

Company Registration Number 03052242

Charity Number 1046624

HORDER HEALTHCARE
(A COMPANY LIMITED BY GUARANTEE)

DIRECTORS' REPORT
FOR THE YEAR ENDED
30 JUNE 2022

HORDER HEALTHCARE

LEGAL AND ADMINISTRATIVE INFORMATION

Board of directors

The directors who served during the period and up until the approval date of the financial statements were:

Mr S L Dance (Chair) (resigned 14 February 2023)
Dr R J Tyler (Chief Executive)
Mr J C Anscombe (appointed 29 September 2022)
Dr C E Bell (Interim Chair appointed 14 February 2023)
Mr M S Colyer (appointed 29 September 2022)
Mrs R Cunningham Thomas (resigned 1 April 2022)
Mr P A Flamank (retired 25 February 2022)
Dr D A Hicks (appointed 29 September 2022)
Mrs J Grover
Mrs D C Jones (appointed 29 September 2022)
Mr R J McCarthy (appointed 27 January 2022)
Mrs A L Parker
Mr J W Turner (resigned 30 January 2023)
Dr D W Yates

Company secretary

Mr H I Hatfield

Chief executive

Dr R J Tyler

Honorary President

Mr S C Gallannaugh

Registered office

The Horder Centre
St John's Road
Crowborough
East Sussex
TN6 1XP

Professional advisor

The charity's principal professional advisors are set out below:

Bankers

Barclays Bank Plc
1 Churchill Place
London
E14 5HP

Independent auditor

BDO LLP
55 Baker Street
London
W1U 7EU

Solicitor

Cripps
Number 22 Mount Ephraim
Tunbridge Wells
Kent
TN4 8AS

HORDER HEALTHCARE

BOARD OF DIRECTORS' REPORT AND STRATEGIC REPORT

The Directors (who are also trustees of the charity for the purposes of the Charities Act) present their annual report together with the audited consolidated financial statements of Horder Healthcare (the Company) for the year ended 30 June 2022. The Board of Directors confirm that the Annual Report, which includes the Strategic Report, and financial statements of the Company comply with the current statutory requirements, the requirements of the company's governing document and the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" including FRS102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", (as amended for accounting periods commencing from 1 January 2019). The report and statements also comply with the Companies Act 2006 as Horder Healthcare is a company limited by guarantee.

Status

Horder Healthcare is a charity, founded in 1954, and operates two acute hospitals – The Horder Centre in East Sussex, a renowned provider of orthopaedic and musculoskeletal (MSK) services, and The McIndoe Centre in West Sussex, which focuses on plastic reconstructive and ophthalmology services. Services at The Horder Centre are supported by clinics located in Seaford and Eastbourne.

Horder Healthcare is a charitable company limited by guarantee established under a Memorandum of Association and governed by its Articles of Association. Horder Healthcare has two wholly owned subsidiary companies:

McIndoe Healthcare Services Limited

Prior to the acquisition of The McIndoe Centre in 2015, the previous owners of The McIndoe Centre had registered a number of companies in order to protect the McIndoe name – McIndoe BVI Limited, McIndoe Consultants Limited, McIndoe Cosmetic Limited, McIndoe Eyes Limited, McIndoe Hospital Limited, McIndoe International Limited and McIndoe TV Limited. Horder Healthcare brought these together under the umbrella of McIndoe Healthcare Services Limited (Company Registration Number 09846138), which was incorporated on 28 October 2015. The intermediate holding company and the seven subsidiary companies remain dormant and non-trading.

Horder MSK Limited

Horder MSK Limited (Company Registration No. 09182301) was incorporated on 19 August 2014. In previous years, and at the start of this reporting period, Horder MSK Limited participated in a not-for-profit consortium (Sussex MSK Partnership), which was formed to provide musculoskeletal (MSK) services to the Clinical Commissioning Groups of Central and East Sussex.

The consortium, which originally comprised of Horder MSK Ltd., Sussex Community NHS Foundation Trust, Care Unbound Limited (trading as Here) and Sussex Partnership NHS Foundation Trust was restructured in October 2021, with the membership of Here and Sussex Community NHS Foundation Trust being terminated. Subsequent to this, in March 2022, Sussex Partnership NHS Foundation Trust also exited the consortium.

