



Transforming the nation's health and wellbeing

Annual Report 2015

2015 highlights

£768m

revenue

£86m

Earnings before interest, taxes, depreciation, amortisation and exceptional items (EBITDA)

£99m

investment in health and wellbeing services

759,000

physiotherapy sessions

206,000

hospital procedures

336,000

gym members



6

Chief Executive Officer's statement



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Our impact



18

Looking after our customers and employees

Our charitable purpose is the foundation of all our activities.

To advance, promote and maintain health and healthcare of all descriptions and to prevent, relieve and cure sickness and ill health of any kind, all for the public benefit.



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Caring for our patients, members and employees

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At a glance

Nuffield Health will help individuals achieve, maintain and recover to the level of health and wellbeing they aspire to, by being a trusted provider and partner.

This means we:

- Work with customers to stay well and reach the level of day-to-day health and wellbeing that they seek
- Provide timely and expert treatment when things go wrong or when customers experience health problems
- Help customers to regain the level of health and wellbeing that they seek after receiving treatment

Our services include:

- **Hospital care** – consultations, diagnostics, inpatient, day case and outpatient treatment and rehabilitation services
- **Fitness services** – group exercise classes, personal training, health MOTs, swimming lessons
- **Health and wellbeing services** – nutritional therapy, Healthy Weight programme and emotional health

- **Clinical services** – physiotherapy, health assessments, private GP services, women's health services and travel clinics
- **Occupational health services** – providing occupational health to our corporate clients across a range of diverse industries
- **Community services** – providing fitness and wellbeing services in schools, colleges and universities. Deliver the Amateur Swimming Association Learn to Swim programme, nursery care and free Meet Our Experts events

We provide all these services through a nationwide, connected network of 31 hospitals, 209 corporate fitness and wellbeing centres, 77 consumer health and wellbeing gyms, with support from over 12,000 employees and our digital channels.

Our connected health and wellbeing model

We combine our hospitals, medical centres, fitness and wellbeing gyms, diagnostic units and a wide range of treatments into one complete health and wellbeing service. We aim to ensure that people enjoy life to the full through a connected health and wellbeing model that keeps them healthy and active throughout their lives.

Through continuous support and assessment, we help people to get fit and healthy and stay that way. We identify when they need treatment, we help them get better and then get them fit and healthy again.



To see evidence of our connected health and wellbeing model in action, look out for the following icons throughout this report.



Gyms

Our gyms are cutting edge facilities with expert employees to support people on their fitness journey. We offer a broad range of in-gym services and facilities. We utilise our clinical expertise providing physiotherapists, nutritional therapists, health mentors and physiologists, as well as more conventional gym services, including swimming lessons and personal training. All members are offered a health MOT when they join us – an in-depth, one-hour health check carried out by one of our health mentors or personal trainers. No other gym offers the same level of clinical testing and expert advice in one place.

2015 snapshot

77

fitness and wellbeing gyms

209

corporate fitness and wellbeing centres

1,600

business customers

31

hospitals

4

medical centres

336,000

gym members



Physiotherapy

We are the largest provider of physiotherapy in the UK, outside of the NHS, offering the widest range of physiotherapy services. We work with patients, members and non-members to help heal and prevent injuries and support post-surgery recovery. All of our Nuffield Health physiotherapists are members of the Health & Care Professions Council (HCPC) and are registered with Chartered Society of Physiotherapy (CSP). The majority of our customers are treated in five sessions or less.



Health assessments

We offer a wide range of health assessment options which provide a comprehensive view of a person's health, covering key health concerns such as diabetes, heart health, cancer risk and emotional wellbeing. Our health assessments are delivered by Nuffield Health physiologists and doctors who are clinically trained in lifestyle and behavioural change to help our people improve their health for the future.



Hospitals

We offer the highest standards of clinical care at our 31 hospitals across the UK. They are consultant led and supported by teams of experienced nurses. Nuffield Health hospitals are open to all, with procedures offered via health insurance, through self-pay or from NHS referral.



Occupational health

We provide occupational health services to corporate clients across a range of industries. Because we are a national provider, with a comprehensive range of products and services, we are able to deliver bespoke solutions aligned to meet specific business needs and cultures.



Nutritional therapy

We have a team of nutritional therapists who advise how to integrate healthy eating with exercise for real lifestyle change to improve long-term health and wellbeing.



Employee wellbeing

We currently work with 1,600 businesses to deliver the highest standard of health and fitness within the workplace. This includes delivering bespoke health and wellbeing centres within the workplace, with expert personnel on-site. We offer corporate wellbeing programmes that actively reduce employees' health risks and improves their quality of life both at work and at home.

Chairman's statement



2015 was a significant year for Nuffield Health. We made solid financial progress, invested nearly £100 million in furthering our charitable aims and importantly following the appointment of a new Chief Executive, we have built an executive leadership team that will focus on accelerating the implementation of our strategy of connected health.

Last year, we had a separate Quality Report and Annual Report. This year we have combined both documents to more accurately reflect the key role quality and safety play in our priorities as well as allowing us to update you more clearly on our progress.

