

Company Registration Number 03052242

Charity Number 1046624

HORDER HEALTHCARE
(A COMPANY LIMITED BY GUARANTEE)

DIRECTORS' REPORT
FOR THE YEAR ENDED
30 JUNE 2023

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)
Mrs S C Sjuve (Chair) (appointed 20 March 2023)
Dr R J Tyler (Chief Executive)
Mr J C Anscombe (appointed 29 September 2022)
Dr C E Bell
Mr M S Colyer (appointed 29 September 2022)
Dr D A Hicks (appointed 29 September 2022)
Mrs J Grover
Mrs D C Jones (appointed 29 September 2022)
Mr R J McCarthy
Mrs A L Parker
Mr J W Turner (resigned 30 January 2023)
Dr D W Yates

Company secretary

Mr H I Hatfield (resigned 30 June 2023)
Mrs H Blakelock (appointed 1 July 2023)

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 Charity) for the year ended 30 June 2023. The Board of Directors confirm that the Annual Report, which includes the Strategic Report, and financial statements of the Charity comply with the current statutory requirements, the requirements of the charity'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 charity 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.

Horder MSK Limited owns a 100% shareholding in SMSKP2 Limited, the company which holds the head contract to provide MSK services to the NHS Sussex Integrated Care Board. There is a formal agreement between Horder MSK Ltd., SMSKP2 Ltd. and East Sussex Healthcare NHS Trust to deliver these services.

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 2023	Profit for the year 2023
	£	£
SMSKP2 Limited	87,002	19,000

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 16 in these financial statements.

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.

HORDER HEALTHCARE

BOARD OF DIRECTORS' REPORT AND STRATEGIC REPORT

Public Benefit

The Directors have referred to the Charity Commission's general guidance on public benefit when reviewing the Charities' 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 24 November 2022 Dr C E Bell, Mrs J C Grover and Mr S L Dance retired from the Board and being eligible were re-elected.

Mr J W Turner, Mr S L Dance and Company Secretary, Mr H I Hatfield subsequently retired from the Board in January 2023, February 2023 and June 2023 respectively. Mrs S C Sjuve joined the Board as Chair in March 2023 and Mrs H L Blakelock was appointed Company Secretary in July 2023.

Mr R J McCarthy, Mrs A L Parker, Dr R J Tyler and Dr D W Yates will retire by rotation at the next General Meeting and being eligible offer themselves for re-election.

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 up to nine times a year in addition to the General Meeting, a strategic planning session and any focused workshops/ meetings.

From July 2023 the Board has agreed to meet formally six times a year in addition to the General Meeting, two strategic planning sessions and focused workshops/ meetings.

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.

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BOARD OF DIRECTORS' REPORT AND STRATEGIC REPORT

A gap analysis against the Charity Governance Code is underway in order to identify any matters which the Trustees may feel are relevant for adoption by Horder Healthcare – either by way of introduction of new systems and processes or the adaptation of existing. This piece of work was put on hold pending the recruitment and appointment of a new Chair and will be progressed during 2023/24.

Board Committees

In addition to the Board, 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

Whilst the Covid epidemic has been declared over, dislocations arising from the pandemic remain. It is generally recognised that elements of the population show increased levels of morbidity, whether as a result of post-Covid complications or from a lack of routine treatment during the pandemic.

This impacts, most notably at The Horder Centre, with patients presenting with more complex symptoms and, consequently, more likely to cancel or require additional pre-operative work-up. This was very evident in the first half of the financial year 2022/23, with overall income 12% below planned levels. This was an improvement of 3% from the prior year.

Similarly, Covid-related supply chain disruptions led to inflationary pressures that were accelerated by the impact of the war in Ukraine and the subsequent rise in energy costs. This, in turn, led to energy price increases in excess of 100%, with a resultant impact on our cost base.

However, strong demand for private treatment, coupled with a longer-term NHS contract at The McIndoe Centre, saw a significant improvement in the second half of the year. This resulted in year-end income recovering to within 4% of planned levels, an overall increase of 13% on the prior year. The overall impact was a year-end net surplus before depreciation of £856k.

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 £8.3M (PY £9.3M).

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BOARD OF DIRECTORS' REPORT AND STRATEGIC REPORT

Quality and Outcome Measures/Key Performance Indicators

The table below highlights key achievements during 2022/23 against the organisation's six strategic objectives.

