

A  
message  
of

HOPE

and  
Reflection

Annual Report and  
Financial Statements  
2019/20

*Transforming lives together*



Thank you to our patients, former patients, carers and staff for sharing their thoughts in this publication.

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Welcome  
A note from  
WelshStar,  
a former patient

"Wednesday 18 March was a day I'd been dreaming of for years. A day when I would finally get my own freedom, make my own choices and meet long-lost friends. I could go to the cinema, sit in a café, and be at peace."



"I'm in my mid-30s and I've been diagnosed with borderline personality disorder. I spent a decade living in a psychiatric hospital, and for the majority of that time I was detained under the Mental Health Act, meaning my life and decisions were mainly controlled by other people.

I was first admitted to psychiatric services after I'd tried to kill myself. My freedom was taken away from me unexpectedly, which was one of the hardest things I had to face. Living in a mental health hospital was tough. I was constantly surrounded by other patients who were dealing with their own inner struggles. It felt hectic, overwhelming, and isolating, all at the same time. You wouldn't think that when you're surrounded by other people you can feel so lonely, but we found a way of living alongside each other because we recognised each other's problems and could identify in some way.

It's really only been in the last 18 months, after I moved to St Andrew's Healthcare in Northampton, that I've started feeling comfortable in my own skin. The therapy and support I received there and in other hospitals, and the resilience I've gained through my experiences, has set me in good stead to deal with anything life may throw at me.

I am now living in my own flat with a lovely view of a local park. I have spent some time making it all feel really homely and I am very much enjoying my new space. I spend some of my days being creative doing anything from cross-stitch, diamond art and a variety of other arty projects that I enjoy which keep me occupied. I continue to advocate all things Mental Health and am involved in the Time to Change campaign. I have a plan for getting back into employment and I am really excited about new opportunities in the pipeline. I have been mindful to go at a steady pace, even though after so many years in services the urge is to do everything at once. I am very much enjoying reconnecting with family and friends and experiencing all I have missed over the years.

One thing that has really helped my recovery is writing. For the past 18 months I have been blogging for St Andrew's, sharing my thoughts and experiences, with the hope that they may inspire other people who are struggling with their mental health. I'm continuing to write my blog, even though I'm no longer in secure care.

There's no reason for anyone to struggle alone, and it's most definitely okay to not be okay."

You can read WelshStar's story here:  
<https://bit.ly/3iuK6KN>





## Foreword

Once a year we put together our Annual Report, which sets out our finances, what we've been doing over the last 12 months, and what our plans are for the coming year. We see this as a great opportunity to share with people – including those who use our services, carers, staff and commissioners – the successes and challenges that we have had, and how we have dealt with them. On the coming pages you will also find out more about our charitable aims, based on guidance from the Charity Commission.

We have tried to make each part of the report interesting and clear, using patient's stories where possible, to show the real life impact mental illness can have, and demonstrate how we support the people in our care. The report also gives our patients the chance to describe what being at St Andrew's means to them, through their stories and writing.

*We hope you enjoy reading it.*

## Reflections from our Chairman, Dr Peter Carter OBE



Welcome to this year's Annual Report. I joined St Andrew's as Chairman last year and I've been impressed by many of the staff who focus on the delivery of our charitable purpose. Our current leadership team are ensuring that the Charity is run as a clinically-led organisation, with patients at the heart of everything we do. I am confident that the Charity Executive Committee are committed to robust and sustainable processes and governance, ensuring that patient safety and outcomes underpin every decision that is made.

Whilst there has been great strides made in mental health over the last decade, the current Covid-19 pandemic has laid bare the challenges which exist in confronting our national mental health service. It has been a difficult time for the sector and for a long time, St Andrew's and other providers have unfortunately been part of the problem. There have been deficits in the standard of care in some parts of the Charity which are wholly unacceptable; whilst over the past few months there has been significant progress in addressing these, there is however still much to be done. These failures have overshadowed the outstanding work done in many other parts of the Charity.