Horder MSK Limited now owns a 100% shareholding in SMSKP2 Limited, the company which holds the head contract to provide MSK services to the NHS East Sussex Clinical Commissioning Group. The original partnership agreement has been replaced with a new 'East Sussex MSK Partnership Agreement' between Horder MSK Ltd., SMSKP2 Ltd. and East Sussex Healthcare NHS Trust.

The aggregate amount of capital and reserves and the results of SMSKP2 Limited for the last relevant financial year were as follows:

	Capital and reserves	Profit for the year
	2022	2022
	£	£
SMSKP2 Limited	70,001	25,500

These financial statements consolidate the results of the charitable company and of its wholly owned subsidiary Horder MSK Limited on a line-by-line basis together with SMSKP2 Limited using the Equity method, further details can be found in note 18 in these financial statements.

HORDER HEALTHCARE

BOARD OF DIRECTORS' REPORT AND STRATEGIC REPORT

Objective

Horder Healthcare's charitable purpose is to advance health, and the relief of patients suffering from ill health. Its mission is to be a leading provider of high-quality healthcare services, demonstrably improving patients' health and striving to make a positive difference to people's lives. The Charity's vision is to demonstrate its purpose through the provision of outstanding healthcare, and support to the wider community through investment in training, research and community wellbeing.

Public Benefit

The Directors have referred to the Charity Commission's general guidance on public benefit when reviewing the Company's vision and objectives and in planning future activities. In particular, the Directors consider how planned activities, and the management of resources will provide maximum benefit.

As evidenced by the standard of care provided by our hospitals and outreach sites, and our quality outcomes, our activities make a difference to people's lives, not only for those who have the ability to pay but through the provision of services – free at the point of delivery – for NHS patients. Thus, delivering public benefit.

Board of Directors

Under the Articles of Association, the Board of Directors (the Board) is elected by a vote of the current members.

The members of the Board who served during the year are set out on the Legal and Administrative Information page at the front of these financial statements.

In accordance with the Articles of Association, at the General Meeting on 25 November 2021 Mrs A L Parker, Mr J W Turner and Dr D W Yates retired from the Board and being eligible were re-elected. Mr P A Flamank and Mrs R Cunningham Thomas subsequently retired from the Board in February and April 2022 respectively. Mr J W Turner retired from the Board on 30 January 2023. Plans were put in place to recruit and these vacancies have been successfully filled.

Dr C E Bell, Mrs J C Grover and Mr S L Dance retired by rotation at the subsequent General Meeting in November 2022 and being eligible were re-elected. Mr S L Dance subsequently retired from the Board on 14 February 2023.

Directors and governance

Appointment, training and induction

The Board may appoint replacement or additional directors at any time. There is a detailed Recruitment Policy in place, which describes the process for publishing the vacancy, the interview and selection process, and the steps taken prior to the new Director taking up their role. These include the completion of a Disclosure and Barring Service (DBS) check; completion of a 'Fit and Proper Person' Self-Declaration; and checks of the Bankruptcy Register, the Disqualified Directors' Register and the Register of Removed Trustees. Satisfactory references are also sought.

New Directors undergo a comprehensive induction, which includes time spent at each Horder Healthcare site, meetings with members of the Executive Team and the provision of an Induction Pack of background and guidance documents, including those relevant to a registered charity.

Training to enhance skills and knowledge is encouraged for all Directors. Details of trustee training courses (new and refresher) are circulated together with other topics of interest.

The Board meets formally usually up to nine times a year in addition to the General Meeting, a strategy/planning day and any ad-hoc workshops and meetings. Meetings throughout the Covid-19 pandemic continued to be held albeit on a 'remote' basis, utilising Microsoft Teams. 'In person' Board meetings were reintroduced from May 2022.

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BOARD OF DIRECTORS' REPORT AND STRATEGIC REPORT

The Board is responsible for setting strategy and ensuring resources to achieve those strategic aims; monitoring the performance of the Executive Team; and overseeing and ensuring that robust governance and risk management systems are in place.

