



Our strategy continued

01 Drive hospital performance

Continue to grow across our existing hospital estate with increasing margins

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



Our goals

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

Our performance

Progress during 2022

- Marketing activity, including television advertising, further increased brand awareness
- Increased private inpatient revenue by 14.7% to £335.3 million from £285.9 million
- £90.1 million investment including major projects at Spire Alexandra Hospital and new facilities at Spire Shawfair Park
- Won both the 'Hospital Group of the Year' and 'Nursing Practice' awards at the annual LaingBuisson awards

Priorities for 2023

- Continue to increase private revenue
- Continued investment as part of the five-year investment plan
- Continue to deliver services under the NHS Increasing Capacity Framework and work with NHS partners to address waiting lists
- Expand the use of digital technology to further improve the patient experience

Relevant UN SDGs



Maximising our capacity

As we evolve our strategy, the core of our business remains running great hospitals. With demand for healthcare at record levels, the biggest focus for our hospital directors, directors of clinical services and other hospital leaders has been on making the best possible use of our capacity to meet that demand. This has tested our teams' flexibility, and our ability to back-fill cancelled appointments where patients had to cancel because they were unwell or had decided to delay their procedure for another reason. We have also been more creative with the space we have – redesignating administration areas as clinical space, and trialling weekend appointments and surgeries.

Making sure we always have patients who can come in for their treatment at short notice has helped us reduce 'lost' capacity, although one of the biggest challenges to scheduling and maintaining lists in the face of the COVID waves this year has been ensuring we have the workforce available.

The challenge of COVID

While COVID-19 restrictions have eased during the year, we started 2022 with the Omicron variant at its peak, so following all NHS, government and UKHSA guidance was of the utmost importance. The agility and resourcefulness of our people remained vital, as we continued to face challenges and pressures, due to employee and patient illness or changing rules. We responded carefully to these challenges, with the support and guidance of our Medical Advisory Committees, while keeping our colleagues, consultants and patients safe at all times, focused on the highest quality standards. Illness among our own teams, and people trying to catch up with holidays that have been accrued during the pandemic, have made resource planning a very high priority.

Highlights

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

96%

2021: 96%
Source: Patient Discharge Survey

Private inpatient revenue growth 2022

£335m

2021: £285.9m up 14.7%

Private new outpatient consultations 2022

+7.8%

581,981 in 2022 vs 539,018 in 2021

Self-pay outpatient consultations 2022

+3.9%

284,692 in 2022 vs 274,130 in 2021



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We have made efforts to deliver an enhanced patient experience, while offering patients both electronic bookings and electronic pre-operative assessments (ePOA). We have great teams working in partnership with our consultants, with whom they have developed excellent relationships. The success of our ePOA programme, which was fully rolled out last year, was recognised with an award for 'Nursing Practice' at the annual LaingBuisson awards. We are leveraging the programme, which provides real time data, shorter processing times, and a better patient experience, while freeing up both nurses' time and our hospital consulting rooms. Patients access their pre-operative assessment questionnaires via MySpire – our secure online patient portal – and 242,740 electronic pre-operative assessment questionnaires were sent to patients in 2022, up from 75,000 last year.

Our website and customer experience was further enhanced by the addition of live chat for patients seeking appointments, advice or answers to their questions.

Focus on efficiencies to improve margin and profit

We have identified numerous opportunities to improve efficiency, with £15 million savings delivered this year, and significant potential savings identified for the next two years. Our procurement team has worked hard to lock in some supplier pricing for the medium term, securing the best value for Spire Healthcare's third-party expenditure. We mitigate supplier inflation through our annual savings delivery plan and strategic procurement, with the team handling around 5,000 high volume clinical consumables each week, delivered directly to our hospitals.

This success is despite having to deal with further shortages this year, such as the Amber blood alert in the NHS. Fortunately, our experiences during the pandemic taught us how to deal with uncertainties, and we respond to them calmly and with control. The energy crisis could also represent a threat to our hospitals during the winter, but we have made winter plans to deal with power shortages and any other supply shortages that may arise, and have energy prices locked in until autumn 2024.

Investing in our estate

We continued our investments in quality, our core estate and digital systems in 2022, as part of our ongoing five-year investment plan, accounting for an overall capital expenditure of £90.1 million. This included five MRI and CT scanner replacements, accounting for a total investment of £6.6 million. We have already approved an investment of £6.5 million for a further five units to be replaced in 2023, with another nine units identified for consideration after that.

A further investment of around £10 million across the estate was made in 13 x-ray/fluoroscopy rooms, 12 mobile x-ray machines, two mammography units (with five to be completed in 2023), four C-arm medical imaging devices, and six ultrasound units. In addition to all this, further significant investments are planned for 2023 on anaesthetic machines and monitoring, camera stacks, and flexible endoscopy.