We are proud to be a charity with the sole aim of improving the health and wellbeing of the UK's population. With an ageing demographic, increased co-morbidities, funding challenges in the NHS and the growth in lifelong conditions such as diabetes, it has never been more important for us to fulfil the need to invest in the long-term to help address many of these issues.

We are a complex operation. We now have 31 hospitals, 77 fitness and wellbeing gyms and over 200 corporate fitness and wellbeing centres. We also now employ over 12,000 people.



Looking forward, the whole team is focused on delivering at pace the vision of connected healthcare at improved levels of performance.



£525m

hospital revenue
up from £498m in 2014

£254m

wellbeing revenue
up from £224m in 2014

2015 – A year of solid performance

2015 saw us deliver our highest ever EBITDA. At £86 million this was a pleasing advance on 2014 and we saw progress across our portfolio. Hospitals saw EBITDA increase by 4 per cent and fitness and wellbeing by 52 per cent. This strong performance allowed us to continue our investment programmes.

As Steve Gray will detail in his Chief Executive's statement, we invested in our hospitals, in our existing and new fitness and wellbeing gyms and in the increasingly important digital area. Whilst the advance on 2014 was pleasing we are still not delivering the performance we aspire to.

As an organisation with a mix of assets, Nuffield Health is uniquely positioned to provide a connected healthcare experience for our customers. To date we have achieved this vision to a limited extent. This reflects the complexity of achieving this as well as where we are on our development journey. 2016 will see us accelerate the pace of delivery of our vision.

2016 – A new leadership team and a One Nuffield Health approach

Given our desire to accelerate progress and with David Mobbs, our previous Chief Executive stepping aside, the Board of Governors and I decided in late 2014 to change the executive leadership at Nuffield Health. After a worldwide search, assisted by one of the leading search companies, we identified and recruited an outstanding new Chief Executive in Steve Gray. This necessary change, which saw other Executive Directors and a total of 35 senior managers leave the business, whilst essential, came at a financial cost. The total cost of these changes was £4 million. We now have an executive team focused on pace of delivery and with a reduction in our ongoing overhead costs of £2 million per annum. Steve will introduce himself but I am pleased with the impact he has had on the organisation since he joined on 1 December 2015.

We have unified the Executive Board structure to allow us to operate as One Nuffield Health with our hospital and wellbeing teams under the operational leadership of Dr Andrew Jones as Chief Operating Officer. We have also recruited new Executive Directors for

the strategic, customer and digital areas, as well as promoting internally for the HR Director and Medical Executive Director roles. This new team, combining the best of the old and the new, are already producing results. Looking forward, the whole team is focused on delivering at pace the vision of connected healthcare at improved levels of performance.

I would like to place on record my thanks to my fellow Governors. 2015 has been a very demanding year for the Governors and I am very grateful to them all. As our organisation has become more complex the demands on the Governors has increased enormously. I would also like to thank David for his many years of service. David was the one who developed the vision of providing integrated healthcare and led the acquisition of our gym business and their development into combined fitness and wellbeing gyms. Nuffield Health would not be what it is today without his period of stewardship.

Russell Hardy
Chairman

Chief Executive Officer's statement



In December 2015, I joined Nuffield Health as Chief Executive Officer. It was a decision I was extremely pleased to make. We are a world class health and wellbeing provider and I am very excited to lead the organisation at a time when both of these are featuring more prominently in our way of life. In addition, Nuffield Health is underpinned by a strong charitable goal which imbues our organisation with a clear purpose and excellent values.



Nuffield Health's new Executive Board



Read more about the Executive Board on pages 58–59

Equally important to our charitable purpose is that we are financially sound and benefit from an excellent network of health and wellbeing assets in key areas across the UK. Since joining, I have travelled around our sites and have been incredibly impressed and inspired by the passion, energy and commitment to care I have seen in our people.

However all these excellent assets should not induce us to rest on our successes to date. There is still so much more to do – to both improve and unify our health and wellbeing offering and serve the enormous opportunities this sector has in the UK, which is changing rapidly and dramatically. We are taking the quality of our services seriously and working closely with our partners, the Care Quality Commission, Healthcare Improvement Scotland and Healthcare Inspectorate Wales, who assess and regulate us and other providers of health and social care in England, Scotland and Wales. You can read more about this later in this report. By effectively executing and accelerating our strategic goals, we will be able to

ensure our sustainability and help far more people and communities with their health and wellbeing needs. This excites both me and all of our people.

Our market and our strategy

The UK healthcare sector is facing big challenges, including a rapidly ageing population and significant budgetary pressure on the NHS. In the next five years, healthcare will change enormously because the current regime is just not sustainable. In addition, consumers are keen to take control of their own health and wellbeing and are prepared to pay to do so. In the face of these changes, Nuffield Health can have a huge role to play and we must ensure we are positioned in the best possible way to do so.

