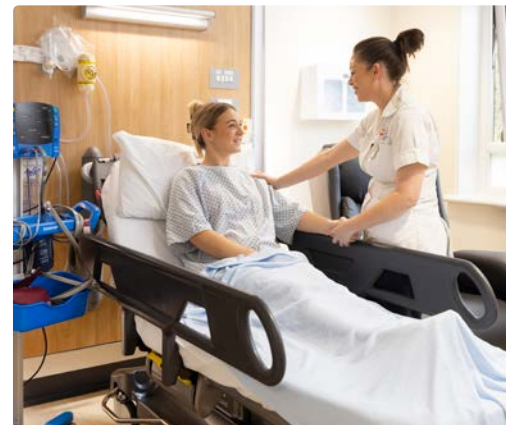
- Spire Healthcare is viewed as a valued partner with a clear patient focus, always accessible, responsive and supportive
- Viewed as getting good outcomes for members and aligned in views on value based healthcare

Areas of interest

Action/outcomes

- | | |
|--|---|
| <ul style="list-style-type: none">– Insurers want good engagement | <ul style="list-style-type: none">– Regular proactive and real-time, open communications with the insurers:<ul style="list-style-type: none">– Daily reporting at an individual hospital and service level of available care for private patients– Regular meetings with the PMI medical governance and operational leads– PMIs kept abreast of key strategic initiatives and plans to ensure rapid access to the best quality clinical care. Developing our propositions in partnership– Discussions on system integration and improved member experience |
| <ul style="list-style-type: none">– Insurers looking for clear commitments on carbon emissions and ESG | <ul style="list-style-type: none">– Shared detailed action plan with clear commitments to net zero |
| <ul style="list-style-type: none">– Insurers seeking digital alignment | <ul style="list-style-type: none">– Shared details of digital maturity and roadmaps for development |

 [Our market, page 19](#)



NHS and government

Responsible executive owner
Chief executive officer

Who they are and how we engage

Who they are

Within central government, we work closely with the Department of Health and Social Care (DHSC). We liaise closely with the NHS; we work with NHS England, Integrated Care Boards, local NHS trusts (and the equivalent in Scotland and Wales), and central NHS teams.

Why they are important to us

The government sets the political and regulatory environment in which we operate and overall NHS policy towards the independent sector. The NHS is a large customer, as we provide care for NHS patients, either through referrals, commissioning or contracts.

What is important to them

Our ability to provide high-quality, planned care for NHS patients, helping them to address waiting times and relieving pressure on NHS services.

How we engage

Our local leadership teams maintain their well-established relationships with NHS counterparts. As well as holding regular meetings, local NHS leaders visit our hospitals, to ensure they understand the capability we have and the services we offer. Our national leadership team maintains relationships with NHS central teams in England, Scotland and Wales. We have relationships with various DHSC and NHS England officials covering a range of portfolios and fed views into the government's new agreement with the independent sector and other issues through the Independent Healthcare Providers Network (IHPN).

Through Vita Health Group, we bid for NHS talking therapy and MSK contracts in England through central tendering processes. VHG has regular engagement with commissioners and the local health system where contracts are held.

Board engagement

Our executive committee liaises with their NHS counterparts to agree the contractual support we provide to them in meeting Britain's demand for healthcare.

Sentiment

- The NHS values our sustained commitment to providing high-quality care across England, Scotland and Wales
- The government has confirmed a new agreement between the independent sector and the NHS to work more closely on relationships, systems and training and to care for more NHS patients to reduce waiting times

Areas of interest

Action/outcomes

- | | |
|---|---|
| <ul style="list-style-type: none">– New agreement confirms an expansion in patient choice for NHS patients– Local requests for assistance to address elective care backlog | <ul style="list-style-type: none">– Patients are able to opt to receive care in a hospital of their choice, including one run by an independent provider. Spire Healthcare is listed as a provider to NHS patients when making a choice with their GP, and NHS GPs are increasingly open to speaking to patients about using independent healthcare– Recontracted with local commissioners for all Spire Healthcare sites and increased volumes in eReferrals – actively seeking more NHS work |
|---|---|

 [Chief executive's strategic review, page 14](#)



Engagement with stakeholders continued

GPs

Responsible executive owner
Group medical director
Chief commercial officer

Who they are and how we engage

Who they are
GPs treat all common medical conditions and refer patients to hospitals and other medical services for urgent and specialist treatment.


Why they are important to us
GPs are a critical part of our referral network, as most patients are referred to us by their NHS GP. For that reason, we seek to liaise closely with them. We are also seeing more patients self-refer. We have invested in a network of primary healthcare relationship managers available to all hospitals; these provide the key link with GPs and deliver training, education and information.

We also offer our own private GP services, Spire GP and London Doctors Clinic (LDC). They are a network of GPs, who are granted privileges to operate in our hospitals, in the same way as consultants, or are directly employed by, or contract with, LDC.

What is important to them
An understanding of our business and services, to make it easier for them to refer patients to us. They value a high-quality environment, suitable for consulting with patients.

How we engage
Our hospitals offer regular educational events which support the continuing professional development of NHS GPs which have been extended to include the LDC GPs. Hospital colleagues also provide educational events on site at NHS GP practices. We use the feedback that we receive to organise future events that are tailored to their ongoing needs.

Board engagement
Some of our board members are experienced medical practitioners and liaise with NHS GPs through medical forums and conferences.




Sentiment

- For our private GP network, they value the ability to achieve a portfolio career across the independent and NHS sectors
- 79% of respondents to the colleague engagement survey (LDC GPs colleagues) get personal satisfaction from their work (2023: 89%)
- NHS GPs value the relationship between their practice staff and our consultants
- NHS GPs are increasingly open to asking patients if they are insured and new government agreement empowers patients to exercise choice

Areas of interest	Action/outcomes
Minor local issues/opportunities raised about access to existing or new services	<ul style="list-style-type: none">Close relationships with NHS GPs and electronic referral system (eRS) as a major form of referralsCapacity at all sites is constantly reviewed and new consultants engaged to increase capacity to meet demand

 **Business model, page 17**



Corporates

Responsible executive owner
Chief commercial officer

Who they are and how we engage

Who they are
Corporates are the customers for our occupational health and employee assistance programmes, along with musculoskeletal and mental health services across Spire Occupational Health and Vita Health Group. Meanwhile, more corporates are providing PMI for their employees, who subsequently come to us to receive care.

Why they are important to us
We deliver care to employees, but the care is purchased by the corporate employer as a package to support occupational health and wellbeing, to prevent ill-health, stress reduction, health intervention, education and self-help. Therefore the corporate is our client and we seek to support their employees' health and wellbeing.

What is important to them
The need to provide their employees with access to leading advice, clinicians, facilities, locations and virtual services with a strong track record on safety, quality, patient satisfaction and good quality clinical advice and outcomes, to enable people to be healthy and productive and to stay in or get back to work.

How we engage
Account managers regularly engage with corporates who hold occupational health or employee assistance programme contracts, or both, to discuss current and future requirements and where bespoke services may be developed. Corporates hold contracts with us for mental and physical health on an annual or pay-as-you-go basis. We work with business leaders and their human resources, health and safety colleagues, wellbeing champions, preventative service teams and training departments to engage on the best mix of support for varied workforces and types of employer.


Board engagement
The board supports management as needed in their relationships with corporate customers.



Sentiment

- Clients appreciate transparent, responsive and consistent communication, being made aware of market trends and business updates and changes in legislation
- Contract holders feel prepared for upcoming legislation changes and pleased with the support provided, both proactive and included in contracts
- Growing need for mental and physical support owing to rising population ill-health makes corporates amenable to purchase our services: 47% of occupational health referrals are mental health or musculoskeletal related

Areas of interest	Action/outcomes
Poor employer understanding of what occupational health can achieve, how to access services or how best to use their contract, but a growing willingness to learn	<ul style="list-style-type: none">Marketing approaches to address customer understandingService promotion and training to help managers identify when employees would benefit from supportDevelopment of bespoke services, webinars, training and information to meet corporates' needsMental health first aid training (MHFA) delivered to line managers
Need for specialist services to address trauma, stress, substance abuse, neurodiversity, menopause and mental health first aid	
Request for support on new legislation on sexual harassment in the workplace	
Support for high levels of sickness absence in employees and increased demand in ill-health retirement	



Engagement with stakeholders continued

Regulators

Responsible executive owner
Group clinical director

Who they are and how we engage

Who they are

We are required to engage with a range of financial, clinical, health and safety, and competition and market regulators.

The principal healthcare regulators we engage with are the Care Quality Commission (CQC), the Healthcare Inspectorate Wales (HIW) and Healthcare Improvement Scotland (HIS). Safe Effective Quality Occupational Health Service (SEQOHS) accredits occupational health services.

Why they are important to us

Each of our hospitals and clinics, and some VHG sites, are required to be registered with the relevant national healthcare regulator in order to be authorised to offer services to patients.

What is important to them

Compliance with the law and all relevant regulations.

How we engage

We have regular dialogue with the healthcare regulators nationally, with good relationships with the group clinical director. Recent changes made by CQC have removed local relationship owners at the hospital level, but these may be reinstated in 2025. Our hospitals have focused on contact with inspection teams pre, during and post formal inspections. Individual locations draw up and implement improvement plans on the basis of feedback from regulators.

We have regular calls with CQC, HIW and HIS to understand the changing face of regulation, and to provide assurance to the regulators of action being taken to maintain and improve safety and quality, and share good practice. For other regulators, such as the Competition and Markets Authority, we have a dedicated legal team who, with external counsel, monitor and advise the group on legal and regulatory developments. Spire Occupational Health works closely with SEQOHS regarding accreditation.

Board engagement

The board supports management with assurance of effective ward-to-board governance processes and reviews collated feedback from regulators to identify trends and drive responses.

Sentiment

- 98% of our inspected locations are currently rated ‘Good’ or ‘Outstanding’ or the equivalent by regulators in England, Scotland and Wales
- All inspected VHG locations are currently rated ‘Good’ by CQC

Areas of interest	Action/outcomes
-------------------	-----------------

- | | |
|---|---|
| – CQC faced challenges in 2024 and are changing how they regulate. CQC are not yet able to confirm what these changes will be in 2025 | – We are working with CQC to understand the changing face of regulation and its impact on our business |
| – Registration of new clinics | – Extensive training for colleagues on the changes – further training will be undertaken when appropriate |
| – Spire Occupational Health rebranding | – All clinics registered or registration amended in time for opening |
| | – Safe Effective Quality Occupational Health Service (SEQOHS) awarded Spire Occupational Health full accreditation, the industry standard for occupational health, in late 2023 |

 **Strategy: Building on quality, page 25**



Investors and lenders

Responsible executive owner
Chief executive officer
Chief financial officer

Who they are and how we engage

Who they are

Shareholders, potential shareholders, analysts and lenders. Our largest investor is Mediclinic, which holds a 29.8% stake in Spire Healthcare and has a seat on the board.

Why they are important to us

Our investors and lenders help to ensure we have access to the resources, support and finances we need to develop and grow the business.

What is important to them

Investors and lenders are looking for sustainable returns from any capital outlaid and are keen to understand how we are building our private business, working with partners such as the NHS and private medical insurers; expansion into new growth areas of healthcare; risk and returns appetites; and how we work sustainably and support the community.

How we engage

Our director of investor relations manages our relationships and engagement with shareholders and analysts. This includes regular interaction with members of the board and executive committee.

We also maintain regular contact with lenders and keep them informed on all major issues affecting the business. Our full year and half year results were presented as hybrid events; both were well attended. We regularly gather feedback and use this to guide our future investor relations strategy.

Board engagement


Our chairman, senior independent director and executive directors meet regularly with investors alongside the director of investor relations.


Sentiment

- Investor feedback received is generally good, with support for management and the board, the group’s strategy and progress against our targets
- Lack of share liquidity is sometimes a barrier for investment for institutional investors

Areas of interest	Action/outcomes
-------------------	-----------------

- | | |
|--|--|
| – Capital allocation – use of surplus cash generated, capex, margins and return on investment | – We balance use of surplus cash between a number of areas including core business investment, reduction of leverage, M&A opportunities and payment of dividends to our shareholders |
| | – We continue to invest for growth to improve margins and return on investment |
| – Ability to increase margins and returns; notably regarding transformation cost savings and management of payor mix | – Capital markets event focusing on these areas |
| | – Improved disclosure and analysis to aid understanding |
| | – Delivery of more than £20 million in cost savings in 2024 |
| | – Price rises where appropriate, managing our mix of services, being more selective in products used |
| – Environmental, social and governance (ESG) impacts | – Net carbon zero target by 2030 |
| | – Sustainability committee with nominated owners for each section of the sustainability strategy and a scorecard developed for each area. Goals to be reviewed in 2025 |
| – Recovery of our private self-pay business has a critical impact on Return on Capital Employed and other measures | – Presentations to investors and analysts |

 **Risk management and internal control, page 65**

 **Financial review, page 84**

 **Strategy, page 21**

Engagement with stakeholders continued

Community

Responsible executive owner
Chief executive officer

Who they are and how we engage

Who they are

Our business plays an important part in the communities in which we operate.

Why they are important to us

We want to be involved in the local communities of our patients, existing and future colleagues. As a responsible business, we have a duty to give back to these areas and contribute to their greater wellbeing. We also have a duty of care to the environment and have plans aimed at becoming net zero carbon by 2030.

What is important to them

A strategy and local activity that focus on the ethical, social, environmental, cultural and economic dimensions of doing business.

How we engage

Local teams forge relationships with community organisations in their locality and liaise with local authorities and other local groups when investment projects are planned which may cause disruption to residents. Many hospitals, clinics and teams in our primary care services, also undertake fundraising initiatives for local charities. Nationally Spire Healthcare undertakes company-wide charity activities and other community initiatives.

We are engaged in environmental projects to reduce our greenhouse gas emissions and manage our waste effectively. Engagement with Integrated Care Systems, including local authorities and community services, can provide closer links with local health and social care communities around our hospitals and clinics.

Board engagement

The board reviews our sustainability and environmental ambitions on a regular basis.


Sentiment

- Charities receiving donations express gratitude and explain what can be provided for recipients through monies raised
- Longer-term relationships with local sites are valued and bring communities closer

Areas of interest

Action/outcomes

- The cost-of-living crisis has affected people in the communities we serve, creating charitable need
- Our 2024 charity drive in the hospitals business raised £17,000 for Maggie's cancer charity and much more for local causes around Britain selected by local hospitals
- As a business we support several major fundraising and awareness events such as Macmillan's coffee mornings and Breast Cancer Now's 'wear it pink'
- Vita Health Group (VHG) introduced one day's paid leave for colleagues to volunteer each year in 2023 – over 80 people used this option in 2024 to benefit their communities
- Growth in need for talking therapies and musculoskeletal support in local NHS communities
- VHG works with voluntary sector partners to stimulate referrals and bring services to local communities
- VHG engaged with local partners to better understand patient groups to improve access and outcomes

 **Chief executive's strategic review, page 14 and Sustainability, page 38**



Our key performance indicators

We use a range of financial and non-financial metrics to measure performance in line with our strategy and to deliver strong financial performance.