STRATEGIC OBJECTIVES: 2022 - 23 – KEY PERFORMANCE INDICATORS					
FIRST CHOICE FOR PRIVATE PATIENTS	KEY PARTNER TO THE NHS	DELIVER OUTSTANDING CARE	EMPLOYER OF CHOICE	STRENGTHENING THE COMMUNITY	SOUND FINANCIAL MANAGEMENT
<p>We will increasingly become the provider of choice for private patients as evidenced by annual growth rates that are at least equal to Independent Sector industry benchmarks, and, where available, comparative benchmarking data such as the National Joint Registry.</p>	<p>We will support the NHS by; providing rapid direct access for NHS patients via Electronic Referral System (ERS); partnering with NHS providers to treat long waiters; & through the on-going provision of community MSK services.</p>	<p>We will achieve top decile performance against recognised and relevant patient experience, outcome and safety measures, as well as achieving and maintaining Clinical Quality Commission (CQC) 'outstanding' ratings.</p>	<p>We will become recognised as the local employer of choice through an Organisational Development (OD) strategy that champions, diversity, development & wellbeing and is evidenced through staff satisfaction surveys and the achievement of the Sunday Times best 100 not-for profit organisations.</p>	<p>We will demonstrate our purpose through our commitment to reduce our carbon footprint; support community cohesion through our commitment to local initiatives such as foodbanks; and support the wider health community through our commitment to education & training.</p>	<p>We will underpin everything we do with sound financial management. We will develop clear growth plans that increase annual revenues, providing the capability for increased investment as well as strengthening the balance at sheet.</p>
<ul style="list-style-type: none"> • Horder Healthcare annual average NHS/Private Patient income split 57/43 • The Horder Centre – 20% increase in private income on prior year • The Horder Centre ratio NHS: Private Patient income split 67/33 • The McIndoe Centre ratio NHS: Private Patient income split 15/85 	<ul style="list-style-type: none"> • The Horder Centre - 4% annual increase in NHS income • The McIndoe Centre – 70% increase in number of NHS patients treated • Strategic partnership signed with East Sussex Hospitals NHS Trust to manage East Sussex MSK contract 	<ul style="list-style-type: none"> • The Horder Centre June 23 99% patients rated care very good/good • The McIndoe Centre June 23 100% patients rated care very good/good • The Horder Centre Hip Replacement positive outlier 1/3 Patient Reported Outcome Measures (PROMS) scores - January 23 Patient Experience Report • THC Knee Replacement positive outlier 2/3 Patient Reported Outcome Measures (PROMS) scores - January 23 Patient Experience Report 	<ul style="list-style-type: none"> • Horder Healthcare June 2023– 6.46% vacancy rate, down from 6.65% June 2022 • Horder Healthcare June 2023 turnover rate – 20.91%, down from 23.66% June 2022 • Successful recruitment of two tranches of overseas nurses 	<ul style="list-style-type: none"> • The Horder Centre improved energy performance rating: E to D • The McIndoe Centre improved energy performance rating: D to B • Horder Healthcare awarded <i>Food for Life</i> Bronze award (locally sourced, sustainable produce) • Travel bursaries awarded to surgical trainees • Ongoing support to local food banks 	<ul style="list-style-type: none"> • Horder Healthcare year-end income +12% on prior year. • Horder Healthcare year-end operating profit £620k • Horder Healthcare fixed costs +12% on prior year • Horder Healthcare year-end deficit £1.0m
UNDERPINNED BY INVESTMENT IN DIGITAL INFRASTRUCTURE					

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NOTES TO THE FINANCIAL STATEMENTS

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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 2022/2023 this included a review of:

- Fire Safety Management
- Payroll
- Data Protection and Information Security
- Health and Safety
- Cyber security

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 agreed strategic objectives.

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

The table below highlights the principal risks identified during 2022/23, with associated mitigated programmes.