A gap analysis against the Charity Governance Code is currently underway in order to identify any points which the Trustees may need to consider adopting.

Board Committees

In addition to the Board meeting there are Remuneration, Finance and Resource, Audit, and Clinical Governance committees in place which meet up to four times a year, each working within a constitution agreed by the main body.

Executive Management

The Board has appointed a senior Executive Team to manage the activities of the Charity and to ensure that the Charity's operational plans are implemented. The Board has established a framework of delegated authority levels for these officers.

Directors' Insurance

Horder Healthcare maintains insurance policies on behalf of all the directors against liability arising from negligence, breach of duty and breach of trust in relation to the charitable Company based on the indemnity limit of £10,000,000. The total premium paid during the year in relation to this policy was £18,480.

Strategic Report

Our Performance

2021/22 continued to be overshadowed by the challenges of Covid-19. The first half of the year (July - December 2021), was characterised by 'stop-start', as higher levels of demand were stymied by Covid-related cancellations. The emergence of the Omicron variant in December 2021, and national concerns about the impact on NHS capacity, led to the offer of another NHS Covid contract for the period from January 2022 to March 2022.

The aim of the contract was to act as a potential safety valve, with contract signatories agreeing to make capacity available in the event of a 'surge' in Covid related admissions. As in the previous year, the Charity was a signatory, underlining its ongoing support for the NHS. Whilst the capacity was not required, the Charity was pleased to offer its support in this way.

The second half of the year (January – June 2022) saw the emergence of higher than budgeted cost-pressures. Initially, these were driven by shortages in clinical staffing, and subsequently by general inflationary pressures arising from energy shortages and supply-chain issues.

Against this backdrop, performance has been challenging. Higher levels of demand were reflected in income growth of 5%, with a considerable increase in private patient income. However, this was offset by increased costs, with variable costs 17% above budgeted levels. The overall impact was a year-end net expenditure before depreciation of £143k.

Despite the difficult operating environment, the Charity still managed to invest £1M into the organisation, refurbishing the operating theatres and improving IT infrastructure, whilst maintaining a strong cash balance of £9.3M (PY £9.2M).

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BOARD OF DIRECTORS' REPORT AND STRATEGIC REPORT

Quality and Outcome Measures/Key Performance Indicators

Horder Healthcare monitors its performance using a wide range of indicators from across the business. As a healthcare provider, these include quality and outcome measures, as well as financial indicators.

The Charity has continued to deliver a high quality of service throughout 2021/22 with some of its key achievements including:

- Maintaining an “Outstanding” Care Quality Commission (CQC) rating for The Horder Centre, and a “Good” rating for The McIndoe Centre.
- Maintaining VTE (venous thromboembolism) exemplar status at The Horder Centre.
- Reduced patient falls rate at The Horder Centre to less than four in 1,000 bed days.
- 94.5% of patients rated their experience with Horder Healthcare as excellent or very good, against a target of ‘greater than 95%’ (previous year result 99%).
- 97.5% of all patients were likely or very likely to recommend Horder Healthcare to friends and family, against a target of ‘greater than 95%’ (previous year result 99%).
- Registered for an Association for Safe Aseptic Practice (ANTT) award, to be achieved during 2022/23.
- With the concentration on reducing our carbon footprint, both hospitals renewed their Display Energy Certificates (DEC), with The McIndoe Centre improving their rating from D to B and The Horder Centre improving from E to D.
- Catering teams at both hospitals have achieved a ‘Food For Life Served Here’ bronze award, which evidences sustainable ingredient purchasing and cooking from scratch.
- The physiotherapy team has continued to form links with universities to work together on research in the future and has successfully published an article: ‘Developing BackPAC: Utilising stratification, shared decision making and promoting self-management to optimise service delivery.’
- Training and development for all staff has continued with a further Trainee Nurse Associate Degree Apprenticeship being utilised. This brings the total number of active apprentices across Horder Healthcare to eight, spanning both clinical and non-clinical departments.
- The Leadership Academy for junior and first-line managers commenced in January 2022.