Non-financial KPIs

Colleague engagement index >80%

Why is this a KPI?

We are a people business. Having engaged colleagues is not only important for their own wellbeing, but also helps them in their daily efforts to provide high-quality care to our patients.

Hospitals

76%

2023: 81%

Primary Care Services

78%

2023: 81%

Performance

Despite ongoing transformation across the hospitals business, we are achieving high levels of colleague engagement – 76% of colleagues said they felt proud to work for Spire Healthcare (2023: 81%), based on an 83% response rate. The 2023 colleague survey applies to Spire Healthcare Limited and The Doctors Clinic Group.

Vita Health Group achieved an engagement score of 78% (2023: 81%) with a response rate of 82% (2023:80%). Questions on leadership and culture scored highly and there is work underway to improve communication and reward.

Apprentices constitute 5% of our workforce

Why is this a KPI?

There is a shortage of clinicians in the UK and worldwide. We are committed to building up the talent pipeline for our business and for the UK healthcare sector more widely.

Group

3%

2023: 4%

Performance

We now have over 350 clinical and non-clinical apprentices in the hospitals business and 36 in Vita Health Group, which is almost 3% of our permanent workforce. Over 110 colleagues graduated from an apprenticeship in 2024.

We will continue to make apprenticeships an attractive option for new and existing colleagues and ensure both learning and supervising colleagues are fully supported.

100% CQC/HIS/HIW Good or Outstanding

Why is this a KPI?

Providing personalised quality care is our daily responsibility and a key business driver. We seek to reach 100% Good or Outstanding ratings from regulators in England, Scotland and Wales.

Hospitals

98%

2023: 98%

Primary Care Services

100%

2023: 100%

Performance

98% of inspected hospital and clinic locations are rated 'Good' or 'Outstanding' or the equivalent by regulators in England, Scotland and Wales. 100% of inspected Vita Health Group and London Doctors Clinic locations are rated 'Good' by CQC in England. We await re-inspection of Spire Alexandra in Kent, not inspected since 2016/17.

>75 net promoter score among admitted hospital patients

Why is this a KPI?

Our net promoter score (NPS) metric measures admitted patients' likelihood to recommend Spire Healthcare to friends or family in need of similar treatment. This is a key indicator of customer satisfaction and the quality we are delivering to our patients.

Hospitals

79%

2023: 80%

Performance

We continue to achieve high levels of private patient recommendation. NPS among admitted patients was 79%, down slightly from 80% in 2023.

At Vita Health Group, the NPS is 80 (2023:84) overall for corporate musculoskeletal clients (with employee assistance plan corporate customers scoring 95 (2023:97)).

We continue to monitor all patient feedback to drive continuous improvement.

Our key performance indicators continued

Non-financial KPIs continued

Net zero carbon emissions (tCO₂e) by 2030

Why is this a KPI?
We continually seek ways to reduce our impact on the environment. We are reducing our carbon emissions, focusing our efforts on waste and recycling, while working with our suppliers to align goals to develop healthcare in sympathy with a sustainable planet. This is the responsible approach of any healthcare business.

Group

6%

behind target for 2024 emissions (26,522 tCO₂e achieved, target 24,963 tCO₂e) (2023: 3% ahead)

Performance
In 2024, we extended our target reporting boundary to include our subsidiaries, Vita Health Group and The Doctors Clinic Group. Our emissions were 26,522 tCO₂e, which is a 24% reduction since our 2019 base year. As our interim annual target for 2024 was 24,963 tCO₂e, our performance was 6.2% over target.

Despite missing the target, we still reduced emissions from 2023 to 2024 by 1,197 tCO₂e and we continue to make good progress from the base year 2019, reducing emissions by 8,388 tCO₂e.

40% female membership of board and executive committee by 2025

Why is this a KPI?
Spire Healthcare wants to support women to become leaders within the business. More diverse boards are more effective; diversity drives innovation and better decision-making and is reflective of the group and its employees.

Group

47%

2023: 47%

Performance
The combined executive committee and board demographic in 2024 is 47% female, level with 2023.

Our executive committee demographic is 33% female (2023: 38%). We are supporting women to become leaders within the business, and we have five women on our board, moving the board's gender balance to 50% women (2023: 45%). We are recognised as the first company in healthcare in the FTSE 250 Women Leaders Review, in which our executive committee and their direct reports combined is listed as 55% female at 31 October 2024 (2023: 58%).

Year-on-year reductions in gender pay gap

Why is this a KPI?
Our purpose is to make a positive difference to people's lives and that includes all our colleagues. Gender pay reflects the structure of our workforce and is a reflection of the differences in the balance of male and female workers within the wider healthcare sector.

Hospitals

Group

11.6%*

12.3%


2023: 9.2%

2023: 9.1%

* Percentage refers to Spire Healthcare Limited

Performance
In 2024, the overall median gender pay gap in Spire Healthcare Limited was 11.6% (2023: 9.2%). The median gap in Spire Healthcare Group was 12.3% for 2024 (2023: 9.1%) which is below the Office for National Statistics median of 13.1% published in October 2024.

We have focused on understanding our gender data better in 2024. The introduction of the job framework for hospital colleagues provided clarity on progression pathways, enabling better flow and retention of female talent. We have reviewed, updated and created new policies to support all women in our workforce.

 Please see the Sustainability report for more information on page 38

Our key performance indicators continued

All three financial KPIs described below align with Spire Healthcare's strategy and the medium-term financial objectives.

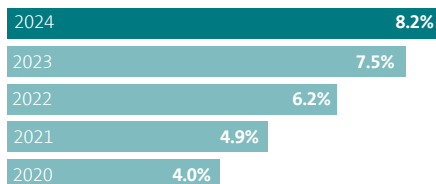
Financial KPIs

ROCE* >10% by 2027

Why is this a KPI?

ROCE is an important metric and measures how well the group's capital is being deployed to generate returns. Adopting ROCE as a KPI influences future investment strategy by the business to ensure that available capital is directed towards generating improving shareholder return.

Group



Performance

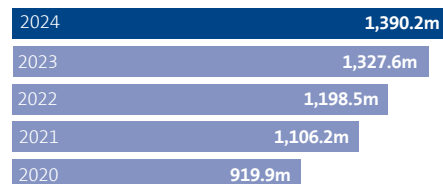
Spire Healthcare seeks financial discipline with a clear capital allocation policy and targeted investment. We have improved operational effectiveness with our efficiency programmes which delivered more than £20 million savings in the year. We have also implemented price rises where appropriate, managed our mix of services and been more selective in the choice of products we use. The strong operational performance in the period resulted in adjusted EBIT climbing by 14.6% (12.4% on a comparable basis) to £149.4 million, leading to a material improvement in ROCE, up by 0.7 percentage points to 8.2%.

Maintain Revenue CAGR c5%

Why is this a KPI?

Monitoring revenue provides a measure of Spire Healthcare's growth.

Hospitals



Performance

Overall revenue was £1,511.2 million, up 11.2% compared to 2023, up 6.2% on a comparable basis

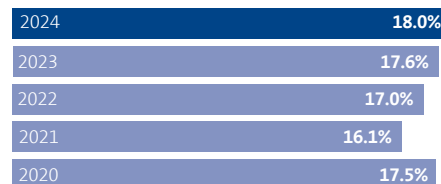
Hospital revenue was £1,390.2 million, up 4.7% compared to 2023, up 5.5% on a comparable basis

Adjusted EBITDA* margin >21% by 2027

Why is this a KPI?

The margin we achieve reflects the group's efficiency in generating shareholder returns from the hospital business, which excludes primary care services. An increasing margin makes the profit more resilient to adverse effects and demonstrates the group's strategy for managing cost and targeting private payors is the right one.

Hospitals





Performance

Adjusted EBITDA for the group was £260.0 million in 2024, up 11.1% from 2023, up 9% on a comparable basis.

Hospital adjusted EBITDA was £249.7 million, up 6.8% on 2023, up 7.1% on a comparable basis. Hospital adjusted EBITDA margin was 18.0%, up from 17.6% in 2023.

* Refer to page 88 for a reconciliation of non-GAAP financial measures.

 Risk management and internal control – for more information see [page 65](#)

 Read more in our Financial review [page 84](#)

Risk management and internal control

Responsibility for risk management and internal control systems lies with the board of directors.”

The board has a consolidated view of key risks from across Spire Healthcare. Our risk management and internal control processes are managed through the audit and risk committee (ARC) in association with the clinical governance and safety committee (CGSC).

Risk management

The risk management framework (shown diagrammatically on page 68) is designed to identify, evaluate and mitigate the risks that we face at all levels. All significant risks are recorded on our risk management system.

We have reviewed a range of potential emerging risks and their possible impact on Spire Healthcare, using internal and external sources of emerging risk information, for example:

- The University of Cambridge Judge Business School Centre for Risk Studies’ taxonomy of business risk
- The UK government’s national risk register
- The World Economic Forum’s annual risk assessment

We use the risk register to manage all significant risks facing Spire Healthcare by assessing risk in terms of consequence and likelihood. Our risk management methodology captures the assessment of risk on a ‘current’ or ‘net’ basis, after existing controls are considered. The detailed registers also include management actions to further reduce risk exposures when considered necessary. In the case of the principal risks, sources of assurance over mitigation of the risks are also reported to the ARC. Reporting of risk within our management information (eg, to the executive committee and ARC), is on a current basis, and the importance of each risk as presented in this report is on the current basis. The relative exposures from the principal risks to Spire Healthcare are shown on page 66.

All risks have an identified risk lead in charge of monitoring and mitigating the risk. Management reviews risk registers in line with the risk management policy at intervals of one, three or six months or when there is imminent change in the risk environment such as legislation.

Current risk environment

We believed the geopolitical risks in 2024 would be volatile, and they have proven to be with escalation of conflicts in the middle east and Europe and several countries experiencing political instability (eg Germany, France and South Korea), although election results have had clear outcomes in the UK and USA. Despite increased risks of disruption, our supply chains remained resilient, and we have not experienced any major disruption to date.

Looking ahead to 2025, we believe the international geopolitical environment remains volatile, while domestically the economy will experience modest growth. The Bank of England’s November 2024 Monetary Policy Report (published ahead of the budget) reported external forecasters’ expectations of GDP growth averaging 1.6% in 2025-27, with unemployment and CPI broadly steady at 4.1% and 2.1% respectively. The rise in national insurance and minimum wage announced in the budget, and the pay awards in the NHS will have an impact on our cost base as highlighted in principal risk ‘inflation and wage inflation’ on page 69.

Risk appetite

While we make every effort to ensure that all risks are as low as reasonably achievable, it is not possible to reduce all risks to zero. Decisions must therefore be made as to whether the benefits and best use of resources outweigh the risks.

We define our risk appetite as the amount of risk we are prepared to accept, tolerate, or be exposed to at any time. We are committed to doing everything reasonably possible to reduce risk for all patients and to deliver high-quality, efficient and effective care. We are uncompromising on patient safety relating to our clinical service delivery. The lowest risk appetite applies to all safety and compliance objectives, including preventable patient harm, and public and employee health and safety. We have a higher risk appetite for the pursuit of innovation and our strategic and operational objectives. This means meeting legal and other regulatory obligations will take priority over other business objectives.

We apply the following definitions to our risk appetite for the strategic principal risks:

- VI Very low:** A high level of risk mitigation or risk avoidance representing the safest strategic route available
- L Low:** Seeking to integrate sufficient control and mitigation methods to accommodate a low level of risk
- B Balanced:** An approach that brings a high chance for success, considering the risks, along with reasonable rewards, economic and otherwise
- H High:** Willing to consider bolder opportunities with higher levels of risk in exchange for increased business payoffs
- VH Very high:** Pursuing high-risk, unproven options that carry with them the potential for high-level rewards

The risk appetite for each principal risk is shown on pages 69 to 76 in the detailed risk descriptions.

Principal risks outside of risk appetite

There are no principal risks outside of our risk appetite.

Risk management and internal control continued

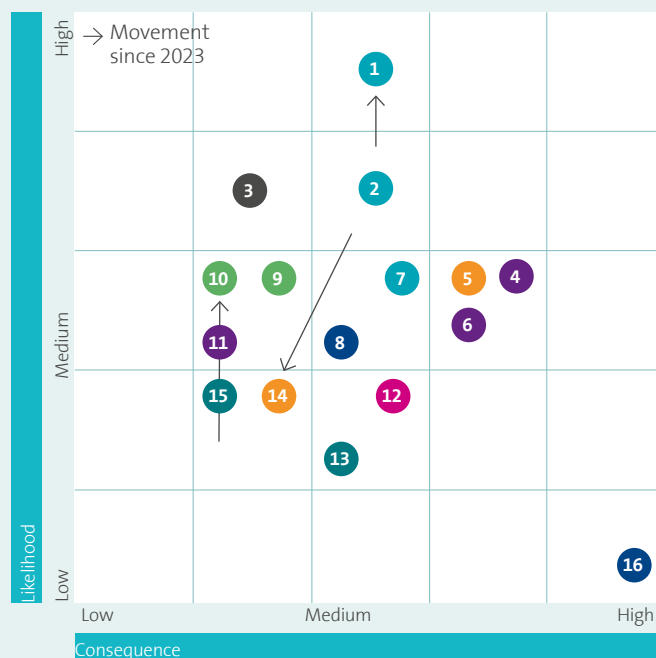
Principal risks

The diagram shows the principal risks of the group. Further detail on the individual risks is provided on pages 69 to 76.

The principal risks fall under the following categories:

Ranked by likelihood

Ranked by likelihood	Category
1 Inflation and wage inflation	Financial
2 Private market dynamics	Financial
3 Climate change	Environment
4 Cyber security	Technology
5 Organisational transformation	People
6 Digitalisation, automation and efficiency	Technology
7 NHS market dynamics	Financial
8 Brand reputation	Social
9 Government policy	Geopolitical
10 Supply chain disruption	Geopolitical
11 Major infrastructure failure	Technology
12 Clinical quality	Clinical and patient safety
13 Expanding our proposition	Corporate governance
14 Workforce	People
15 Data protection	Corporate governance
16 Antimicrobial resistance	Social



Material change to our risk profile from 2023

During the course of 2024, we regularly reviewed our principal risks and made the following changes as reported in our interim financial statements:

- Sub-divided the principal risk ‘information governance and security’ into its constituent parts of data protection (renamed from information governance) and cyber security (see below)
- Reclassified the PMI and self-pay market dynamic risks into a private market dynamic risk (see below) and described a separate NHS market dynamic risk that was previously included in government and NHS policy
- Inflation and wage inflation risk has increased following the increases in employer’s national insurance contributions and minimum wage announced in the 2024 autumn budget
- Supply chain disruption risk we judge to be increasing in light of current geopolitical tensions
- Workforce risk has decreased as a result of lower staff churn rates and lower vacancy rates (see page 75)

In recognition of the scale of the digitalisation programme, we now report a principal risk of organisational transformation.