Key Strategic Objectives	Principal Risks	Mitigation Programmes 2022-23	Current Risk Exposure	Rationale
Delivering outstanding care	1. Risk of severe patient injury or never event	Clinical assurance programme	Unchanged	
Preferred choice for private patients	2. Failure to keep pace with industry 'best in class'	Enhanced private patient pathway	Unchanged	
Key partner to the NHS	3. Risk of reduction in East Sussex NHS orthopaedic activity	NHS stakeholder engagement programme	Increased	Potential impact of the re-procurement of the NHS Sussex MSK pathway

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Key Strategic Objectives	Principal Risks	Mitigation Programmes 2022-23	Current Risk Exposure	Rationale
Key partner to the NHS	4. Risk of reduced role for independent providers in NHS integrated care systems	NHS stakeholder engagement programme	Increased	Potential impact of introduction of NHS integrated care systems on existing NHS contractual arrangements, coupled with introduction of NHS elective surgical hubs in local health economies.
Employer of choice	5. Risk of inability to recruit & retain clinical staff	Recruitment & retention strategy	Decreased	Impact of ongoing recruitment drive and successful introduction of first tranche of overseas nurses
Strengthening the community	6. Failure to demonstrate charitable purpose	Developing ESG strategy	Unchanged	
Sound financial management	7. Risk to financial sustainability due to deterioration in margins and/or increased cost base	Medium term financial strategy	Increased	Significant inflationary cost pressures.

Future Developments

2023/24 will see a continuing focus on the private patient market, whilst remaining ready to support the NHS elective recovery programme. 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. Similarly, reduced energy usage arising from improvements to the estate 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 new patient administration system and 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. Annual remuneration is set in accordance with the pay policy, with any changes taking effect from 1 July each year. The Chairman of the Remuneration Committee together with the Chairman of the Board of Directors will determine the remuneration for the Chief Executive, who will be excluded from any discussions.

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Reserves Policy

Horder Healthcare's consolidated funds at 30 June 2023 amounted to £60.9m of which £52.7m is represented by buildings, other fixed assets and restricted funds, leaving unrestricted funds of £8.2m.

Horder Healthcare recognises the importance of maintaining adequate reserves to ensure financial stability and resilience during periods of economic uncertainty or other adverse events. This policy outlines the approach taken by the charity in determining the appropriate level of free reserves, considering potential risks and their financial implications.

Horder Healthcare's approach to determining the level of free reserves is based on a comprehensive analysis of future operating results, taking into account potential downside risks. Horder Healthcare evaluates various risks that could impact its financial position. Particular attention is given to the continuing challenges faced by the NHS, as well as inflationary cost pressures and clinical staff shortages. Additionally, the charity takes into account other potential risks specific to its operational context.

To ensure a prudent level of reserves, Horder Healthcare employs financial modelling techniques to simulate the effects of potential reductions in income on gross contribution. This allows the organization to better understand the potential impact of adverse events and plan accordingly.

In addition to addressing short-term risks, Horder Healthcare recognises the importance of investing in its infrastructure and the development of its business to ensure long-term sustainability. Adequate free reserves are earmarked for these purposes.

Horder Healthcare has established a target to maintain consolidated free reserves of £6 million. This target is based on the assessment of identified risks and the financial implications associated with them. The target is set to hold between 14-16% of its total income in free reserves. The Board has deemed this level of reserves to be acceptable in supporting the organisation's financial resilience.

Horder Healthcare is committed to reviewing its reserves policy annually to ensure its continued relevance and effectiveness. This review includes reassessment of identified risks, potential impact scenarios, and the sufficiency of the reserves target.

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.

In line with the Board's risk appetite, investment funds are 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.

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Financial Instruments

Horder Healthcare employs various financial instruments to manage its financial activities and exposures effectively. The charity operates on normal commercial terms with its suppliers and patients, all of whom are located in the UK. The following outlines the key financial instruments used by Horder Healthcare and the associated risk management approach.

Trade Receivables and Payables

Horder Healthcare maintains trade receivables resulting from normal business operations, representing amounts due from patients, the NHS, Private Medical Insurers and other payors. The charity endeavours to manage credit risk prudently, conducting regular credit assessments and setting appropriate credit limits. Trade receivables are monitored closely, and appropriate provisions are made for potential bad debts to mitigate credit risk.

Similarly, trade payables arise from the purchase of goods and services from suppliers. Horder Healthcare ensures timely payment to suppliers in adherence to agreed-upon terms and conditions.

Cash and Cash Equivalents

The Charity holds cash and cash equivalents in bank deposit accounts, maintaining a prudent level of liquidity to meet operational needs and financial obligations. The Finance and Resource Committee (FRC) monitors the cash position regularly to ensure sufficient funds are available to meet short-term requirements.

Bank Borrowings

Horder Healthcare operates on a credit basis with its primary bank and does not have any borrowings that expose the charity to interest rate risk from this source.