The information above has been extracted from Horder Healthcare’s Quality Account for 2022. A copy of this report, which contains more information about all of the above achievements, is available from our website at <https://www.horderhealthcare.co.uk/wp-content/uploads/Quality-Account-2022-2.pdf>

The cessation of routine activity during March 2020 due to Covid-19 together with the continuing impact of the pandemic throughout the whole of the subsequent year, makes year-on-year comparisons difficult. However, it is encouraging to see that activity in all areas of the business picked up during 2021/22. Health and Fitness classes were resumed virtually in October 2020, with face-to-face classes being reintroduced from August 2021, albeit with significant restrictions initially on the number of people able to attend.

The Charity continues to be a significant provider of both elective surgery and physiotherapy and maintains an excellent patient satisfaction rate.

	2021/22	2020/21	2019/20
Activity			
Number of Procedures*	7,096	6,956	5,883
Outpatient Consultations*	26,591	21,635	22,782
Physiotherapy Appointments*	22,985	19,696	28,163
Health & Fitness Class Attendances	3,473	66	17,813
Quality			
Patient Satisfaction Rate	99%	99%	100%
Financial			
Total Income	£35.0m	£33.3m	£29.2m

**Data from the previous two years has been revised following a data refresh.*

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BOARD OF DIRECTORS' REPORT AND STRATEGIC REPORT

Principal Risks and Uncertainties

Horder Healthcare recognises that risk management is an integral part of good management practice and is part of the organisation's culture. The Board has overall responsibility for ensuring systems and controls are in place, sufficient to mitigate any significant risks which may threaten the achievement of Horder Healthcare's organisational objectives.

In addition, the Board has appointed Crowe (UK) LLP to fulfil the internal audit function and undertake periodic reviews in line with a programme of internal audits determined by the Audit Committee. Reports are issued to and reviewed by the Audit Committee. During 2020/21 this included a review of our risk management processes.

Assurance is the bedrock of evidence that gives confidence that risk is being controlled effectively, or conversely, highlights that certain controls are ineffective or there are gaps that need to be addressed. It is important therefore that the scope of the assurances is set in the context of the organisation's strategic objectives:

1. Patients
2. People
3. Purpose

All staff have a responsibility for identifying actual or potential hazards and risks and reporting/escalating issues in accordance with the Risk Management Policy and Horder Healthcare's Incident Reporting Policy. Within Horder Healthcare, strategic risks are identified by the Board and Executive through horizon scanning and a risk review against each year's identified strategic objectives.

Operational risks are identified from incidents or near misses reported on the Datix risk management system or from internal audits (e.g. health and safety, infection control), external audits (e.g. CQC, CCG, PLACE etc.) or risk assessments.

All risks have 'controls' and 'assurances' recorded against them, or have plans to put them in place. These are reviewed regularly by the Executive team, by the Senior Management Team on a monthly basis and also by the Board.

Principal Risks

The table below highlights the principal risks identified during 2021/22, with associated mitigated programmes.

Key Strategic Objectives	Principal Risks	Mitigation Programmes 2021-22	Current Risk Exposure
Delivering outstanding care	1. Risk of severe patient safety event	Clinical assurance programme	Unchanged
Preferred choice for private patients	2. Risk of reduction in reputation for private patients due to drop in patient experience scores	Enhanced private patient pathway	Unchanged
	3. Risk to private revenue due to lack of commercial culture across the organisation		
Key partner to the NHS	4. Risk of reduction in NHS orthopaedic activity	NHS stakeholder engagement programme	Increased

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Key Strategic Objectives	Principal Risks		Mitigation Programmes 2021-22	Current Risk Exposure
Key partner to the NHS	5.	Risk of reduced role for independent providers in NHS integrated care systems	NHS stakeholder engagement programme	Increased
Employer of choice	6.	Risk of inability to recruit and retain clinical staff	Recruitment & retention strategy	Increased
Strengthening the community	7.	Risk of failure to demonstrate charitable purpose	Develop ESG strategy	Unchanged
Sound financial management	8.	Risk to financial sustainability due to deterioration in margins and/or increased cost base	Medium term financial strategy	Increased

Future Developments

2022/23 will see a growing focus on the private patient market, whilst remaining ready to support the NHS elective recovery programme. However, there is no doubt that inflationary pressures remain challenging, and we continue to focus on financial improvements and longer-term sustainability.