Inter-relationships of principal risks

We recognise the strong inter-relationships between the principal risks. The risks that would have the most material impact on other principal risks are:

- Clinical quality
- Inflation and wage inflation
- Cyber security

Emerging risks

The board considers emerging risks to be those with the following characteristics:

- Any manifestation of the risk is most likely outside of the normal strategic planning horizon of five years
- Are risks for which we have little or no prior experience because of their novelty or highly uncertain nature
- There are no practical control measures that can be taken now but a longer-term strategic response may be appropriate

The emerging risk process is as follows:

- The executive committee prepares an annual analysis of long-term global trends that may lead to emerging risks and opportunities
- It then recommends specific long-term risks to be added to an emerging risk register for monitoring and consideration in our strategic planning process
- The board, via the audit and risk committee, reviews and approves the potential emerging risks and opportunities that the executive committee is monitoring

Risk management and internal control continued

Internal controls

1) Standard policies and procedures

We have documented policies and standard procedures in place covering all significant activities and areas of risk, which are subject to regular review and update by the policy approval committee (PAC) comprising a cross functional membership of subject matter experts. The PAC reports into the safety, quality and risk committee. The PAC meets eleven times a year and publishes updates to policies on our intranet. All policies are required to follow a standard process for creation and review. There is a standard structure for procedures and guidelines to provide our colleagues and consultants with further operational detail for policies where required. The default review period once a policy is approved is three years but can be shorter if required. There are certain policies that the board reserves the right to approve, for example treasury management, raising concerns and risk management policies.

2) Assurance over clinical delivery and clinical regulatory compliance risks

As a provider of clinical services to patients, we face a specific set of non-financial risks associated with such provision. We have strong control structures as described below.

- The group medical director oversees the governance of the medical professional standards of 8,740 consultants through the medical professional standards committee, the management of patient reviews and recalls, the processes for the management of practising privileges and setting medical governance policy
- The integrated quality governance team supports a suite of clinical audits which assess compliance with key areas of patient safety
- In 2024, two major improvements to the clinical quality control framework were rolled out. First, in January 2024, we issued the new group wide integrated quality governance structure for Spire Hospitals. Second, in March 2024, we rolled out the new Patient Safety Incident Response Framework (PSIRF) (see page 26)
- The central clinical team oversees a national programme of clinical reviews including testing, according to the approach taken at regulatory inspections
- The central clinical team also oversees the drafting, communication and training of a comprehensive set of clinical policies and procedures for Spire Healthcare. These form part of the overall framework for clinical safety governance and quality, to ensure that clinical risk and clinical regulatory compliance is managed effectively across all registered sites. The governance activities are monitored by the integrated quality governance team and are reported regularly to the safety, quality and risk committee, the executive committee and the clinical governance and safety committee
- Each hospital has a risk register through which clinical and medical risks are managed, mitigated and escalated
- Comprehensive, non-financial management information on quality including safety, clinical effectiveness and patient experience is produced and reviewed monthly against pre-agreed standards by the corporate integrated quality governance and clinical teams and reported to the safety quality and risk committee sub-committee bi-monthly and reported to the clinical governance and safety committee quarterly
- We are subject to substantial levels of external inspection and review, both by the range of national healthcare regulators (CQC/HIW/HIS), and through invited assurance inspections such as the rolling programme of health and safety inspections carried out by third-party specialists. The executive committee and the clinical governance and safety committee review the outcomes of these activities. In 2024, we had a total of four CQC and HIW/HIS inspections, all producing 'Good', 'Outstanding', or equivalent performance assessments
- We have maintained throughout 2024 the structures and processes to provide the level of evidence and assurance required to monitor clinical regulatory compliance

3) Financial and operational controls

Our design of our finance function splits resources across on-site finance directors at each hospital, supported by a central finance function based in Reading.

We received regular fraud updates from the NHS Counter Fraud Authority during the year and, where relevant, disseminated the fraud alerts to relevant colleagues. We were subject to daily direct and indirect cyber-attacks during the year. We have prepared response plans to cyber-attacks utilising both in-house and third-party experts. After any incident, we undertake a full incident review and reflect learnings into our cyber-security environment.

The fundamental financial controls as reported in 2023 remained in place during 2024, namely:

- The annual process of preparing business plans and budgets, followed up by close monitoring of operational performance by the executive committee and the board
- Weekly forecasting and actual reviews to drive corrective actions
- Monthly monitoring of actual results, compared to budgets, forecasts and the previous year
- All material capital, leasing and acquisition projects are subject to an investment evaluation and authorisation procedure, including board approval, when the forecast expenditure exceeds the level of delegated authority
- Common accounting policies and procedures
- Our cash flow position is regularly reviewed to ensure that our borrowings are aligned with our growth. Half yearly detailed cash flow forecasts are reviewed and used for controls over going concern, goodwill impairment and banking covenant assessments
- Forced segregation of duty and senior review of all payments made
- Other non-financial operational risks are managed by means of the application of best practice, as defined by group policies and standard procedures, in areas such as project management, human resources management and IT security and delivery, supported by detailed performance monitoring of outputs and issues
- Consolidation of our accounts bi-annually for accurate reporting purposes
- Key account balance sheet reconciliations to ensure accuracy within our accounts

Other non-financial operational risks are managed by means of the application of best practice, as defined by group policies and standard procedures, in areas such as project management, human resources management and IT security and delivery, supported by detailed performance monitoring of outputs and issues.

The Financial Reporting Council published the 2024 Corporate Governance Code requiring new disclosures over our risk management and internal control environment for our fiscal year starting 1 January 2026. We continue to prepare for these new requirements by documenting and strengthening our internal financial controls where appropriate.

Risk management and internal control continued

4) Internal Audit

An in-house director of internal audit was supported by a dedicated team from KPMG who provide co-source internal audit resource. From 2025, this service has moved to RSM. The activities of internal audit are reported in the audit and risk committee report on pages 105 to 110.

Continuous learning

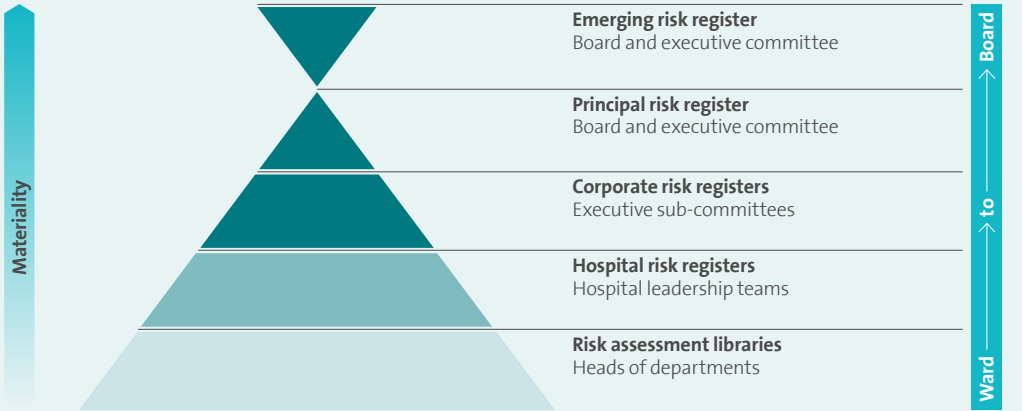
Our process of continuous improvement through events, knowledge and awareness will help us to make progress. We recognise this unequivocally and its importance in driving outstanding quality. No matter how robust and reliable, internal control systems and risk management cannot guarantee to remove all error or loss. We take all instances of incidents (including near misses), complaints, control failures, regulatory non-compliance, or other risk events seriously. As such, we have a detailed process in place to understand the cause and identify learning to minimise the chances of recurrence.

We actively promote an open culture to positively encourage the reporting of all risk events and other issues arising. Hospital management, the executive committee, the ARC, and the CGSC closely monitor the number and nature of events arising, and the operation of incident management processes.

We offer various channels through which colleagues can report any issues or concerns. The main channel for raising concerns is the Freedom to Speak Up guardians (FTSU) that were introduced into every Spire Healthcare hospital, corporate team and VHG. Other channels include a central raising concerns team, members of the executive team and board, and an independent whistleblowing helpline to facilitate anonymous reporting of issues or concerns that they are unwilling to raise via any other channel. We have an independent national corporate guardian who oversees and supports the guardians (see Strategy: Building on quality, page 27).

Our risk management framework

Governed by our board-approved enterprise risk management policy



Risk management and internal control continued

1. Inflation and wage inflation Link to strategy

Executive owner(s): Chief financial officer/Chief operating officer/Chief people director

Risk description

Consumer Price Inflation in the UK was 2.5% for the year to 31 December 2024. The Bank of England reduced the base lending rate to 4.5% in February 2025, but the Bank of England remains cautious about service sector and wage inflation. There is still risk of further energy price shocks and food price shocks from increased geopolitical tensions in Ukraine and the Middle East.

The Bank of England's baseline prediction for 2025 is 3.2% for average private sector wage growth, but report companies surveyed expected wage growth nearer 4% (November 2024 Monetary Policy Report). National insurance contributions increase to 15% from 1 April 2025 with significant increases to minimum and national living wages (range 6.7%-18%).

Despite these inflationary headwinds the expectation is that the primary growth drivers for healthcare will remain medium term, namely NHS waiting lists stimulating stable/growing PMI lives covered and a self-pay market which is larger than pre-pandemic.

Risk impact

- Higher staff churn because of more competitive pay in other sectors/other healthcare providers or higher staff costs to maintain competitive pay and benefits
- Reduction of self-pay patients as inflationary pressures reduce affordability and reducing volumes
- On contract renewals, PMI providers take more aggressive stance on pricing to mitigate from recent inflationary increases, reducing margin
- NHS tariff increases are below the level of inflation thus reducing margin
- Tax bill higher further to national insurance increase

Risk mitigation

In response to macro inflationary pressure, we continue to benefit from a range of inflation mechanisms built into the PMI contracts and will benefit from our ability to change self-pay pricing quickly via our pricing engine subject to prevailing market conditions. Our conversion rate from outpatient appointment to inpatient procedure remains stable. Our procurement team maintains a constant review of pricing and seeks opportunities to mitigate inflationary increases.

We continue to respond to changing economic circumstances by optimising our private and NHS-funded work, ensuring we are not over-reliant on one income source, and supported by an efficient cost base.

Risk appetite B | **Risk movement:** 2023 — 2024 ↑

2. Private market dynamics Link to strategy

Executive owner(s): Chief commercial officer

Risk description

There is a risk that private healthcare demand softens after the post-pandemic period of growth because of:

- The significant buying power of the top four insurance providers which have an estimated 90% market share. We have individual contractual relationships for the provision of our services with all the major PMI providers. These contracts come up for renewal on a recurring basis. It is possible that renewal of contract terms cannot be secured on historical terms

The self-pay market softens because of:

- A material lowering of NHS waiting lists for key self-pay procedures within the Spire footprint, reducing demand
- Affordability among our core target market decreases as inflation or higher tax take reduces disposable income
- Growth in the self-pay market is constrained by low growth in the UK economy
- New competitors price to secure market share

Risk impact

- Loss of, or renewal at lower tariffs, of an existing PMI contractual relationship with any of the key insurers could significantly reduce our revenue and profit
- In 2024, self-pay patients contributed 22.6% of group turnover. A material reduction in the self-pay market could have a material impact on our profitability and margin

Risk mitigation

We invest in high-quality patient care service to our self-pay and insured patients of our PMI partners.

We ensure we have long-term contracts in place with our PMI partners that avoids co-termination of contractual arrangements.

We believe that continuing to invest in our well-placed portfolio of hospitals provides a natural fit to the local requirements of all the PMI providers long term.

We continue to invest in efficiency programmes to ensure that we can offer the best combination of high-quality patient care at competitive prices.

Since 2022, we have deployed national multi-media advertising campaigns highlighting the key benefits of private healthcare to increase our brand awareness.

We are strengthening our operational capability with further enhancements to the website (content and functionality) and call centre resilience and training.

We have adopted sophisticated pricing capability.

We are promoting patient financing as a payment option.

Risk appetite B | **Risk movement:** 2023 N/A 2024 —

Strategy key

- Drive hospital performance
- Build on quality
- Invest in our workforce
- Champion sustainability
- Expand our proposition
- Deliver strong financial performance

Risk management and internal control continued

3. Climate change

Link to strategy

Executive owner(s): Chief financial officer

Risk description

Climate-related risks have been identified through the enterprise risk management process. In 2023, we undertook scenario analysis to identify our short-, medium- and long-term risks from climate change.

Following the structure of the Taskforce on Climate-related Financial Disclosures (TCFD), we face risks and opportunities from the transition to a low carbon economy and physical risks from a warming climate. This principal risk is an overarching description of those individual risks that are described in greater detail in our TCFD annual reporting.

We may, in the medium to long term, be indirectly at risk from societal risks related to climate change, eg, food security.

Risk impact

Severe stormy weather has the potential to cause major damage and disruption to our sites. Storm events raise the risk of floods at our buildings due to rising external water levels. Our hospitals would be badly affected by flooding should it occur, as water ingress would affect medical equipment and risk the hygiene of our premises and safety of our patients.

Extreme weather events will also disrupt our patients, staff, and consultants' ability to attend our facilities.

Prolonged spells of extreme ambient temperatures could lead to an inability of existing critical Heating, Ventilation and Air Conditioning (HVAC) systems to cope with required cooling and potentially cause cancellation of procedures and operations.

Providing healthcare services is a relatively energy intensive business. We are vulnerable to fluctuations in energy prices driven by rising carbon costs imposed on power generators as well as through increasing taxation at the point of consumption.

Risk mitigation

Flood risk mitigation includes a continued periodic review of our estate in relation to existing and predicted flood risk zones and investment in improved roofing and drainage where vulnerabilities have been identified. None of our current sites are situated in predicted high risk flood zones or in coastal areas predicted to be at risk from rising sea levels.

Extreme ambient temperature risk mitigation includes an informed investment plan for upgrade of failing and vulnerable plant. Design of the replacement and upgrade would account for the predicted increase in ambient temperature profiles expected within the lifespan of the plant eg, 15 years. Further mitigation measures include extreme weather warning protocol and business continuity plans to provide emergency loan HVAC plant.

Energy price risk mitigation includes energy efficiency measures to reduce consumption and our energy hedging strategy which has seen all our current energy requirements secured until December 2025.