Investment in Bank Deposit Account

As mentioned in the Investment Policy section, Horder Healthcare's investment funds are held in a bank deposit account. The Finance and Resource Committee (FRC) ensures that this investment aligns with the charity's risk tolerance and financial objectives.

Financial Risk Management

Horder Healthcare is committed to prudently managing its financial risks. The Finance and Resource Committee (FRC) conducts regular risk assessments to identify and assess potential exposures related to its financial instruments. The committee takes appropriate measures to mitigate these risks and ensure financial stability.

Currency Risk

Since all transactions are conducted in the UK and with UK suppliers and patients, Horder Healthcare is not exposed to significant currency risk.

Horder Healthcare's financial instruments are managed with diligence and in adherence to prudent risk management practices. By maintaining a careful approach to credit risk, managing cash and investments cautiously, and operating on commercial terms, the charity aims to ensure financial stability and support its mission of providing exceptional healthcare services to its patients in the UK.

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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 2022/23.

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">• Yearly engagement survey conducted through 'Best Companies' to measure employee engagement and addressing any concerns.• Monthly formal 'all staff' Executive video briefings;• Implementation of a full onboarding programme for all new colleagues;• Structured annual appraisal programme with a clear competency framework;• Structured statutory and mandatory 'all staff' training programme;• Quarterly health and wellbeing forums;• Dedicated menopause clinics.
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;• Monthly review of patient experience trends;• Quarterly patient experience meetings;• Utilisation of PROMs data to drive service improvement;• Utilisation of clinical audit data to drive service improvement.• Patient forums
NHS Commissioners	The NHS accounts for a significant income workstream. 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.

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Stakeholders	Why are they important to Horder Healthcare	What is Horder Healthcare's approach to engage with them
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 high volume PMI providers. • Quality and Governance meetings with 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"> • Quarterly review of regulatory gap analysis at Board Governance Committee. • Annual review undertaken of requirements of all regulatory bodies, reported to Board of Trustees (Regulatory Compliance Report). • Regular formal and informal contact with CQC inspectorate. • Regular communication received from the Charity Commission via email updates and via My Charity Commission Account. • Annual GMC submission in line with NHS revalidation requirements.
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.
Key Suppliers/Contractors	Building and developing good relationships with our key suppliers	<ul style="list-style-type: none"> • Regular Joint Service Review meetings.

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Stakeholders	Why are they important to Horder Healthcare	What is Horder Healthcare's approach to engage with them
	supports the delivery of our services.	

Significant Decisions

The table below sets out the decision taken by the Board during 2022/23 to extend the MSK East Contract for 18 months and how stakeholder views and feedback were considered in its decision making.

Agreement to extend the MSK East contract for 18 months from March 2023
<p>S172 matter affected</p> <ul style="list-style-type: none">• Healthcare Partners• Our patients• Our people <p>Action and impact of the decision</p> <p>The MSK East contract was extended previously until 30th March 2023 to allow commissioners to pursue an appropriate re-procurement process.</p> <p>Following the establishment of the NHS Sussex Integrated Care Board (ICB), the ICB commissioners requested a further extension of 18 months to 30th September 2024, to allow sufficient time to complete their service re-design process, followed by a robust procurement exercise. The Board were cognisant of the need to ensure a robust, evidence based approach to the service re-design, 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

Horder Healthcare continued to partner with Best Companies, to monitor employee engagement. A further staff engagement survey was issued during the reporting period, focusing on eight factors of engagement, which produced the following highlights:

- 66.2% participation rate;
- Horder Healthcare achieved the highest score in 'my team'. This indicates that there is trust, confidence, friendship and support, all elements that define the effectiveness of teamworking.
- Horder Healthcare committed to focusing on three factors of engagement - Leadership, Fair Deal and Giving Something Back. The organisational development program for all senior managers was further established. The review of employee benefits continued from the prior year, resulting in enhancement to healthcare cover and leave policies.
- Horder Healthcare continues to invest extensively into the continuous development of its staff. At present, there are six active apprentices, spanning nursing roles, IT, Learning and Development and Customer Service, with a further Operating Department Practitioner apprenticeship, which was offered from June 2023, to continue with the strategic aims to grow our own exceptional healthcare colleagues.
- The Leadership Academy, launched in January 2022, continues to support a host of colleagues across the organisation in upskilling in the field of leadership and management. Successful

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candidates achieve an NCFE Level 2 accredited qualification in Team Leading. Horder Healthcare uses funding streams to provide this opportunity to staff and has already supported 21 colleagues to achieve the qualification, with further places planned for 2023-2024.