Our recent success in recruiting nurses from overseas, coupled with improved retention rates should lead to a reduction in temporary staffing costs from quarter two 2022/23 onwards. Similarly, increased efficiencies arising from the introduction of new financial systems, and reduced energy usage arising from estates improvements, will help to mitigate rising energy prices and other inflationary pressures.

In parallel, capital investments will continue to reflect a prudent and balanced approach to maintenance, improvement, and service transformation. Our commitment to achieve carbon net zero by 2035 will be reflected in our ongoing estates improvement programme, whilst improvements in our IT infrastructure will enable us to move forward with a patient portal and an integrated electronic patient record.

Pay policy

The Remuneration Committee determines remuneration policy and practices with the aim of attracting, recruiting, motivating and retaining high calibre people. The Remuneration Committee makes reference to the external market ensuring that it is working within a framework which is legal, transparent, competitive, fair, affordable and providing value for money for the charity. The Remuneration Committee ensures that there is a clear link with performance. The Charity considers its key management personnel to be its Board of Directors and Senior Executive team. The remuneration for key management personnel is set annually in accordance with the pay policy, with any changes taking effect from 1 July each year.

Reserves policy

Horder Healthcare's consolidated funds at June 2022 amounted to £61.8m of which £53.5m is represented by buildings, other fixed assets and restricted funds, leaving unrestricted funds of £8.3m of which £1.7m has been designated for capital expenditure. Horder Healthcare's consolidated free reserves were therefore £6.6m.

Horder Healthcare needs reserves to provide resilience if faced with a significant downturn in income or other adverse events. In considering the level of free reserves it should hold, it has regard to the future operating results adjusted for downside risk. It models the effect of possible reductions in income on gross contribution, particularly having in mind the continuing challenges facing the NHS on which Horder Healthcare depends for 55% of its income, as well as the inflationary cost pressures. In the longer term, it also needs to have free reserves to enable it to invest in its infrastructure and the development of its business. In order to manage this risk, Horder Healthcare has a target to maintain £6.1m in consolidated free reserves. Horder Healthcare's consolidated free reserves were £6.6m, a level considered acceptable to the Board.

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Horder Healthcare reviews its reserves policy at least once a year.

Investment Policy

Horder Healthcare's Finance and Resource Committee (FRC) has responsibility for the development of an investment policy and the management of Horder Healthcare's investments, within the investment policy framework set by the Board. In discharging these responsibilities, the FRC considers:

- The charity's attitude toward risk, investment returns and volatility
- Types of investments, including ethical considerations
- The management of investments e.g. setting benchmarks and targets by which investment performance will be judged
- The authorisation of investment decisions.

As a result of the Board's cautious appetite towards financial risk, at the end of the 2018/19 financial year the decision was taken to withdraw investments held by investment managers. Since 2019/20, these funds have been held in a bank deposit account and are subject to a Board-level agreed protocol for the use of the funds.

The Finance and Resource Committee continues to monitor the organisation's investment requirements, in accordance with the investment policy, and makes recommendations to the Board at least once a year.

Financial Instruments

The Charity operates on normal commercial terms with its suppliers and patients who are all in the UK.

The Charity operates in credit in its transactions with the Bank and thus is not exposed to interest rate risk with any borrowings from that source.

Stakeholder Engagement (Section 172(1) statement)

The Directors are aware of their duty under s.172 of the Companies Act 2006 to act in the way that they consider, in good faith, would be most likely to promote the success of the Charity to achieve its charitable purpose, which includes having regard to all stakeholders.

We identified the most important stakeholders based on past stakeholder communications. The table below sets out our approach to stakeholder engagement during 2021/22.