4. Cyber security

Link to strategy

Executive owner(s): Chief operating officer/General counsel

Risk description

As a healthcare organisation, we must manage and maintain a range of physical and digital data assets including patient records, commercial information and staff data. Our intelligence indicates that healthcare data remains highly valuable to criminal and hostile state operators. There is a risk that:

- We will be subject to hostile and sophisticated cyber activity against our IT systems and applications
- Supply chain cyber-attacks become more prevalent as a means to gain unauthorised access to that organisation's systems or data
- We, and through our supply chain, do not respond effectively to a cyber-attack
- Someone inside the company exploits a system to cause damage or steal data.
- Phishing email attacks, the most common form of cyber-crime, breach our defences

Risk impact

Our business could be disrupted if its information systems fail, are breached, destroyed or damaged. Colleague and patient data could be stolen or compromised. We could also be subject to litigation by third parties and enforcement action from regulators. A successful cyber-attack and a breach of data security could result in:

- Material costs to recover operations
- Operational risk with IT services not being available
- Material financial penalties for breaches of data protection law
- Compensation for patients or staff if personal data is compromised
- Reputational damage
- Stolen credentials (the most common cause of data breaches) as a result of a successful phishing email attack being used for data theft, financial losses, and reputational damage.

Risk mitigation

The data strategy, governance and security committee monitor the risk and mitigations for cyber security. The committee reports into the executive committee with a separate reporting line to the audit and risk committee. To support this governance structure, we have a range of policies and practices, and mandatory staff training covering cyber security (more detail on page 54).

Our IT team have a cyber-security strategy for continuous improvement based on industry standards. It covers the processes from identifying specific risks, to protecting physical and digital data assets through to recovery in the event of a successful cyber-attack.

We work with several industry-leading technical partners to provide:

- Multiple layers of security controls providing advanced detection and protection capabilities
- Regular third-party penetration testing on new and existing IT systems
- Red-teaming exercises to attempt to access our systems using a variety of real-world techniques
- Managed Security Operations Centre (SOC) to monitor, analyse and respond to security threats 24x7
- Threat intelligence from a variety of external sources
- Varonis DatAlert system is in place for user behaviour analytics that uses algorithms and machine learning to detect anomalies in the behaviour of both users and devices
- Third party (Reliance) triage of colleagues reporting potential phishing emails via the 'Phish Alert' button
- Enhanced detection of phishing emails via Microsoft Exchange Online Protection (EOP)
- SAFE, Security Awareness For Everyone campaign advising colleagues of threats to be aware of and preventative action to take

Risk appetite Risk movement: 2023  2024 Risk appetite Risk movement: 2023 N/A 2024 

Strategy key



Risk management and internal control continued

5. Organisational transformation

Executive owner(s): Chief operating officer/Group people director

Risk description

There is a risk that the multi-year strategic transformation programme to introduce greater digitalisation into patient pathways and our back-office processes fails to deliver the planned operational and financial benefits because we fail to execute the programme in a way that engages our patients, consultants and colleagues.

Risk impact

We may lose material operational and financial benefits resulting in a lower profit margin than predicted. In the worst-case scenario, we may harm existing processes incurring additional cost to recover core business processes.

Risk mitigation

We have a range of mitigations in place:

- Governance – there is a programme hierarchy of project, programme and steering board committees, which then report into the executive and board committees
- Executive accountability – There is dual executive committee representation on all programme boards, with best practice project management processes in place including disciplined stage gate reviews, lessons learnt reviews and comprehensive risk and issue management
- Investment – We are investing in both communication resource and expanding the Information Technology Operating Model to ensure there is adequate resource to support the technical aspects of the change programme
- Being kind – A set of established principles for those affected by organisational change, including offering comprehensive outplacement support and enhanced redundancy packages

Risk appetite  | **Risk movement:** 2023 **N/A** 2024 

6. Digitalisation, automation and efficiency

Executive owner(s): Chief operating officer

Risk description

We are making substantial investment to digitalise our patient experience as well as back-office processes. However, despite our digitalisation programme there is a risk that:

- The digital environment evolves requiring us to readjust or increase our investment to further retain or improve our position in the market
- We do not deploy new technologies with the support and training of our colleagues, thus undermining the potential for efficiency gains
- Loss of IT and other team members because of the competitive market for scarce talent which would hinder our progress and/or increase costs of implementation
- There is a risk that a standardised approach to testing and adoption to change practices is not consistent across the deployed changes

Risk impact

We lose market share and fail to achieve operational excellence which will ultimately impact our profit margin.

Risk mitigation

The digital strategy focuses on an 18-24 month planning horizon to improve the predictability of investment and outcomes. This enables us to adjust the priorities (through transparent visibility and reporting), managing flexibility to investment and increase speed of implementation, consider informed changes in approach in response to changes in the macro climate and competitive landscape.

We utilise best-practice programme governance, supported by third-party experts, to deliver change programmes into the business, coupled with the adoption of lean, agile change methodology along with driving and adopting one-best way eg patient support centres. In addition, we have initiated quality assurance and assessment via a trusted independent partner.

In addition, we developed and introduced in 2024, a strategic response and approach to the specific management of change and implementation. This involved upskilling colleagues and increasing the programme management structure to provide the required standards of: impact assessment, colleague engagement, training, adoption strategies and ensuring accurate and effective embedding of new ways of working, in order to maximise business opportunities and performance improvements.

We use technology to enable early benefits' realisation, for example utilising process automation to release immediate efficiencies and improvements to boost productivity and further fund future investments for digitisation. Clinical Safety and Standards will be involved in the input to design.

The digital strategy has built-in focus on appropriate levels of innovation, coupled with external horizon scanning, to ensure we are not behind the curve compared to competitors (current or future).

Risk appetite  | **Risk movement:** 2023  2024 

Strategy key

-  Drive hospital performance
-  Build on quality
-  Invest in our workforce
-  Champion sustainability
-  Expand our proposition
-  Deliver strong financial performance

Risk management and internal control continued

7. NHS market dynamics

Executive owner(s): Chief commercial officer

Risk description

Historically, the levels of NHS referrals have been subject to sudden and unpredictable changes dependent upon national political priorities, or local NHS financial constraints. There remains a risk of future volatility in NHS commissioning models.

Risk impact

Changes to NHS commissioning models, if adverse, could lead to reduced access to patients, reduced tariffs adversely affecting revenues and/or margins.

Risk mitigation

We apply a disciplined approach to what procedures we will undertake for the NHS to optimise the balance of resource utilisation and margin contribution.

We maintain diversification of revenue streams with self-pay, PMI patients and new business streams.

We continue to invest in the capital base of our hospitals to provide services needed by the NHS (eg diagnostics).

We continue to invest in efficiency programmes to ensure that we can offer the best combination of high-quality patient care with acceptable margins at NHS tariff prices.

We have a strategic partnership with the NHS and stand ready to take on more NHS work, and we are actively engaged in the 2025/26 NHS Payment Scheme consultation (see page 19 for more detail).

We have strong relationships with the Integrated Care Systems (ICSs) and signed contracts with all ICSs.

Vita Health Group's acquisition in 2023 gave us a new opportunity to participate in the NHS tender market.

Link to strategy



8. Brand reputation

Executive owner(s): Chief commercial officer

Risk description

Our brand reputation is interconnected with other principal risks, especially clinical quality and cyber security.

Our future growth depends upon our ability to maintain, and continue to enhance, our reputation amongst patients, clinicians and other stakeholders.

As our brand presence grows, the risk increases that adverse events such as:

- Patient notifications and recalls
- Inquests
- Mishandling of patient data
- A breach of law or regulation

Risk impact

If we fail to protect or grow the brand it may harm our ability to:

- Maintain or grow income
- Attract and retain patients, colleagues and consultant partners
- Win new contracts
- Raise capital at competitive rates
- Meet our regulatory obligations

Risk mitigation

Our primary mitigations against damage to our brand reputation is through the good management of our principal risks, in particular:

- Clinical quality and governance
- Cyber security
- Workforce

In addition, we continue to:

- Invest in the awareness and health of the brand through national advertising, public relations and centrally coordinated social media
- Build our reputation and enhance understanding among analysts, public commentators, key stakeholders, public bodies and parliamentarians
- Comprehensive crisis communications planning

Creating social value supports our brand reputation.
We contribute to social value through:

- Delivering good quality healthcare to patients who need it the most
- Reducing waiting times for NHS patients through increasing capacity
- Generating positive social impact for colleagues and communities
- Community efforts to support local businesses and charities
- Environmental efforts to reduce our impact
- The onward value created by our apprenticeship programmes

Risk appetite B

Risk movement: 2023 N/A 2024

Risk appetite B

Risk movement: 2023 2024

Risk management and internal control continued

9. Government policy

Executive owner(s): Chief executive officer

Risk description

There is a general risk that the government's economic, public spending and employment policies could have an impact on our sector.

The new government's objective to address workplace absence could provide a further opportunity for our occupational health, mental health and muscular skeletal businesses which help to get people back to work.

The impact of wage settlements in the public sector on our ability to attract and retain healthcare workers, is captured in our principal risk Inflation and Wage Inflation.

Risk impact

Changes in government policy for the NHS or broader fiscal and spending policy, could materially affect our profitability.

Risk mitigation

We have a proactive strategy to establish and build relationships with new government ministers and advisors in both the health department and other related departments (eg Department for Work and Pensions).

We seek to build relationships with our local MPs, and have written to newly elected MPs, who cover our physical locations across Great Britain to introduce them to Spire Healthcare and build their understanding of what we do.

We are actively engaging with the Independent Healthcare Providers Network (IHPN) to support IHPN's input into the Government's 10-year NHS strategic plan.

Risk appetite  | **Risk movement:** 2023  2024 

10. Supply chain disruption

Executive owner(s): Chief financial officer

Risk description

Disruption in the global and UK supply chains because of a variety of factors, could lead to shortages of critical components or products within:

- Medicines
- Consumables
- Prostheses
- Food
- Green energy supply
- Medical gases
- Oil and gas
- Electronic components for medical equipment

Risk impact

Our hospitals are reliant on a wide range of products to be able to conduct operations and procedures. Shortfalls in fulfilment of fresh food orders for example, could result in hospitals having to cancel inpatient operations and procedures.

We are heavily reliant on medical consumables, that in turn are heavily reliant on the availability of plastics, to carry out even the most basic procedures (eg, taking blood samples). Shortages in raw materials or disruption in the supply chain from the manufacturer could result in hospitals having to cancel operations and procedures.

Risk mitigation

We run a centralised supply chain with a national distribution centre (NDC) and its own vehicle and driver fleet. Medical consumables are held at the NDC with an average of six weeks' supply; medicines and prostheses are being held at hospital sites.

We must respond to product shortages and global recalls consistently, and we have seen some minor shortfalls in order fulfilment. In all cases, our centralised procurement function has been able, with the support of a permanent presence from the clinical team, to find alternative supplies to maintain hospitals' activities.

Fresh food is supplied through a national food distributor which has its own delivery fleet and directly employs its HGV drivers. Order fulfilment has remained in the high ninety percentile. We have contingency menu plans in case of fresh food shortages.

Any national shortages in critical medicines and medical gases are managed by NHS Supply Chain. We receive allocations based on our activity.

In light of recent geopolitical events, we are retesting our supply chain resilience against a range of scenarios, having last done that exercise in 2022-23.

Risk appetite  | **Risk movement:** 2023  2024 

Strategy key

-  Drive hospital performance
-  Build on quality
-  Invest in our workforce
-  Champion sustainability
-  Expand our proposition
-  Deliver strong financial performance

Risk management and internal control continued

11. Major infrastructure failure

Executive owner(s): Chief operating officer

Link to strategy

Risk description
There is a risk that there is a failure of national infrastructure, eg:

- The national electricity grid
- Import channels for our UK-based suppliers
- Fuel distribution
- Access to NHS
- Telecoms providers

The above risks are from a variety of causes including lack of resilience in national infrastructure, cyber-attack, strike action, terrorist activity, international geopolitical tensions, and action by state governments wishing to harm the UK.

As international geopolitical events since 2022 with the invasion of Ukraine have demonstrated, this risk can materialise unexpectedly and rapidly.

Risk impact
Our hospitals are reliant on the provision of electricity from the national grid. Main power outages result in the immediate cancellation of procedures under general anaesthetic.

Failure of logistic channels is covered in supply chain failure risk.

In very rare cases, patients need to be transferred to the NHS for further treatment and service level agreements (SLAs) are in place with NHS bodies to facilitate this. If local NHS trust hospitals are overburdened, or suffering strike action, there could be delays in transferring patients.

Core IT services are increasingly reliant on 'cloud' infrastructure. These services rely on connectivity from UK-based telecoms providers.

Risk mitigation
We maintain the following controls to mitigate against a failure of patient safety and clinical quality:

- All our hospitals have a backup power source provided from diesel powered generators that operates major circuits of a hospital, but some key equipment is not covered, eg, MRI scanners. Battery powered uninterrupted power is provided into specific equipment in theatres to ensure patients remain safe in the event of a generator failure. These backup power sources are designed to keep patients in the hospital safe but are not a complete substitute for mains power
- Our national distribution fleet refuel daily at the end of their shifts to ensure resilient operational capability
- NHS hospitals are obliged to provide emergency care to everyone but their pressures on ambulance services can, and do, lead to delays to emergency transfers on rare occasions. Mitigation plans are in place and rehearsed at hospitals
- The chief operating officer chairs a regular multi-disciplinary winter planning meeting to co-ordinate response activities to any infrastructure failures
- The use of the Microsoft Azure 'cloud' platform for core Spire IT services is split into multiple availability zones. Primary Service is hosted in UK South (London) and Secondary Service in UK West (Wales)
- Spire IT on-premise infrastructure is hosted in Telehouse Docklands with resilient power, communications, monitoring and cooling technologies

Risk appetite VL

Risk movement: 2023 ↑ 2024 ↓

12. Clinical quality

Executive owner(s): Group medical director/Group clinical director

Link to strategy

Risk description
There is a risk that we fail to maintain the high levels of clinical quality required to meet our patients' needs and expectations, strategic objectives, and regulatory and legal requirements. There are several reasons this could happen including:

- Increasing complexity of patient conditions and innovations in treatments
- Changing regulatory environment
- Pressure to treat at the margin of our capability from long waiting lists with patients with increased co-morbidities
- A failure to identify and embed learning from incidents and excellence.
- The challenge of our scale and dispersed sites poses to ensuring oversight and assurance
- Human factors in the delivery of processes by our teams

Risk impact
Reputational and financial loss could occur if we fail to maintain high levels of clinical care from regulatory sanctions, patient claims, a fall in patient volumes and adverse publicity.

Risk mitigation
We maintain the following core processes to monitor clinical quality:

- Quality and safety reporting based on a quality assurance framework with a standard set of KPIs
- A schedule of robust and regular internal hospital inspections including the patient safety and quality reviews, with action plans for improvement that is centrally monitored
- A schedule of excellence in care meetings with the group clinical director and directors of clinical services to drive assurance and accountability for standards of care
- Consistent reporting of clinical outcome and effectiveness measures within the hospital and central meeting governance structures (including medical advisory committee meetings) to ensure that insights and learning are actioned and shared

These processes are underpinned by:

- A reporting culture of openness and shared learning from ward-to-board, with a FTSU guardian at each site
- Timely incident reporting via a database with central oversight and development of actions to ensure learning. We utilise the new Patient Safety Incidence Response Framework (PSIRF) introduced in 2024
- Continuous monitoring of patient experience via regular surveys with policies and procedures in place to ensure learning from patient experience feedback (including detractors and complaints)
- Standard operating procedure for patient notification exercises that includes learning and continuous improvement methodologies

Clinical quality processes and controls are governed by the executive's safety, quality and risk committee and the board's clinical governance and safety committee (CGSC).