Fundamentally, we must more effectively join up our business – a strategy we call One Nuffield Health. Through a more connected model, we will efficiently help people to get fit and healthy and stay that way. When they need treatment we will help them get better and then get them fit and

healthy again in a virtuous circle of care. Of course, wellbeing is not just about being physically fit, it is also about mental wellness and nutrition and here we can also help. As we discuss throughout this report, for Nuffield Health this extends from innovative programmes such as our personalised Healthy Weight programme through to health MOTs – all underpinned by our caring, well trained people and safe processes and facilities.

To achieve One Nuffield Health, we have revisited our structure. We have now brought together our hospital and wellbeing divisions into one Operating Board – with a single line of reporting to the new position of Chief Operating Officer, to which Dr Andrew Jones (formerly our Managing Director of Wellbeing) has been appointed. This not only streamlines our processes and decision making but equally it will help create a more unified culture, with openness and transparency – critical steps on our journey.

Chief Executive Officer's statement

– continued

As a result of our new structure, we have had to make some changes in our management team, which has had some financial impact. However, I believe this was an extremely important action for us to take to enable us to effectively meet our charitable purpose and ensure our sustainability. As part of this reorganisation, we are developing our digital strategy, to find the best way to support our customers in a connected manner – complementing the way we are all living our lives.

Progress over the year

In 2015 and into early 2016, we not only made some important decisions to position ourselves for the future, we also had a number of notable achievements. In particular, we delivered a strong revenue of £768 million and EBITDA of £86 million. We also made a number of important investments in new facilities and equipment that deepen our capacity to advance, promote and maintain health for the public benefit and secure our strong position in the UK health and wellbeing sector.

Across the organisation, we invested almost £100 million. This included:

- Opening our state-of-the-art Manchester Diagnostic Suite in January 2016. This is an exciting first step in our complete health and wellbeing evolution for the North West, which we will embed when we open our planned hospital in Manchester in 2018
- Opening our new Cambridge hospital. Following a £30 million investment, it is now delivering modern, technologically advanced facilities to the region
- Investing £10 million in new diagnostic equipment, including MRI machines and CT scanners – essential tools in any modern healthcare environment. A further £10 million investment is planned for 2016
- Acquiring two central London gyms in Moorgate and Shoreditch. These have been converted to complete Nuffield Health fitness and wellbeing gyms with GP and physiotherapy services
- Adding medical clinics to our fitness and wellbeing sites in Tunbridge Wells, Milton Keynes, Manchester and Birmingham – all in pursuit of our connected health vision



In our hospitals in 2015, patients across the UK underwent 206,000 procedures, a 3.5 per cent increase on 2014



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Throughout our network, we also conducted 759,000 physiotherapy sessions, an increase of nearly 23 per cent from 2014 and we also increased our health assessment sessions by 26 per cent to 62,000. We had a significant number of corporate customer successes, including starting the construction of one of our largest ever health and wellbeing facilities, which will be based at UBS.

In our communities, we helped 10,000 children learn to swim. We also continued to support and expand our Healthy Start programme which enables young people with various underlying health issues to increase their chances of gaining sustainable employment whilst improving their wellbeing. We also launched our groundbreaking school wellbeing pilot at Wood Green School in Oxfordshire.



RECOVERY PLUS



A deformity in Derek's hip threatened his mobility, lifestyle and happiness. After seeing his GP he was referred to the Nuffield Health Woking Hospital. Following his hip replacement surgery he undertook a month-long programme of physiotherapy before beginning Recovery Plus, a bespoke recovery exercise programme supported by his recovery coach at the Nuffield Health West Byfleet Fitness & Wellbeing gym.

One year on and Derek is elated by the difference in himself. "You worry about how you'll be able to recover from such a major operation," he says, "but I haven't even had to take painkillers and I was off my crutches within three weeks. Aside from extreme flexing, like the swan pose in yoga, I have full movement in my hip. I'm back to who I was before the pain."



To find out more about Derek's road to recovery, visit: nuffieldhealth.com/article/dereks-recovery-story

Accelerating as One Nuffield Health

With our new, unified organisational structure and the support of our people committed to the health and wellbeing of our customers, I am looking forward to a Nuffield Health that is a truly connected organisation, both internally and with all of our customers.

As we bring together our facilities, our systems and our services, we will enable thousands more people to achieve, maintain, and, where needed, recover to the level of health and wellbeing they aspire to. United in our One Nuffield Health strategy, we will amplify our ability to make a real difference to the lives of people across the UK for many decades to come.

Steve Gray

Chief Executive Officer

+4%
hospitals EBITDA increase

+52%
fitness and wellbeing
EBITDA increase

Our quality assurance model



What do we mean by safe, effective, caring, responsive, and people and leadership?

Safe

By safe, we mean that we always seek to protect our customers and employees from avoidable harm

Effective

By effective, we mean that people's care, treatment and support, achieve good outcomes, promote a good quality of life and are based on the best available evidence

Caring

By caring, we mean that employees involve and treat people with compassion, kindness, dignity and respect

Responsive

By responsive, we mean that services are organised so that they meet people's needs

People and leadership

By people and leadership, we mean that the leadership, management and governance of the organisation assure the delivery of high quality person centred care, support learning and innovation and promotes an open and fair culture

[→](#) Read more about our year of achievements in **quality assurance** on pages 16–47