Stakeholders	Why are they important to Horder Healthcare	What is Horder Healthcare's approach to engage with them
Employees	Employees are our most valuable asset. Our people's commitment is essential for us to deliver on our vision and mission as an organisation.	<ul style="list-style-type: none">• Monthly 'breakfast with the boss' and 'tea with the boss' sessions, an opportunity for staff at all levels within the organisation to meet informally with members of the Executive Team and discuss all aspects of the business;• Monthly formal 'all staff' Executive briefing sessions;• Implementation of a full onboarding programme for all new colleagues;• Structured annual appraisal programme with a clear competency framework;

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Stakeholders	Why are they important to Horder Healthcare	What is Horder Healthcare's approach to engage with them
		<ul style="list-style-type: none"> Structured statutory and mandatory 'all staff' training programme;
Patients	Delivering the highest standards of care to our patients is central to our vision and mission as an organisation.	<ul style="list-style-type: none"> Regular patient surveys; Quarterly patient experience meetings; Utilisation of PROMs data to drive service improvement; Utilisation of clinical audit data to drive service improvement.
NHS Commissioners	The NHS accounts for over 61% of our income. Maintaining good relationships is key to securing this income stream.	<ul style="list-style-type: none"> Regular formal contract meetings; Informal meetings with key commissioners; Membership of the NHS 'getting it right first time' (GIRFT) initiative. Membership of IHPN/NHS England 6-weekly updates Look to develop relationships with the ICBs/ICPs as they take on their new roles during 2022/23.
Private health insurers (PMI)	PMI constitutes a growing income stream which is increasingly important to the business.	<ul style="list-style-type: none"> Contract meetings with top three PMI providers.
NHS Providers	Working closely with NHS providers reaffirms Horder Healthcare's position within the local health economies in which it operates.	<ul style="list-style-type: none"> Ongoing informal contacts at CEO and Executive level. Formal governance and oversight meetings where sub-contract in place.
Independent Sector (IS) Providers	Working closely with IS providers at an industry level helps to shape the industry response to national health initiatives and ensure Horder Healthcare issues are fully represented.	<ul style="list-style-type: none"> CEO is an elected member of the Independent Healthcare Providers Network (IHPN) strategic council; Horder Healthcare executives sit on various IHPN working groups.
Regulators	Horder Healthcare is regulated by the Charity Commission and the Care Quality Commission (CQC).	<ul style="list-style-type: none"> Annual regulatory review and gap analysis by Board of Trustees; Regular formal and informal contact with CQC inspectorate.
Consultants	Having good working relationships with our consultant body allows us to deliver the best patient care.	<ul style="list-style-type: none"> Quarterly Medical Advisory Committee meetings Biennial review meetings with each consultant Specialty based meetings with plastics and ophthalmology Engagement of consultants in hospital clinical governance meetings and morbidity and mortality meetings Consultant representation in specific organisational projects.

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Stakeholders	Why are they important to Horder Healthcare	What is Horder Healthcare's approach to engage with them
Key Suppliers/Contractors	Building and developing good relationships with our key suppliers supports the delivery of our services.	<ul style="list-style-type: none"> Regular Joint Service Review meetings.

Significant Decisions

The table below sets out examples of decisions taken by the Board during 2021/22 and how stakeholder views and feedback were considered in its decision making.

Making hospitals available to the NHS for potential Covid 'surge' capacity from January to March 2022.	Agreement to extend the MSK East contract for 12 months from April 2022
<p>S172 matter affected</p> <ul style="list-style-type: none"> Healthcare partners Our people Our patients <p>Action and impact of the decision When our hospitals were asked to support the NHS by making capacity available in the event of a Covid 'surge', the Board carefully considered the impact on our people, patients, and the NHS before making the decision.</p> <p>The Board were cognisant of a desire to support the NHS in the event of a risk of services being overwhelmed by another Covid surge. In making the decision they considered the potential impact on existing patients, in particular those who were waiting for joint replacement surgery, and the impact on staff who had worked tirelessly through the initial Covid pandemic in 2020.</p> <p>After careful consideration the Board agreed that they wanted to support the NHS and would take the necessary steps to ensure that existing patients and staff would be supported as effectively as possible.</p>	<p>S172 matter affected</p> <ul style="list-style-type: none"> Healthcare Partners Our patients Our people <p>Action and impact of the decision The MSK East contract was scheduled to end on 30th March 2022. Due to the pressures of Covid-19, Commissioners requested a 12-month extension until 30th March 2023.</p> <p>The Board were cognisant of the pressures that the pandemic had placed on the local NHS economy, and the potential impact on healthcare partners, patients, and staff, of a decision not to proceed.</p> <p>On balance, the Board determined that a decision not to accept the extension would be detrimental to all relevant parties.</p>