Risk appetite H

Risk movement: 2023 ↓ 2024 ↓

Risk management and internal control continued

13. Expanding our proposition Link to strategy

Executive owner(s): Chief commercial officer

Risk description

There is a risk that:

- We will not be able to launch and scale new propositions or services at sufficient pace to diversify and mitigate the risk of disintermediation
- New digital healthcare services deliver lower margins and therefore contribution compared to existing services
- In making new acquisitions we may fail to derive the expected value from our acquisitions that will improve our return on capital employed as well as diversify our service offering

Risk impact

We fail to grow the revenues, generate cash and provide a return on investment to investors of the group in line with our five-year strategic plan. We become disintermediated by new/specialist service providers.

Risk mitigation

We have:

- An innovation board bringing together the CEO and executive committee members of the medical, clinical, commercial and finance functions to identify healthcare trends and opportunities to develop new services
- A dedicated director of innovation and proposition development sourcing specific opportunities to support the group strategy, leading on development, supported with dedicated IT and project resource
- A dedicated director sourcing suitable target acquisitions supported by an expert external financial and tax adviser
- A property lead to handle the assessment and acquisition of new physical assets with the support of retained property advisers
- Acquisition due diligence processes using appropriate third-party expertise
- Board review and approval of acquisitions
- Post-acquisition project management and integration processes incorporating learnings from previous acquisitions

The acquisition of Vita Health Group has opened new commercial opportunities for us, but importantly also improved our mitigation of this risk.

Risk appetite ⬇️ | **Risk movement:** 2023 ⬇️ 2024 ➡️

14. Workforce Link to strategy

Executive owner(s): Group people director, Group clinical director, Chief operating officer

Risk description

There is both a UK and global shortage of nursing and healthcare practitioners. We compete for talent in the UK and from international demand, and increasingly for non-clinical roles in a candidate driven marketplace.

Our ability to attract and retain clinical and non-clinical colleagues has been affected by the following:

- The cost-of-living increase impacting all our colleagues. Those on the lower salary levels are more sensitive to inflationary pressures and may move to marginally higher payers, both within or outside of healthcare
- Increasingly, permanent colleagues are looking for more flexibility in their work environment and work-life balance
- The candidate-driven market which impacts salary expectations for key roles, and attraction of agency rates
- Growth of demand for healthcare services since the pandemic
- Revitalisation of the NHS and that it is exempt from the NI increase

Risk impact

In the short term, the impact is on operating costs, either through increased pay awards or the use of bank and agency colleagues to fill resourcing gaps (for total colleague costs, see note 9 to the financial statements in this report).

Over the long-term, wage inflation and resource scarcity could result in a decline in our expected revenue growth. We could see hiring and retention of staff challenging in comparison to the NHS due to a higher tax bill.

Risk mitigation

We seek to retain colleagues through:

- A common purpose and a positive workplace culture (our employee engagement score provides evidence that this mitigation is effective)
- A standardised, fair and competitive pay and reward benefit structure. In 2023, we announced a competitive pay award that provided a 5.5% increase for most colleagues, and extra to bring all colleagues up to the living wage, and in September 2024 a further 2.75%. We will continue to review pay competitiveness in all the sectors in which we operate
- Our new reward framework for all permanent hospital (and NDC) colleagues was implemented in Q4 2024 (see page 30).
- Offering greater flexibility in colleagues' roles and contact types
- Ensuring we have the right and relevant employee development programmes, eg a nurse training programme and other relevant apprentice schemes
- Retaining professional development (excellence programme)
- Continuous investment in our equipment, facilities and services to retain high-quality clinicians and colleagues

Our risk mitigations have helped to produce a downward trend in colleague churn rates with consistent reduction during 2024 (see page 31).

We seek to recruit colleagues through:

- A centralised recruitment process which we brought in-house in 2023
- Offering apprenticeship programmes to support the development of clinical and non-clinical teams across the business
- Building of local bank colleague pools and using digital solutions to improve access to available shifts

The group manages immediate colleague shortages using agency and bank workers.

Risk appetite ⬇️ | **Risk movement:** 2023 ➡️ 2024 ⬇️

Strategy key

- Drive hospital performance
- Build on quality
- Invest in our workforce
- Champion sustainability
- Expand our proposition
- Deliver strong financial performance

Risk management and internal control continued

15. Data protection

Link to strategy

Executive owner(s): Chief operating officer, General counsel

Risk description

As we continue to grow and acquire new businesses and services it is imperative we manage external as well as internal risks equally which could compromise physical and digital data assets.

The risk being personal data may not be managed in accordance with the principles set out in the Data Protection Act 2018 and the UK General Data Protection Regulations (UK GDPR) and the expectations of data subjects as a result of:

- Human error
- Insider threats
- Third party and supply chain involvement in the processing of personal data

Risk impact

If this risk were to materialise, then there could be an impact on both data subjects and the business resulting in (among other impacts) impact to care, identity fraud and discrimination as well as reputational damage, enforcement action and financial loss respectively.

Risk mitigation

The data strategy, governance and security committee is chaired by the senior information risk owner and monitors the risks and mitigations for data privacy and cyber security. The committee reports into the executive committee with a separate reporting line to the audit and risk committee (see page 54 for more detail).

The following are the most material controls to mitigate the risk from materialising:

- In-house data protection officer reports into the group general counsel, providing expertise and independence as a second line assurance mechanism
- Dedicated governance platform for the management and oversight of data subject's rights requests
- Data Protection Impact Assessments (DPIA) to assess data protection risks in the processing of data, and third-party vendor
- Comprehensive data protection policies and procedures
- Mandatory staff training covering data protection and cyber security
- Privacy lead in each hospital and clinic that provide the link between local site and the central data protection team
- Internal incident reporting system for reporting and managing data incidents used to identify trends and learnings
- Quarterly data privacy key performance indicator reporting into the data strategy, governance and security working group

Risk appetite

Risk movement: 2023 **N/A** 2024

16. Anti-microbial resistance (AMR)

Link to strategy

Executive owner(s): Group medical director

Risk description

Antimicrobial resistance (AMR) is a global health and development threat.

The World Health Organization has declared that AMR is one of the top 10 global public health threats facing humanity.

Misuse and overuse of antimicrobials are the main drivers in the development of drug-resistant pathogens.

The cost of AMR to the economy is significant. In addition to death and disability, prolonged illness results in longer hospital stays, the need for more expensive medicines and financial challenges for those impacted.

Risk impact

If AMR becomes prevalent in the UK, the ability for consultants to carry out routine elective surgery could become too dangerous. This would mean the current business model of Spire Healthcare will become unviable.

New antibiotic costs may increase substantially.

Risk appetite

Risk movement: 2023 2024

Task force on climate-related financial disclosures (TCFD) report

The board makes its statement of compliance with TCFD disclosures as required by Listing Rule (UKLR 9.8.6(8)) below. By this we mean the four TCFD recommendations and eleven recommended disclosures set out in the table below and in Figure 4 of Section C of the report entitled 'Recommendations of the Task Force on Climate-related Financial Disclosures' published in June 2017 by the TCFD and updated in the 2021 TCFD

Implementing Guidance (annex). The approach to building scenarios described on pages 78 to 80 for our scenario analysis follows the updated guidelines produced by the TCFD within their Guidance on Scenario Analysis for Non-Financial Companies.

Governance		Strategy		Risk management		Metrics and targets	
Disclose the organisation's governance around climate-related risks and opportunities.		Disclose the actual and potential impacts of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning where such information is material.		Disclose how the organisation identifies, assesses and manages climate-related risks.		Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.	
Recommended disclosures	Status	Recommended disclosures	Status	Recommended disclosures	Status	Recommended disclosures	Status
a) Describe the board's oversight of climate-related risks and opportunities.	● – see page 78	a) Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term.	● – see page 78	a) Describe the organisation's processes for identifying and assessing climate-related risks.	● – see page 81	a) Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.	● – see page 82
b) Describe management's role in assessing and managing climate-related risks and opportunities.	● – see page 78	b) Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning.	● – see page 80	b) Describe the organisation's processes for managing climate-related risks.	● – see page 81	b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	● – see page 82
		c) Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	● – see page 81	c) Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organisation's overall risk management.	● – see page 82	c) Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.	● – see page 82

- Compliant
- Partial compliance
- Non-compliant

Task force on climate-related financial disclosures (TCFD) report continued

Governance

a) The board's oversight of climate-related risks and opportunities

Our board has ultimate oversight of climate-related risks and opportunities facing us. It exercises that oversight through:

- An annual review of our corporate strategy, that includes championing sustainability as one of its five pillars as described on pages 21 to 37
- Review of major strategic climate and environmental-related initiatives as put to the board by the executive committee in line with the corporate strategy eg, the environmental, social and governance strategy explained on pages 38 to 54 and the net zero strategy as explained on pages 39 to 41
- Receiving reports from board sub-committees following their meetings, eg, the audit and risk committee (ARC) that reviews the principal risks on behalf of the board and oversees our risk management processes, that includes climate-related risks, as explained on pages 65 to 76
- Annual review of emerging risks with the executive management team through the ARC

As the board also retains the authority to approve all capital projects over £10 million under its delegated levels of authority, in doing so, it reviews all major capital expenditure projects that affect sustainability.

b) Management's role in assessing and managing climate-related risks and opportunities

The executive committee retains overall responsibility for assessing climate-related risks and opportunities.

The committee receives a quarterly report from the director of audit, risk and compliance on the principal risks and the overall risk profile of the group prior to reporting to the ARC. It is through that assessment, in conjunction with other management information, that the executive committee understands and acts on its assessment of climate-related risks. The committee also reviews global trends for emerging risks on an annual basis and submits a report to the ARC.

In 2023, we undertook a detailed scenario analysis exercise on our hospitals business based on future global warming scenarios. We will repeat this scenario analysis in 2026. The outcomes provided us with a detailed view of our potential physical and transitional risks from climate change. The outcomes are described in more detail on page 79 to 80.

The executive committee communicates with the board through two main reports from the chief executive officer and chief financial officer, and additional reports from the chief operating officer. The executive committee also presents reports to the board through specific topics that are on the agenda for the board.

In 2023, we established a sustainability committee chaired by the chief financial officer. The sustainability committee's remit is to oversee, review and recommend changes to Spire Healthcare's sustainability-related goals, objectives, commitments and key performance indicators and monitor the Group's progress against the same, including in relation to climate risks and opportunities.

The committee is composed of members of the executive committee and senior management and met four times in 2024.

Strategy

a) Climate-related risks and opportunities the organisation has identified over the short, medium and long term

Time frames

The board recognises that climate-related risks and opportunities would emerge over very long time frames, and well outside the normal five-year strategic planning horizon. Its review of going concern and viability are conducted over 12 months, and three years respectively, from the date of the balance sheet. The board conducts these reviews before publication of the interim and annual financial statements, and while they model the impact of a near-term climate event in line with the principal risks, do not capture longer-term impacts from climate change.

In 2023, we engaged WTW (formerly Willis Towers Watson) to consider:

- transitional risks we may face in the scenario that by 2050, humanity has transitioned to a low carbon economy such that the increase in global average temperatures is restricted to 1.5°C above pre-industrial times and
- the physical impacts of climate change up to 2100 because the effects of climate change will be more material over the longer time horizon.

WTW modelled the impacts to physical risks from climate change over the following time horizons:

- Short term – to 2030
- Medium term 2030-2050
- Long term 2050-2100

To quantify the impacts of the risks modelled in the physical and transitional risk scenarios, WTW used our risk impact assessment criteria contained within our enterprise risk management policy to maintain consistency with other risk categories as described in our principal risk section on pages 65 to 76. The outcomes of the scenario analysis are described below. The scenario analysis covered all physical assets of our operations in our ownership as at 1 January 2023, and therefore did not include the physical or transition risks of Vita Health Group that we acquired in October 2023. We will rerun the scenario analysis in 2026 on our asset base at the time.

Task force on climate-related financial disclosures (TCFD) report continued

Relative importance of physical risks and transitional risks to the business

Physical risks

From a climate change perspective, we consider our operations as one business unit because all of our operations are within the UK, and similar in nature. The scenario analysis to assess the physical risks covered the following chronic and acute climate risks:

Chronic climate risks assessed

- Heat-stress
- Chronic drought-stress
- Sea level rise
- Chronic precipitation-stress
- Fire weather

Acute climate risks assessed

- Windstorm
- Tornado
- River flood
- Flash flood
- Coastal flood
- Hailstorm
- Lightning
- Wildfire

We provide commentary on the four most material physical risks associated with climate change below. The modelled outcomes of all the other risks above, but not described below, were immaterial. WTW's methodology input:

- the specific geographical locations of all our sites
- data concerning the building (eg number of storeys, building materials)
- insurance valuation
- revenue derived from each specific physical location, where that information was available
- historical business interruptions

The physical risk assessment relied on the use of WTW's climate diagnostic model, which uses underlying climate data provided by Munich Re's climate change hazard layers. The layers utilise data from the European Centre for Medium-Range Weather Forecasts (ECMWF), UKCP18, JBA Global Flood Model and the Met Office in the UK. The flood model provides a view of the risk based on an underlying digital terrain model, which provides a robust view of buildings and physical assets being exposed.

We modelled climate scenarios and corresponding average global warming based on the Inter-Governmental Panel for Climate Change's Representative Concentration Pathways (RCP) scenarios:

- RCP2.6 (1.5°C)
- RCP4.5 (2-3°C)
- RCP8.5 (4°C+)

We report the outcomes of the scenario analysis using by the forecast impact for:

- Low emissions (RCP2.6 + 1.5°C) over the short term (to 2030) because there are no material differences in that time frame between the scenarios, and
- High emissions (RCP8.5 +4°C) over the medium term (to 2050) to illustrate the worst-case outcomes

We acknowledge that these risk modelled will have an increasing impact over the long term (2050-2100) in the high emissions scenario (RCP8.5), but have not reported them here given the increased uncertainty as to what will be the most likely scenario and risk impacts for these very long-term time frames.