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 and Mental Health First Aiders.

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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 Charity during the year was 14 (2022: 21).

Fundraising

Horder Healthcare is not reliant on fundraising to enable it to deliver its services, with fundraising income accounting for less than 1% of total income.

Only a small number of fundraising activities are undertaken each year which, in 2022/23, included the sale of Horder Healthcare merchandise and participation in the Unity Lottery. Income is also received from donations and the receipt of legacies and bequests.

The Charitable Funds Committee, chaired by the Chief Executive, oversees the collection and distribution of funds received from the above. 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. 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.

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.

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).

Horder Healthcare has received no complaints regarding its fundraising activities or practices during the year (2022: none).

Income received from fundraising activities, including that received by way of donations, bequests and legacies, is earmarked to support the following projects:

- Clinical/medical research
- Clinical/medical training and education
- Community wellbeing

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Projects undertaken during 2022/23 include:

- The continuation of our nurse apprenticeship scheme, which has been supported in part by a number of generous bequests. We have three Trainee Nurse Associates undertaking a foundation degree with the University of Brighton, with one due to graduate very soon.
- Our surgical bursary scheme, introduced at The Horder Centre in 2018 for trainees in orthopaedic higher specialist training, continues. In March 2023, two recipients of these travelling bursaries gave presentations to our Medical Advisory Committee to feedback on their experiences and learning, with one having commenced a research fellowship at a clinic in Hamburg and the second commenced a fellowship in South Africa. Two further bursaries were awarded later in the year.
- At The McIndoe Centre, we continue to support the aesthetic fellows from Queen Victoria Hospital NHS Foundation Trust. At least three NHS trainee doctors each year are provided with a funded training opportunity in plastic surgery, mostly focussing on aesthetic surgery. This is aimed at providing the trainees with much wider training experience within the plastics specialty, which may be more difficult to obtain within the NHS.

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 2022/23.

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 2021/22 v 2022/23		
	2021/22	2022/23
Emissions from Purchased Electricity tCO ₂ e (Scope 2)	368.36	332.81
Emissions from Purchased fuel tCO ₂ e (Scope 2)	2.90	2.81
Emissions from Combustion of Gas tCO ₂ e (Scope 1)	241.68	122.05
Total Energy Usage to calculate consumptions C0 ₂ e	612.94	457.67

HORDER HEALTHCARE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2023

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.

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. We have managed to lower our electric and gas consumption during 2022/23 by 49.5% on our gas consumption and 10.8% on our electric.

This has been achieved by work we have completed across sites to improve energy efficiency combined with a milder than average winter.

- We have continued working to replace fluorescent lighting with LED fittings. Our focus in the past year has been at The Horder Centre with a phased programme of replacement including the corridors and waiting areas on the ground floor. The McIndoe Centre has 95% of the fluorescent lighting replaced.
- Following works at The Horder Centre to replace and upgrade Building Management System controllers, we are now able to set time parameters for the use of Theatre plant. Prior to these works we carried out a survey of out of hours energy usage. Since the works were complete, we repeated the survey and the results revealed significant energy savings of up to 50% prior to the imposition of the time controls.
- Key to our journey towards carbon neutrality and the management of energy usage is the engagement with staff. Energy saving ideas and communications are included on the Horder Healthcare intranet. We publish details of energy usage on the internal communication 'impact boards' which provide all staff with visibility and the effects of energy saving initiatives.
- All future capital equipment requests such as new boilers, will consider their carbon impact.
- We will consider and appraise green initiative projects such as the installation of PV (solar) panels which will allow increasing levels of energy independence during the journey from fossil fuel usage to renewables.
- We continue to manage the use of the gas at The McIndoe Centre where possible using electricity to produce steam to wash and sterilise our surgical instruments.

HORDER HEALTHCARE

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The data below shows the energy usage comparison between 2021/22 and 2022/23.

USAGE COMPARISON 2021/22 v 2022/23				
Volume (kWh/Litres)	2021/22	2022/23	Variance %	Variance kWh/litres
Electricity Consumption (kWh)	1,645,987	1,468,972	-10.8%	-177,015
Gas Consumption (kWh)	1,333,542	673,453	-49.5%	-660,090
Fuel Usage (litres)	10,471	10,154	-3.0%	-317 ltrs