Employee involvement

During 2021/22 Horder Healthcare partnered with Best Companies, to implement an engagement survey to assess the level of colleague engagement, focusing on eight factors of engagement, which produced the following highlights:

- 70.24% participation rate;
- Horder Healthcare achieved the highest score in 'personal growth', indicating that the wide variety of training and development initiatives offered to all colleagues have been very successful;

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- Horder Healthcare committed to focusing on three factors of engagement - Leadership, Fair Deal and Giving Something Back. As a result, a full organisational development program was launched for all seniors managers, and a full pay and benefits review took place resulting in the implementation of long term service awards.

Horder Healthcare continues to support the mental health and wellbeing of our colleagues and a monthly health and wellbeing calendar provides a wide range of initiatives to support all colleagues. In addition, Horder Healthcare has increased its number of Speak up Guardians.

Disabled persons

Horder Healthcare employs disabled persons when they are suitable for a particular vacancy and every effort is made to ensure that they are given full and fair consideration when such vacancies arise. Managers work closely with the organisation's Occupational Health provider so that if an employee becomes ill or disabled while working at Horder Healthcare they can, where possible and with reasonable adjustment, continue in employment.

During employment, Horder Healthcare seeks to work with all employees, taking into account their personal circumstances, to ensure appropriate training, development and advancement opportunities are available to enable them to reach their full potential.

The number of known disabled persons employed by the Company during the year was 21 (2021:13).

Fundraising

Horder Healthcare is not reliant on fundraising activities to raise money to fund its services, with only a small number of fundraising activities undertaken each year, which account for less than 1% of total income.

During 2021/22, donations and bequests continued to be received. We are extremely grateful to all those who have supported Horder Healthcare in this way.

Our nurse apprenticeship scheme has continued through 2021/22, supported in part by a number of generous bequests. We now have two Trainee Nurse Associates undertaking their nursing studies.

Our surgical bursary scheme, introduced at The Horder Centre in 2018 for trainees in orthopaedic higher specialist training, continues. A small number of applications were received towards the end of the reporting year which we are looking to support. At the McIndoe Centre, we continue to support an aesthetic fellow. This fellowship, funded through charitable funds, enables a pre-Consultant level doctor from Queen Victoria Hospital NHS Foundation Trust to expand their knowledge, skills and training in the field of plastic surgery that would not ordinarily be seen in an NHS hospital.

Fundraising activities in 2021/22 included the following:

- Sale of merchandise
- Donations received
- Receipt of legacies and bequests
- Gift Aid
- Unity Lottery

The Charitable Funds Committee, chaired by the Chief Executive, oversees the collection and distribution of funds received from the above activities. The Committee also has responsibility for ensuring that best practice in the areas of fundraising and the management of charitable funds is followed, as recommended by the Charity Commission and the Fundraising Regulator.

Occasionally, individuals (e.g. ex-patients) will raise funds for Horder Healthcare by undertaking activities such as a sponsored walk, although this is not at the request of the organisation. No other third parties are involved in raising funds for, or on behalf of, the Charity (e.g. a professional fundraiser or commercial participator).

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Regardless of the level of fundraising, Horder Healthcare still has an obligation to ensure its fundraising activities are conducted lawfully, ethically and with due regard to best practice. Fundraising activities are conducted in accordance with Horder Healthcare's Fundraising Policy, which is aligned closely to the Fundraising Regulator's Code of Fundraising Practice.