Current climate/low emissions scenario RCP2.6 (1.5°C) by 2030

Risk title	Potential impact(s)
Heat stress Impact: negligible	Currently all of our facilities are exposed to very low heat stress risk seeing less than five heatwave days each year with temperature more than 30°C. Some of our hospitals are vulnerable to overheating and air conditioning (AC) failure, especially in the south. As we have a rolling programme to upgrade end-of-life AC systems within our capital expenditure plans, there is no material impact on our business model.
Drought Impact: negligible	Our facilities depend on a stable supply of water from the mains water network to maintain safe patient care. Overall, there is very low or low exposure across our facilities, with less than three months of drought duration per year, even in the south.
Flooding (all types) Impact: negligible	Flooding of our facility would necessitate partial or complete closure of the site until any cleanup and repairs are completed to enable safe patient care to resume. Most of our assets (96%) between 2023 and 2030, are at very low risk for river flooding. Our property portfolio has low exposure to heavy rainfall and potential flash floods in this time period. The average annual modelled losses from river flood are negligible. In severe years it could be more significant but even then, still negligible. Most of the financial impact is associated with property damage rather than loss of revenue.
Windstorm Impact: negligible	All our facilities in the UK are in stormy regions, with 1% annual chance of having severe wind gusts of over 121km/h between 2023 and 2030, with seven locations at risk of higher winds of 161-200km/h due to extratropical cyclone. Property damage from windstorm could result in partial or full closure of a site until repairs are completed to allow for safe operation of the site. Most of the financial impact is associated with property damage rather than loss of revenue.

Task force on climate-related financial disclosures (TCFD) report continued

High emissions scenario RCP8.5 (+4°C) by 2050

Risk title	Potential impact(s)
Heat stress Impact: negligible to minor	<p>By 2050, heat stress develops to low risk for 55 facilities, with 5-20 heatwave days in a year, and 39 assets are likely to have a very low risk exposure.</p> <p>This trend could mean an increase in the cost of cooling of hospitals and clinics, and more disruptions to operations.</p> <p>The number of material incidents could increase up to five times compared with the 2022 heatwave including AC failure, overheating including operating theatres, drug storage issues, patient and colleague illness and more potential closures. This could impact our long-term business model (beyond 2030) with a need to invest in additional methods for cooling patient and colleague areas within our facilities, especially in the south, not currently covered by existing AC systems.</p>
Drought Impact: minor to moderate	<p>There will likely be an increase in our exposure under this scenario by 2050.</p> <p>Forty-six facilities could become exposed to moderate stress (three to four months of drought per year), whilst 34 facilities could be exposed to low risk and 14 facilities exposed to very low risk of drought stress. The potential adverse consequences to our business include reduced water availability and other utilities and operations relying on water. This may require additional investment between 2030-2050 in back-up water supplies for some specific sites in the south if the national water network does not become more resilient to drought.</p>
Flooding (all types) Impact: negligible	<p>The number of exposed locations will not change substantially by 2050 but changes in the frequency of flood events is likely. Three facilities could be very highly exposed and one facility moderately exposed.</p> <p>By 2050 what is considered today to be a severe 200-year event could happen more frequently (ie one in 100 years). In a severe one in 100 future event, losses could be five times that of our current risk, but the risk still remains within the negligible impact range. To maintain current operations, additional flood protections may be required for those specific locations most at risk between 2030-2050 under this emissions scenario.</p>
Windstorm Impact: negligible	<p>The frequency and/or severity of windstorms (extratropical cyclones) are likely to be similar to current climate conditions for our locations of assets under this scenario and time frame.</p> <p>Therefore, the average annual modelled damages for both property damage and business interruption stay in the same impact range. The modelled outcome from windstorm suggests there is no impact on our current business model.</p>

Transitional risks

In the transition to a low carbon economy by 2050, the assessment of transition risks assumes nation states adopt highly ambitious goals to dramatically reduce the impact of climate change. In line with our enterprise risk management methodology, we identified and quantified 12 transition risks in the categories recommended by the TCFD (being policies and legal risks, technology risks, market risks and opportunities, and reputational risks and opportunities). Only one risk concerning price fluctuations for the purchase of green energy is an immediate risk. We have taken the decision to purchase non-designated renewable energy ‘brown’ energy and delay the reduction in our carbon emissions until the ‘green’ energy market stabilises. We believe the other transitional risks and opportunities identified are currently immaterial but we will continue to monitor those remaining transitional risks.

Impact on climate-related risk and opportunities on the financial statements

We have not identified any climate-related risks or opportunities that would have a material impact on the carrying values of the assets or liabilities of the group, and therefore we have not adjusted financial balances for climate-related risks or opportunities in our balance sheet as of 31 December 2024.

Opportunities

We have an opportunity to turn some of the risks to opportunities, especially by communicating our environmental credentials more prominently, including our carbon reduction strategy, as a differentiator in the independent healthcare sector.

There are predictions that climate change disruptions will result in increased respiratory and cardiovascular disease, injuries and illness related to extreme weather events, changes in the prevalence and geographical distribution of food and water-borne illnesses and other infectious diseases, and threats to mental health. To support the UK to prepare for the health impacts of climate change, we continue to adapt and deliver quality healthcare services that meet changing needs in the market.

b) Impact of climate-related risks and opportunities on our businesses, strategy and financial planning
Financial impact of climate change risks and opportunities

We have focused on the near-term financial impacts for the purposes of the going concern and viability modelling. The outcomes of that modelling are reported in the statement on viability on page 83. We have previously announced that the net zero strategy represents a cash investment of £16 million up to 2030. In 2023, we invested £10.2 million of additional capital spend for 2024 to fund installations of PV solar panels (with an install capacity of 4.8m kWh/year) and building management systems across our estate. The projects are materially complete.

Following the outcome of our scenario analysis as discussed above, in our five-year strategic plan, other than the allocation of capital to the net zero strategy, and except for energy costs or potential losses from major disruption from an adverse weather event as modelled in our viability testing, we do not consider that other climate-related risks and opportunities will have a material impact on our revenues, operating costs, acquisitions, divestments and access to capital over that time horizon. In relation to energy costs, we have energy price hedging in place until December 2025 and partially for 2026. Thereafter, we are exposed to future energy prices. In terms of purchasing Renewable Energy Guarantees of Origin, we monitor market conditions and if the cost premium reduces we will consider adoption, and in any event we will adopt by Jan 2030.

We have highlighted in the risk analysis above where over the medium term (2030-2050) and in the high emissions scenario, our business model may need to respond to changing climatic conditions.

Task force on climate-related financial disclosures (TCFD) report continued

Other impacts on our business, strategy and financial planning

Our net zero strategy does not rely on unproven technology. Details of the net zero strategy are in the sustainability section on pages 39 to 41.

There has been no significant change in 2024 to our approach of identifying climate-related risks and opportunities, or our mitigation strategies against the risks we have identified. The process of risk management is described on pages 65 to 68. We will continue to review our mitigations through:

- Our normal risk management process
- Taking advantage of opportunities as we identify them, and they arise

c) Resilience of our hospitals business strategy, including a 2°C or lower scenario

As described above, against the specific modelled risks, the outcomes indicate that our physical asset base, being largely low-rise buildings and away from flood plains around England, Scotland and Wales, is relatively well protected from projected adverse climate scenarios. We consider heat stress to be the most significant near-term risk with drought becoming an increased risk in the RCP8.5 (4°C+) scenario.

We assessed our exposure to transitional risks which, except for energy prices, we assess as negligible now. However, changes in the regulatory or legal environment, may materially change that assessment at short notice. Our business strategy to mitigate energy price fluctuations is to a) continue to invest in energy reduction measures, b) buy forward and fix prices for at least the full financial year ahead of the current financial year. Our overall business strategy, we believe, is resilient to the identified transitional risks because of their limited impact as we assess them now.

We therefore believe that our hospitals business model, of providing high-quality physical assets for third party consultants to use for the treatment of patients in the UK, remains resilient to our identified climate change risks.

Risk management

a) Our processes for identifying and assessing climate-related risks

On pages 65 to 68 we describe our risk management process and its governance. We use the same process to identify and assess climate-related risks augmented by specific deeper dive risk assessments where appropriate. The relative importance of climate-related risks is established through the same method of estimating the range of potential impacts and the likelihood. As risk management is looking to the future, there is always a degree of uncertainty over probability and impact measures, especially with climate change, given the climate is dynamic and the changes are complex to model. Page 66 shows the relative importance we judge climate change risk to have compared to other principal risks. We have set out on page 79 and 80 what we believe are the climate-related risks that are specific to our circumstances.

b) Our processes for managing climate-related risks

On pages 32-34 and 39-44, we describe the governance of climate-related risks and opportunities including the role the sustainability committee will have going forward. Our governance structure results in four levels of management of our climate-related risks and opportunities depending on the materiality of the activity as shown in the figure below.



The structure shown above reflects the type of actions we have taken to manage our climate-related risks, for example:

- Major strategic initiatives sponsored by the board, eg, the net zero strategy
- The pragmatic management of risk assessed and prioritised activities such as the replacement of ageing heating, ventilation, air conditioning (HVAC) systems, the installation of energy saving technologies from new building management software, solar panels and energy efficient lighting led by functional leadership reporting into the executive committee
- Local carbon champions working with their local leadership teams have developed site specific action plans that have been fundamental in making site level changes that are saving energy, reducing CO₂ emissions and improving waste disposal on a daily basis

Task force on climate-related financial disclosures (TCFD) report continued

c) How processes for identifying, assessing, and managing climate-related risks are integrated into our overall risk management

As the responsibility for identifying and managing risks, including climate-related risks, as set out on pages 65 to 68 is with the board, the executive committee (via the sustainability committee) and then through functional and local leadership, management of climate-related risks is entirely integrated into our normal management processes. We have not built a separate management process to manage climate change related risks and opportunities.

While various committees look at specific aspects of climate-related risks as described on page 81, reporting on the sustainability pillar of the corporate strategy is embedded in KPI reporting with all other strategic KPIs. From there, the identification, assessment and management of more detailed climate-related risk management activity is embedded within our established management systems, whether that be the recording of specific risk assessments within our risk management system, or the review and decision-making by established committees and local management teams.

Metrics and targets**a) Our metrics used to assess climate-related risks and opportunities**

In our risk management process, we assess all risks against a range of impacts including financial, reputational and patient safety, amongst others.

In relation to climate change, the main strategic risk and opportunity for which we have developed is the decarbonisation of our operations in line with our net zero strategy. We use the following metrics to track progress towards achieving our net zero targets:

- Gas and electricity consumption against targets plus associated scope 1 and 2 carbon emissions twice yearly
- Carbon intensity against revenue annually
- Electricity generated by solar PV annually
- Waste to landfill/energy-from-waste/recycling
- Water consumption
- Financial losses due to climate-related incidents

We do not anticipate carbon credit pricing to impact our net zero strategy until 2030 when we plan to offset the residual unmitigated emissions.

We have separate metrics to measure our performance of waste management. Our metrics are described on page 42.

Against the risks that have been identified through our physical and transitional scenario analysis, we have developed further metrics in 2024 to monitor the likelihood and impact of the most material emerging risks (ie heat stress, drought, flooding and windstorm damage) and energy pricing.

We do not consider the use of internal carbon pricing is of any practical use as all our operations are in the UK, of a uniform nature and individual sites are charged for their actual energy consumption as the energy usage is metered.

b) Our Scope 1, Scope 2 and Scope 3 greenhouse gas (GHG) emissions, and their related risks

We disclose our GHG emissions, methodology and footprint boundary on page 39 to 41 in accordance with the methodology set out in the UK government's Environmental Reporting Guidelines 2019. For 2024, we set out our full GHG emissions data with 2023 comparisons.

There has been no change to the methodology applied to calculate our Scope 1 and 2 emissions in 2024. As we use an independent third party to calculate our emissions and none of our emissions data is based on estimated activity data, we believe the risk of material error in our data is low. We assess Scope 3 emissions to be material to our operations. On page 39, we set out our estimated Scope 3 emissions for 2023 and 2024, and describe the methodology by which each category has been calculated on page 40. As categories 1 and 2 (being the most material of our scope 3 emissions) are calculated on spend data, they are 100% estimated and therefore carry more risk of error. Last year we disclosed our 2022 estimated Scope 3 GHG emissions, the first we had calculated using a desktop methodology, with a total of 462,710tCO₂e. That indicated to us that our Scope 3 emissions will be material. As explained on page 39, this has led us to undertake a more comprehensive calculation of our Scope 3 emissions and include them in our total GHG emissions data going forward.

We express our energy intensity ratio as a tCO₂e per £m revenue. This ratio provides a consistent year-on-year basis to measure the energy required to deliver our operational activities. We now will track our change in intensity ratio against our full GHG footprint as disclosed on page 40 for 2023 and 2024.

c) Our targets to manage climate-related risks and opportunities and performance against targets

The net zero target is measured as net zero CO₂e (carbon dioxide equivalent) emissions, ie that CO₂e emissions, taking 2019 as our baseline, will be fully mitigated or offset. Our performance for 2024 is reported on pages 39 to 40.

As we set out on page 39, considering our 2024 performance, the cost of REGOs and degasification of heating systems, and the evolving emissions reporting sphere, we have created a new interim target for 2025 to allow us time to assess the risks and mitigations to the profile of how we achieve net zero by 2030. If we change the profile of our net zero plan to 2030, we will also need to review our transitional risks as a different profile may impact transition risks.

The Remuneration Committee has debated the inclusion of 'Environmental' related metrics in incentive plans and whilst this is not included explicitly, these are inherent in our strategy and also help drive the quality metrics which are part of the incentive plans.

Compliance statements

Viability

Assessment of prospects

In accordance with the 2018 UK Corporate Governance Code, the directors assessed the viability of the group and have maintained a period of three years for their assessment. Although longer periods are used when making significant strategic decisions, three years has been used as it is considered the longest period of time over which suitable certainty for key assumptions in the current climate can be made. The assessment conducted considered the group's current financial position and forecasted revenue, EBITDA, cash flows, risk management controls and loan covenants over the three-year period (which is consistent with the approach for prior years, with the exception of capital structure due to refinancing).

Assessment of viability

Further detail on both macroeconomic-related risk is provided in the risk management and internal control section on pages 65 to 76.

Other specific scenarios covered by our testing were as follows:

- The group is subject to temporary suspension of trade, with a temporary adverse impact on revenue, for example, as a result of a successful cyber-attack on key business systems
- The downside modelling of a number of risks which result in a decline in earnings, including the loss of a contractual relationship with a key insurer
- Significant change in government policy resulting in consultants going on payroll
- Short-term disruption to trade at a sub-set of hospitals owing to an extreme weather event

Management's approach also included testing for a specific combination of these risks. This testing entailed modelling for the potential impact if, although considered highly remote, the three risks which are individually plausible were to take place in combination.

This review included the following key assumptions:

- The group's senior finance facility and revolving credit facility which mature in February 2027 are refinanced to cover the three-year period. We have commenced the process to refinance our facilities and are confident that the facilities will be re-financed and will be in place for the three-year period. In the unlikely event that financing is not obtained, the Group has an extensive freehold property portfolio which could be accessed through sale and leaseback to provide the funding required, and
- The government will not make significant change to its existing policy towards utilising private provision of healthcare services to supplement the NHS

Based on the results of this analysis, the directors confirm that they have a reasonable expectation that the group will be able to continue in operation and meet its liabilities as they fall due over the next three years.