New care suite at Spire Alexandra Hospital

In October 2022, we opened a new care suite at Spire Alexandra Hospital in Chatham, Kent, to treat patients with chronic pain. The suite, which will treat up to 60,000 patients a year, represents a six-month, £250,000 infrastructure development project, which will expand the range of healthcare services we provide at the hospital to both NHS and private patients alike.

The suite will allow colleagues at Spire Alexandra Hospital to treat patients who need minor procedures without a general anaesthetic. This means more patients can receive their treatment and return home on the same day. Our initial focus was to ease pressure on NHS waiting lists in the Kent and Medway area, treating patients suffering from chronic pain, although from 2023 Spire Alexandra will seek to further expand its own daytime services within the new suite.



500,000

over 500,000 NHS patients treated since
March 2020



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These investments in state-of-the-art technology will benefit both our patients and hospitals, and provide the best environment for consultants to work with us, while ensuring Spire Healthcare achieves the best value by fully leveraging the group's volume. Major projects have included:

- An £11 million development by Spire Yale Hospital to convert administrative buildings into an outpatient centre, which is due to complete in early 2023. This will create a more comfortable environment where people can receive much-needed diagnoses – making use of a new MRI scanner that will enable more patients to be scanned for cardiac disease, urological, orthopaedic and other conditions than ever before.
- An £8.5 million investment at Spire Shawfair Park in Edinburgh which has enabled it to accommodate overnight patients for the first time. This has been accompanied by additional recovery and new ambulatory care and daycase facilities, and a new operating theatre.
- Further investments have been made at a number of other hospitals in the group, such as Spire Norwich (£1.7 million), Spire Cambridge (£1.3 million), and Spire Tunbridge Wells (£1.2 million).

Forging strong PMI partnerships

We aim to establish and maintain long-term market-leading partnerships with all private medical insurers (PMI), agreeing value-based contracts based on price, clinical quality and patient experience. By building these strong partnerships, and through effective operational performance and collaborative initiatives, we aim to make market share gains. During 2022, we agreed new arrangements with three of our main four PMI providers, Bupa, Aviva and Vitality, with AXA already being in a long-term contract.

Attracting self-pay patients

We continue to optimise our multi-channel marketing strategy, building on our successful TV advertising campaigns, with the aim of enhancing our position as one of the UK's go-to private healthcare brands. We ran two bursts of our TV campaign in the spring and autumn which continue to drive brand performance.

Pricing clarity

We continue to strengthen our pricing governance, structures and reporting, through the use of our market-leading pricing engine, which supports our revenue management. The pricing engine enables us to adjust many prices quickly and respond much more flexibly to rapid changes in the market to remain competitive, and protect our margin in the face of rising inflation.

Our partnership with the NHS

The independent sector can help to tackle the backlog in elective care by the working in partnership with the NHS. Our volume of NHS work increased during 2022; by the end of the year, we were treating more NHS patients than prior to the pandemic and the flow of patients through the electronic referral system was strong. We also helped the NHS to treat patients who had been waiting longer than two years, nearly reducing to zero the numbers of people waiting this long. We have now treated over 500,000 NHS patients since the start of the pandemic in March 2020. We look forward to continuing to support the NHS through the outcomes of the Elective Recovery Taskforce (see chief executive officer introduction on page 8).

Working with Integrated Care Systems

2022 saw the formation of Integrated Care Systems (ICS) that support the NHS. ICSs are partnerships that bring together providers and commissioners of health and care services across a geographical area, and we are involved in discussion around decision-making. This relationship also means that we have access to GPs' summary care records – so from a patient safety perspective we can view critical information that ensures we treat people safely. Our new hub hospital director roles are a great opportunity to work directly with ICSs, giving a single point of contact across the ICS geography, allowing us to place work where it fits best. We will continue to engage closely with ICSs during 2023 as they further develop their plans for the future.

Services for children and young people

Spire Healthcare is a prominent provider of treatment for children and young people, offering a full range of paediatric services from initial consultation and diagnosis through to treatment and surgery, including dermatology, gastroenterology and ear, nose and throat services with the latter the busiest service.

We provide paediatric outpatient care to children from birth, and inpatient theatre procedures from 12 months in Manchester and Leeds and from three years in all other sites. We have 14 hubs providing inpatient services for children and an additional 17 spoke sites with an outpatient facility. In 2022 we saw over 35,000 children in our outpatient departments and nursed over 4,500 on our inpatient wards. Children at Spire Nottingham can travel to theatre in a toy electric car to ease their nerves.