Horder Healthcare has received no complaints regarding its fundraising activities or practices during the year (2021: none).

Horder Healthcare is aware of its responsibility to protect vulnerable people and other members of the public from inappropriate behaviour with regard to fundraising activities. This is an extension of the organisation's obligations as a healthcare provider, which are described in Horder Healthcare's safeguarding policies.

Energy and Carbon Reporting Summary

Reporting Requirement

As a large, unquoted organisation, Horder Healthcare is required to report its energy use and carbon emissions in accordance with the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018 as it meets the thresholds for reporting.

Methodology

The data detailed below represent energy use and emissions for which Horder Healthcare is responsible for the financial year 2021/22.

We have used the main requirements of the GHG Protocol Corporate Accounting and Reporting Standard as our emissions calculation methodology.

This methodology recommends that emissions are calculated by multiplying activity data (for example energy use in kWh) by an appropriate conversion factor. This is the same method used in the previous report. All the data for this report are from the Horder Healthcare green scorecard.

Greenhouse Gas (GHG) Emissions Comparison 2020/21 v 2021/22		
	2020/21	2021/22
Emissions from Purchased Electricity tCO ₂ e (Scope 2)	457.72	368.36
Emissions from Purchased fuel tCO ₂ e (Scope 2)	2.62	2.90
Emissions from Combustion of Gas tCO ₂ e (Scope 1)	436.82	241.68
Total Energy Usage to calculate consumptions C0 ₂ e	897.16	612.94

Scope 1, 2 and 3 Emissions

Greenhouse Gas (GHG)

The Greenhouse Gas Protocol classifies emissions into one of three scopes, largely based on proximity and control over emissions.

The Standard Reporting Framework for emissions is called the Greenhouse Gas Protocol, which is split into three categories called Scope 1, 2 and 3 emissions.

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Scope 1

Covers our DIRECT emissions from things we own or control, e.g. gas boilers or company cars;

Scope 2

Covers INDIRECT emissions from all the energy we buy, e.g. electricity, steam, heating and cooling;

Scope 3

Covers all the other INDIRECT emissions in our company's value chain. These can include goods or services we buy, business travel, our employees' commutes and investments we hold.

Create a vision for a cleaner, greener, more prosperous future

In the last year we have been working hard making changes. During 2021/22 we reduced our electricity and gas consumption by 18% and 44% respectively.

This has been achieved by work we have completed across sites to improve energy efficiency:

- We have continued working on our program to replace lights with LED fittings, with 95% of the fluorescent lighting in The McIndoe Centre now replaced.
- At The Horder Centre we have replaced all lighting in the operating theatre and anaesthetic rooms with LED fittings.
- LED surgeons' operating lights have been installed in all three theatres at The Horder Centre.
- We are installing person in residence (PIR) lighting controls as appropriate in all non-clinical areas.
- Work to improve the efficiency of the Building Management Systems (BMS) at The McIndoe Centre has allowed us to have more control over our energy usage.
- Time controls has been added to the operation of the heating and ventilation plant to match the needs of the business.
- More controlled use of the gas-powered steam generator at The McIndoe Centre has made a significant reduction to our gas usage.
- Electrically heated steam generation integral within the washers and autoclaves in the Sterile Services Department are used as an alternative.

The data below shows the energy usage comparison between 2020/21 and 2021/22.

USAGE COMPARISON 2020/21 v 2021/22				
Volume (kWh/Litres)	2020/21	2021/22	Variance %	Variance kWh/litres
Electricity Consumption (kWh)	2,020,310	1,645,987	-18.5%	-374,323
Gas Consumption (kWh)	2,410,231	1,333,542	-44.7%	-1,076,689
Fuel Usage (litres)	9,445	10,471	10.9%	+1,026

Provision of information to auditors

Each of the persons who are Directors at the time when this Board of Directors' Report is approved has confirmed that:

- so far as each Director is aware, there is no relevant audit information of which the Group's auditors are unaware, and
- each Director has taken all the steps that ought to have been taken as a Director in order to be aware of any information needed by the Group's auditors in connection with preparing their report and to establish that the Group's auditors are aware of that information.