Going concern

The group has undertaken extensive activity to identify plausible risks which may arise and mitigating actions. Further information on these is provided in the section on viability above. Based on the current assessment of the likelihood of these risks arising by 30 June 2026, together with their assessment of the planned mitigating actions being successful, the directors have concluded that it is appropriate to prepare the accounts on a going concern basis. See note 2 – Basis of Preparation in the Financial Statements for more detail.

Non-financial and sustainability information statement

The Companies Act 2006 requires the company to disclose certain non-financial and sustainability reporting information within the annual report and accounts. Accordingly, the disclosures required in the company's non-financial information and sustainability statement can be found on the following pages in the strategic report (or are incorporated into the strategic report by reference for these purposes from the pages noted):

- Information on our employees (page 29-31)
- Information on diversity (pages 30 and 46-48)
- Information on our anti-bribery and corruption policy (page 34)
- Information on our approach to raising concerns (whistleblowing) and Freedom to Speak Up (pages 16, 27, 29, 52, 53, 68, 74, 96, 103, 116)
- Information on our approach to human rights (page 53)
- Information on social matters (pages 45 to 50)
- Information on our environment policy (pages 39 to 44)
- Information on our climate-related financial disclosures in line with The Companies (Strategic Report) (Climate-related Financial Disclosure) Regulations 2022 (pages 77 to 82)

Section 172 (1) statement

The directors are required to act in a way they consider, in good faith, would most likely promote the success of the company for the benefit of its members as a whole, taking into account the factors as listed in section 172 of the Companies Act 2006.

Details of how the directors have had regard to their section 172 duty can be found throughout the strategic and governance reports. We set out on pages 55 to 61, details of who we consider to be our main stakeholders, how we have engaged with them during the year and the outcomes of the process. Further details on how the directors' duties are discharged and the oversight of these duties are included in the governance section on pages 90 to 100. The principal decisions of the board during the year are shown on page 91.

Chief financial officer's review

Good financial performance in a dynamic environment



“We have delivered good financial results. The business has responded well to the dynamic environment and met guidance across all core measures.”

Harbant Samra
Chief Financial Officer

Dear shareholder,

I am pleased to report that Spire Healthcare delivered good financial and operational performance during 2024 and achieved guidance on all core measures. Group revenue was up 11.2% to £1,511.2 million from £1,359.0 million (up 6.2% on a comparable basis), driven by the demand for private healthcare and our expansion into primary care services.

Hospitals delivered increased revenue of 4.7% year on year to £1,390.2 million (5.5% on a comparable basis). This includes 1.9% growth in admissions and outpatient procedures, and strong growth in admissions average revenue per case which was up 4.2% through our focus on higher acuity procedures.

NHS activity was ahead of our expectations, with revenue up 7.7%, due to a focus on higher margin orthopaedic services (up 8.8% on a comparable basis). Private grew 3.7% (4.3% on a comparable basis), with strong volume and pricing in PMI and moderating volumes in self-pay, where we continue to see patients switching to PMI. Primary care services revenue was £121.0 million in 2024. Vita Health Group performed ahead of expectations, delivering £107.4 million in revenue.

We responded well to the dynamic external environment, including an evolving payor mix and increased energy costs, through acceleration of our cost savings programme, optimising acuity mix and self-pay pricing changes.

As a people business, investment in our workforce is critical to the health of Spire Healthcare and delivering good patient outcomes. People costs, including clinical and non-clinical staff, represent more than 40% of our Group cost base. We supported eligible Hospital colleagues with an above inflation salary increase during the year, implemented a new Hospital Rewards Framework and once again broadened our apprenticeship programme. We believe these efforts have helped us to achieve record levels of permanent employment, high retention, and a reduction in clinical turnover rates to an all-time low of 11.5%.

A significant focus area is our cost savings programme, which delivered ahead of plan, saving over £20.0 million. Key cost-saving initiatives included the refinement of best practice staffing establishment models for hospitals, centralisation of certain administration functions and procurement savings.

We intend to target £80 million in cumulative cost savings by the end of 2026, of which at least £30 million new savings will be targeted in 2025.

Group adjusted EBITDA was £260.0 million, up 11.1% year on year (9.0% on a comparable basis). Hospitals adjusted EBITDA was £249.7 million and showed good EBITDA margin progress, up 40 bps to 18.0%, delivered through price and acuity benefits, and transformation efficiencies.

Primary care services generated EBITDA of £10.3 million, with a very strong expansion in EBITDA margin to 8.5%. EBITDA margins are intrinsically lower than the hospital business given they include a number of younger maturity services such as Spire Clinics and London Doctors Clinic. Over time, we expect these margins to increase significantly through a combination of building scale and maturity.

We have delivered an improvement in returns, with ROCE growing from 7.5% to 8.2%. Total capital expenditure was £112.1 million; we deployed a greater proportion of our budget towards driving growth and efficiency. Investment of £40.0 million was deployed towards growth, including the addition of a minor operations unit at Spire Claremont, five new MRIs, significant investment in solar energy, as well as digitalisation. The remainder was dedicated to maintenance of our estate and IT infrastructure enhancement. We also deployed growth investment towards a primary care expansion strategy, including opening Spire Clinics in Abergele, Harrogate and Norwich.

Net bank debt at the end of the year was £325.9 million, with a cash balance of £41.2 million. Net bank debt / adjusted EBITDA covenant ratio declined to 2.0x.

Looking ahead to 2025, we are confident in delivering revenue growth, driven by both our hospitals and the increasing demand for primary care. We expect earnings to be ahead of last year, despite the impact of national insurance, national minimum wage and energy costs.

Harbant Samra
Chief Financial Officer

Chief financial officer's review continued

Selected financial information

(£m)	Year ended 31 December 2024			Year ended 31 December 2023		
	Total before Adjusting items	Adjusting items (note 9)	Total	Total before Adjusting items	Adjusting items (note 9)	Total
Revenue	1,511.2	–	1,511.2	1,359.0	–	1,359.0
Cost of sales	(827.6)	–	(827.6)	(734.8)	–	(734.8)
Gross profit	683.6	–	683.6	624.2	–	624.2
Other operating costs	(542.3)	(16.4)	(558.7)	(497.4)	(6.7)	(504.1)
Other income	8.1	4.5	12.6	3.6	2.5	6.1
Operating profit (EBIT)	149.4	(11.9)	137.5	130.4	(4.2)	126.2
Finance income	0.7	–	0.7	1.4	–	1.4
Net finance costs	(99.9)	–	(99.9)	(93.0)	–	(93.0)
Profit before taxation	50.2	(11.9)	38.3	38.8	(4.2)	34.6
Taxation	(14.1)	1.8	(12.3)	(6.4)	(0.3)	(6.7)
Profit for the period	36.1	(10.1)	26.0	32.4	(4.5)	27.9
Profit/(loss) for the year attributable to owners of the Parent	35.5	(10.1)	25.4	31.8	(4.5)	27.3
Profit for the year attributable to non-controlling interest	0.6	–	0.6	0.6	–	0.6
Adjusted EBITDA ⁽¹⁾			260.0			234.0
Basic earnings per share, pence			6.3			6.8
Adjusted FCF ⁽²⁾			39.0			48.0
Net cash from operating activities			235.7			215.5
Net bank debt ⁽³⁾			325.9			315.7

1. Adjusted EBITDA is calculated as Operating Profit, adjusted to add back depreciation, amortisation and adjusting items, referred to hereafter as 'Adjusted EBITDA'. For EBITDA for covenant purposes, refer to note 23.

2. Adjusted FCF (Free Cash Flow) is calculated as Adjusted EBITDA, less rent, capital expenditure cash flows and changes in working capital after adjusting for one-off items which are not related to the normal trading activity of the business. Rent cash flows are defined as interest on, and payment of, lease liabilities. Capital expenditure cash flows are defined as the purchase of property, plant and equipment.

3. Net bank debt is defined as bank borrowings less cash and cash equivalents.

Revenue

Group revenue was up 11.2% to £1,511.2 million from 1,359.0 million, up 6.2% on a comparable basis, driven by the demand for private healthcare and our expansion into primary care services.

Hospitals delivered increased revenue of 4.7% year on year to £1,390.2 million, 5.5% on a comparable basis. This includes 1.3% growth in admissions and outpatient procedures, 1.9% on a comparable basis, and strong growth in admissions average revenue per case which was up 4.4% as a result of our focus on higher acuity procedures, 4.2% on a comparable basis.

NHS activity was ahead of our expectations, with revenue up 7.7%, due to a focus on higher margin orthopaedic services, up 8.8% on a comparable basis. Private grew 3.7%, 4.3% on a comparable basis, with strong volume and pricing in PMI and moderating volumes in self-pay where we continue to see patients switching to PMI. Primary care includes Vita Health Group (VHG), which was acquired at the end of 2023 and represents the majority of the business line. VHG is the largest independent NHS talking therapies provider and delivers musculoskeletal (physio) and dermatology services. Primary care services revenue was £121.0 million in 2024. Vita Health Group performed ahead of expectations, delivering £107.4 million in revenue.

Primary care also includes our private GP services delivered through the London Doctors Clinic (LDC), Spire Occupational Health services and our recently opened Spire Clinics which are focused on outpatient treatment, diagnostics and act as referral centres to our hospitals. As our broader healthcare offering continues to be developed, income from this area will become increasingly material to the group's performance.

Revenue by location and payor

(£m)	2024			2023			Variance % (2024-2023)		
	Hospitals Business	Primary Care	Total	Hospitals Business	Primary Care	Total	Hospitals Business	Primary Care	Total
Total revenue	1,390.2	121.0	1,511.2	1,327.6	31.4	1,359.0	4.7%	NM*	11.2%
Of which:									
Inpatient	548.0	–	548.0	535.5	–	535.5	2.3%	NM*	2.3%
Daycase	426.6	0.6	427.2	399.9	–	399.9	6.7%	NM*	6.8%
Outpatient	388.1	120.2	508.3	365.4	31.4	396.8	6.2%	NM*	28.1%
Other	27.5	0.2	27.7	26.8	–	26.8	2.6%	NM*	3.4%
Total revenue	1,390.2	121.0	1,511.2	1,327.6	31.4	1,359.0	4.7%	NM*	11.2%
Of which:									
PMI	662.4	1.6	664.0	615.7	0.8	616.5	7.6%	NM*	7.7%
Self-pay	332.9	8.0	340.9	344.0	7.8	351.8	(3.2%)	2.6%	(3.1%)
Total private	995.3	9.6	1,004.9	959.7	8.6	968.3	3.7%	11.6%	3.8%
Total NHS	367.4	80.8	448.2	341.1	14.9	356.0	7.7%	NM*	25.9%
Other	27.5	30.6	58.1	26.8	7.9	34.7	2.6%	NM*	67.4%
Total revenue	1,390.2	121.0	1,511.2	1,327.6	31.4	1,359.0	4.7%	NM*	11.2%

* Not meaningful due to the VHG acquisition in October 2023

Hospitals Business Revenue on comparable basis (adjusted for the effect of Tunbridge Wells)

(£m)	2024			2023			Variance % (2024-2023)		
	Hospitals Business adjusted for the effect of Tunbridge wells	Tunbridge wells	Hospitals Business	Hospitals Business adjusted for the effect of Tunbridge wells	Tunbridge wells	Hospitals Business	Hospitals Business adjusted for the effect of Tunbridge wells	Tunbridge wells	Hospitals Business
Total revenue	1,386.5	3.7	1,390.2	1,314.8	12.8	1,327.6	5.5%	NM*	4.7%

Chief financial officer's review continued

Primary Care Revenue on comparable basis (adjusted for the effect of the acquisition in 2023)

	2024	2023			Variance % (2024-2023)	
(£m)	Primary Care	Primary Care as reported in 2023	Pro-forma adjustment for full year VHG	Pro-forma adjusted Primary Care	Primary Care	Primary Care
Total revenue	121.0	31.4	73.8	105.2	NM*	15.0%

Cost of sales and gross profit

For the Hospitals business, gross margin remained flat at 46.2%. Cost of sales increased in the period by £34.1 million or to £748.4 million (2023: £714.3 million). Increased costs are due to inflationary pressures and continued wage rate expansion, managed effectively through strong procurement processes, the benefit of an energy hedge for the majority of the year (which rolled off in early Q4) and our transformation cost savings programme; alongside optimisation of acuity, payor mix and pricing.

Primary Care gross margin decreased slightly to 34.5% from 34.7% as they include a number of younger maturity services across the Spire Clinics and LDC. Over time, we expect these margins to increase significantly through a combination of building scale and maturity.

Cost of sales is broken down, and presented as a percentage of relevant revenue, as follows:

	Year ended 31 December 2024		Year ended 31 December 2023	
	£m	% of revenue	£m	% of revenue
Clinical staff	375.9	24.9%	304.1	22.4%
Direct costs	325.5	21.5%	312.4	23.0%
Medical fees	126.2	8.4%	118.3	8.7%
Cost of sales	827.6	54.8%	734.8	54.1%
Gross profit	683.6	45.2%	624.2	45.9%

Cost of sales is broken down, and presented as a percentage of relevant revenue split by operating segment, as follows:

	Hospitals Business			
	Year ended 31 December 2024		Year ended 31 December 2023	
	£m	% of revenue	£m	% of revenue
Clinical staff	302.0	21.7%	285.9	21.5%
Direct costs	321.8	23.1%	311.7	23.5%
Medical fees	124.6	9.0%	116.7	8.8%
Cost of sales	748.4	53.8%	714.3	53.8%
Gross profit	641.8	46.2%	613.3	46.2%

	Primary Care			
	Year ended 31 December 2024		Year ended 31 December 2023	
	£m	% of revenue	£m	% of revenue
Clinical staff	73.9	61.1%	18.2	58.0%
Direct costs	3.7	3.1%	0.7	2.2%
Medical fees	1.6	1.3%	1.6	5.1%
Cost of sales	79.2	65.5%	20.5	65.3%
Gross profit	41.8	34.5%	10.9	34.7%

Other operating costs

For the Hospitals business other operating costs, excluding adjusting items have increased by £25.4 million, or 5.2% to £511.1 million (2023: £485.7 million). The main driver is increased central and non-clinical staff costs due to continued wage rate expansion and other inflationary pressures. Depreciation for the year was £106.4 million (2023: £102.6 million). The increase in depreciation is in line with expectations and is due to increased capex investment and RPI increases on properties. Operating margin for the year ended 31 December 2024 is 9.7% (2023: 9.6%). Operating margin, excluding adjusting items is 10.3%, up from 9.9% at 2023.

Other operating costs for the primary care business is £39.5 million (2023: £11.7million). Depreciation and amortisation for the year was £4.2 million (2023: £1.0 million).

Adjusted EBITDA

Group adjusted EBITDA increased by 11.1% to £260.0 million from £234.0 million, 9% on a comparable basis.

Hospitals adjusted EBITDA was £249.7 million (2023: £233.8 million) delivered through price and acuity benefits, and transformation cost savings; whilst also seeing investment in hospital staff, payor mix changes and energy cost rises as discussed above.

Primary care services adjusted EBITDA was £10.3 million (2023: £0.2 million), with a very strong expansion in EBITDA margin of 340 bps, on a comparable basis, to 8.5%. Primary care services have lower EBITDA margins than the group given they include a number of younger maturity services across the Spire Clinics and LDC. Over time, we expect these margins to increase significantly through a combination of building scale and maturity.

Share-based payments

During the period, grants were made to executive directors and other employees under the company's Long Term Incentive Plan. For the year ended 31 December 2024, the charge to the income statement is £4.2 million (2023: £3.7 million), or £4.7 million inclusive of National Insurance (2023: £4.1 million). Further details are contained in note 29.

Chief financial officer's review continued

Adjusting items

(£m)	Year ended 31 December	
	2024	2023
Asset acquisitions, disposals and aborted project costs	(2.8)	3.1
Business reorganisation and corporate restructuring costs	4.3	2.0
Remediation of regulatory compliance or malpractice costs	6.9	(0.9)
Clinic set up costs	1.9	–
Amortisation on acquired intangible assets	1.6	–
Total pre-tax adjusting items	11.9	4.2
Income tax (credit)/charge on adjusting items	(1.8)	0.3
Total post-tax adjusting items	10.1	4.5

Adjusting items comprise those matters where the directors believe the financial effect should be adjusted for, due to their nature, size or incidence, in order to provide a more accurate comparison of the group's underlying performance.

Asset acquisitions, disposals and aborted project credit of £2.8 million includes a profit of £4.5 million relating to the sale of the group's Tunbridge Wells hospital to Maidstone and Tunbridge Wells NHS Trust ('Trust') for £9.975 million. Refer to disposal note 35 for more details. In addition, there is £0.6 million of integration and other acquisition costs relating to the VHG acquisition and £0.6 million true up to provision on the DCG and Claremont acquisitions.

In the prior year, costs of £3.1 million mainly relate to asset acquisitions of Vita Health Group Limited and The Doctors Clinic Group.

Business reorganisation and corporate restructuring relates to the group announcement of a strategic, group wide initiative in H2 21 that will enable a more efficient business operating model, including leveraging digital solutions and technology. As a result of this initiative, additional costs of £3.5 million (2023: £2.0 million) have been incurred in the period, bringing costs to date of £9.3 million. This initiative is being implemented over several phases and is likely to be materially completed during 2026 as communicated at our capital markets event in April 2024. Future costs are not disclosed as a reliable estimate cannot be made due to the nature of the matter. £0.7 million has been incurred in respect of restructuring costs relating to the Doctors Clinic Group.

Remediation of regulatory compliance or malpractice costs reflect an increase in the provision in June 2024 of £4.6 million (2023: £2.5 million). The provision was established by Spire Healthcare in respect of implementing the recommendations of the Independent Inquiry including a detailed patient review and support for patients of Paterson. The project is complex and the process for review and settlement of claims, where relevant, takes some time. The detailed patient review has now reached the milestone of having contacted all living patients and invited them, where appropriate, to consultations to discuss their care. As a consequence, the rate of new claims has dropped significantly, as most patients now have their outcomes of their review and have initiated their claim, where relevant. Claims activity in the second half of the year has therefore been in line with the assumptions taken by management and the provision established at the half year. As a result there has been no subsequent increase in the provision. In addition, £1.7 million of legal fees have been incurred for the ongoing inquests. Whilst it is possible that, as further information becomes available, an adjustment to this provision will be required, at this time it reflects management's best estimate of the costs and settlement of claims.

In the prior year the group has recognised a credit of £0.9 million in respect of Remediation of Regulatory Compliance or Malpractice Costs relating to Paterson. This comprised £2.5 million funds received from its insurer and £0.9 million reduction in provision which had been held to resolve the matter. This was offset by an increased separate provision in respect of Paterson by £2.5 million.

Clinic set up costs relate to costs incurred for the set-up of the Abergele and Harrogate clinics prior to opening. The clinic in Abergele opened in February 2024 and Harrogate in January 2025.

£0.9 million of amortisation on acquired intangible assets related to the customer contracts recognised on the acquisition of VHG in October 2023.

Net finance costs

Net finance costs have increased by £7.6 million to £99.2 million (2023: £91.6 million). Mainly due to RPI increases on leases and a slightly higher average interest rate on bank borrowings.

Taxation

The effective tax rate assessed for the year, all of which arises in the UK, differs from the standard weighted rate of corporation tax in the UK. The reconciliation of the actual tax charge to that at the domestic corporation tax rate is as follows:

(£m)	Year ended 31 December	
	2024	2023
Profit before taxation	38.3	34.6
Tax at the standard rate	9.6	8.1
Effects of:		
Expenses and income not deductible or taxable	1.1	3.2
Adjustment for movement of share-based payments	0.3	–
Tax adjustment for the super-deduction allowance	–	(0.8)
Adjustments in respect of prior year	1.3	(4.2)
Difference in tax rates	–	0.2
Deferred tax not previously recognised	–	0.2
Total tax charge	12.3	6.7

Corporation tax is calculated at 25.0% (2023: 23.5%) of the estimated taxable profit or loss for the year. The effective tax rate on profit before taxation for the year is 32.1%. The effective tax rate is higher than the UK rate due to the impact of prior year adjustments and non-deductible items. Excluding the adjustments to prior years in 2024, the effective tax rate is 28.1%. Deferred tax is detailed in note 25.

Profit after taxation

The profit after taxation for the year ended 31 December 2024 was £26.0 million (2023: £27.9 million).

Adjusted financial information

This statement was prepared for illustrative purposes only and did not represent the group's actual earnings. The information was prepared as described in the notes set out below.

Chief financial officer's review continued

Alternative performance (non-GAAP) financial measures

We have provided alternative financial information that has not been prepared in accordance with UK-adopted International Accounting Standards ("IFRS"). We use these alternative financial measures internally in analysing our financial results and believe they are useful to investors, as a supplement to IFRS measures, in evaluating our ongoing operational performance. We believe that the use of these alternative financial measures provides an additional tool for investors to use in evaluating ongoing operating results and trends in comparing our financial results with other companies in the industry, many of which present similar alternative financial measures to investors.

Alternative financial measures should not be considered in isolation from, or as a substitute for, financial information prepared in accordance with IFRS. Investors are encouraged to review the reconciliation of these alternative financial measures to their most directly comparable IFRS financial measures provided in the financial statements table.

Adjusted EBITDA, Adjusted EBIT and Hospital Business Adjusted EBITDA margin

(£m)	Year ended 31 December					
	2024			2023		
	Hospitals Business	Primary Care	Total	Hospitals Business	Primary Care	Total
Operating profit	135.2	2.3	137.5	127.0	(0.8)	126.2
Remove effects of:						
Adjusting items before interest and tax	8.1	3.8	11.9	4.2	—	4.2
Adjusted EBIT	143.3	6.1	149.4	131.2	(0.8)	130.4
Depreciation	106.4	1.6	108.0	102.6	0.4	103.0
Amortisation	—	2.6	2.6	—	0.6	0.6
Adjusted EBITDA	249.7	10.3	260.0	233.8	0.2	234.0
Revenue	1,390.2	121.0	1,511.2	1,327.6	31.4	1,359.0
Adjusted EBITDA	249.7	10.3	260.0	233.8	0.2	234.0
Adjusted EBITDA margin	18.0%	8.5%	17.2%	17.6%	0.6%	17.2%

Hospitals Business Adjusted EBITDA and EBIT on comparable basis (adjusted for the effect of Tunbridge Wells)

(£m)	2024			2023			Variance % (2024-2023)		
	Hospitals Business adjusted for the effect of Tunbridge wells	Tunbridge wells	Hospitals Business	Hospitals Business adjusted for the effect of Tunbridge wells	Tunbridge wells	Hospitals Business	Hospitals Business adjusted for the effect of Tunbridge wells	Tunbridge wells	Hospitals Business
Total Adjusted EBITDA	249.2	0.5	249.7	232.7	1.1	233.8	7.1%	NM*	6.8%
Total Adjusted EBIT	143.0	0.3	143.3	130.8	0.4	131.2	9.3%	NM*	9.2%

Primary Care Adjusted EBITDA and EBIT on comparable basis (adjusted for the effect of the acquisition in 2023)

(£m)	2024	2023			Variance % (2024-2023)	
	Primary Care	Primary Care as reported in 2023	Pro-forma adjustment for full year VHG	Pro-forma adjusted Primary Care	Primary Care	Primary Care
Total Adjusted EBITDA	10.3	0.2	5.2	5.4	NM*	90.7%
Total Adjusted EBIT	6.1	(0.8)	2.6	1.8	NM*	238.9%

Adjusted profit after tax and adjusted earnings per share

Adjustments have been made to remove the impact of non-recurring items.

(£m)	Year ended 31 December	
	2024	2023
Profit before tax	38.3	34.6
Adjustments for:		
Adjusting Items – operating costs	11.9	4.2
Adjusted profit before tax	50.2	38.8
Taxation ⁽¹⁾	(14.1)	(6.4)
Adjusted profit after tax	36.1	32.4
Profit for the year attributable to owners of the parent	35.5	31.8
Profit/(loss) for the year attributable to non-controlling interests	0.6	0.6
Weighted average number of ordinary shares in issue (No.)	403,493,123	403,648,886
Adjusted earnings per share (pence) attributable to the parent	8.8	7.9

1. Reported tax charge for the period adjusted for the tax effect of adjusting Items.

Return on capital employed

Return on capital employed (ROCE) is the ratio of the group's adjusted EBIT to total assets less cash, capital investments made in the last 12 months and current liabilities. In the current year the calculation annualises the EBIT of the VHG acquisition as it was not part of the group for the full year. The calculation of return on capital employed is shown below:

(£m)	Year ended 31 December	
	2024	2023
Adjusted EBIT	149.4	130.4
Adjusted: for full year pro-forma effect of VHG acquisition	—	6.8
Adjusted EBIT pre VHG	149.4	137.2
Total assets	2,343.2	2,288.1
Less: Cash and cash equivalents	(41.2)	(49.6)
Less: Capital investments	(127.2)	(84.4)
Less: Current Liabilities	(341.7)	(317.6)
Capital employed	1,833.1	1,836.5
Return on capital employed %	8.2%	7.5%

Chief financial officer's review continued

Adjusted free cash flow

Adjusted FCF (Free Cash Flow) is calculated as adjusted EBITDA, less rent, capital expenditure cash flows and changes in working capital after adjusting for one-off items which are not related to the normal trading activity of the business. Rent cash flows are defined as interest on, and payment of, lease liabilities. Capital expenditure cash flows are defined as the purchase of plant, property and equipment. The calculation of readjusted free cash flow is shown below:

(£m)	Year ended 31 December	
	2024	2023
Adjusted EBITDA	260.0	234.0
Less: Rental payments	(102.3)	(100.2)
Less: Cash flow for the purchase of property, plant and equipment	(112.1)	(84.4)
Less: Working capital movement	(7.0)	(15.5)
Less: Adjustments for non-recurring items	0.4	14.1
Adjusted free cash flow	39.0	48.0

Cash flow analysis for the period

(£m)	Year ended 31 December	
	2024	2023
Opening cash balance	49.6	74.2
Operating cash flows before recurring items and VHG	244.3	228.2
Less: Adjustments for non-recurring items and VHG	(2.6)	(9.9)
Operating cash flows before Adjusting Items and income tax paid	241.7	218.3
Net cash flow from Adjusting Items (included in operating cash flows)	(5.9)	(2.7)
Income tax paid	(0.1)	(0.1)
Operating cash flows after operating Adjusting Items and income tax	235.7	215.5
Net cash in investing activities	(99.0)	(84.0)
Cash outflow for acquisition of subsidiary	—	(73.2)
Investing cash flows after investing Adjusting Items	(99.0)	(157.2)
Net cash in financing activities	(145.1)	(82.9)
Financing cash flows after financing Adjusting Items	(145.1)	(82.9)
Closing cash balance	41.2	49.6

Closing cash balance

The group's year end cash balance stood at £41.2 million, which reflects a reduction of £8.4 million against the prior year balance of £49.6 million. The reduction in cash is largely due to increased capital expenditure of £27.7 million offset by proceeds from the Tunbridge Wells proceeds of £10.0 million. There is £5.4 million of capital expenditure related to solar panels, for which we expect to convert and enter into a sale and leaseback agreement in early 2025 and therefore represents a timing difference on cash. Further detailed information on the cash flow during the period is set out in the following sections.

Operating cash flows before adjusting items

The cash inflow from operating activities before tax, adjusting items was £244.3 million (2023: £228.2 million), which constitutes a cash conversion rate from £260.0 million adjusted EBITDA of 94% (2023: 98% conversion of £232.2 million adjusted EBITDA). The net cash outflow from movements in working capital in the period was £7.0 million (2023: £15.5 million outflow).

Investing and financing cash flows

Net cash outflow in investing activities for the period was £99.0 million (2023: £157.2 million). The cash outflow relates to the purchase of plant, property and equipment in the period totalled £112.1 million (2023: £84.4 million). Capital investments in the year includes major refurbishments at Spire Portsmouth and Spire Washington; energy savings initiatives including solar panel installations; and new MRI scanners. We also deployed an accelerated growth investment supporting the Primary Care expansion strategy, including the openings of Spire Clinics in Abergele, Harrogate and Norwich.

Net cash used in financing activities for the period was £145.1 million (2023: £82.9 million). Cash outflows include interest paid and other financing costs of £98.1 million (2023: £90.0 million), and £26.2 million (2023: £27.2 million) of lease liability payments, a final dividend payment of £8.5 million and £3.1 million for the buyback of shares to settle share awards and £3.1 million for share cancellation to return value to shareholders.

Borrowings

At 31 December 2024, the group has bank borrowings of £367.1 million (2023: £365.3 million), drawn under facilities which mature in February 2027.

(£m)	Year ended 31 December	
	2024	2023
Cash	41.2	49.6
Bank borrowings	367.1	365.3
Bank borrowings less cash and cash equivalents	325.9	315.7

In the prior year, the group exercised its option to extend the senior loan facility by a further year. The financial covenants and agreement terms relating to this agreement are unchanged, with leverage to be below 4.0x and interest cover to be in excess of 4.0x. As at 31 December 2024 the leverage measure stood at 2.0x (2023:2.2x) and interest cover of 7.5x (2023: 8.5x).

As at 31 December 2024 lease liabilities were £912.8 million (2023: £891.7 million).

Dividend

The directors of Spire Healthcare have recommended the payment of a final dividend of 2.3 pence per share for the year ending 31 December 2024, subject to shareholder approval at the forthcoming Annual General Meeting on 14 May 2025.

Related party transactions

There were no significant related party transactions during the period under review.