We also have the phenomena of delayed discharges where far too often, people who are ready to leave St Andrew's are unable to do so due to a lack of support and appropriate placements in the community. This is not acceptable and I am proud that St Andrew's is now working to be part of the solution. The Charity is partnering with other organisations, service providers and provider collaboratives, with the aim of helping people towards recovery faster, with minimal disruption to their lives.

Under Katie Fisher's leadership, the Charity is supporting patients with the most complex of mental health needs, both as inpatients and within community settings. Over the coming years we plan to reduce the number of specialist inpatient placements we offer whilst we focus on working in partnership to deliver increasing levels of bespoke community support for those most vulnerable people with very complex needs.

We aim to close at least 100 inpatient beds by the end of 2020 as part of our commitment to focus always on quality first, putting patients at the centre of everything we do.

This year has seen a change in the composition of the Non-Executives on the Board of the Charity, with five new appointments. I would like to thank Jane Forman Hardy, Frances Jackson and Dr. Mike Harris who have come to the end of their term of office as Non-Executives for all their work over the past few years. I am delighted that they are all continuing as members of the Court of Governors. I would also like to thank the Court of Governors for their commitment and interest in the Charity, which brings huge added value in terms of their oversight and scrutiny of our work.

I started my career as a psychiatric nurse, before taking on Chief Executive and Chair roles and I have never been more optimistic that things can, and will, change – both at St Andrew's and across the healthcare system. Those who use our services as well as their families are depending on us to get it right.

### **Dr Peter Carter OBE**

Chairman,  
St Andrew's Healthcare



# Transforming lives together

## Who we are

St Andrew's Healthcare is a charity that provides specialist mental healthcare for people with complex mental health needs. The people who use our services come from different backgrounds and places, and have various mental and physical health needs. Some need some short-term, intensive support following a crisis or breakdown, and some stay with us for longer periods; for these individuals we can provide not just medical interventions, but therapy and support with getting their lives back on track. Some of our patients will be cared for towards the end of their life, in as comfortable an environment as possible.

Our headquarters and largest hospital is in Northampton and we have smaller hospitals in Birmingham, Nottinghamshire and Essex. Across our Charity, we provide treatment and care for over 700 inpatients who face challenges of mental illnesses, developmental disorders, brain injuries and neurological conditions. We also offer treatment and support for 2,900 individuals within community settings and as outpatients, to different groups including former members of the Armed Forces, people within the Criminal Justice System, and work with other services to support individuals as they leave hospital care.

## What we do

Together, we work with our patients and carers to develop a personalised care plan for every person in our care. This "co-production" ensures that patients and carers views and concerns are taken into account, and that every care plan reflects the individual's hopes for the future.

Every patient at St Andrew's is under the care of a Responsible Clinician, and works with a multi-disciplinary team made up of different experts, including psychiatrists, nurses and occupational therapists.

In the last year, we've worked with 1,402 patients in our hospital and community homes, and 1,822 patients through our community services. We're clear that for our hospital patients, a key part of our role is to help them move on and leave hospital as soon as possible, so that they can return to leading a fulfilled and purposeful life. During the year, we were able to discharge 722 patients, and help 229 patients move either into the community or to a lower level of security. We also provided treatment and support to 11 patients in residential community settings, which is a growing part of our service offering.

We provide treatment and care for those with mental illnesses, developmental disorders, brain injuries and neurological conditions. Over 90% of our patients are detained under the Mental Health Act 1983. Of those, around 44% are

"forensic" patients who have come to us via the criminal justice system for care and treatment in a hospital environment. We are one of a small number of providers who have the skills and experience to help those with the most complex needs.

In order to meet the needs of those in our care and support their recovery journey, promoting hope and giving purpose to their lives, we have a positive, welcoming, diverse and inclusive workforce made up of over 3,600 permanent employees and 1,200 workers who are engaged via our internal "bank" system. Around 78% of our permanent staff (and 99% of our "bank" staff) are directly involved in clinical care and support for our patients.



# How we do it

The Charity’s founders, in 1838, described the Charity’s purpose as being:

*“To promote the healing of sickness, the relief of suffering and the relief of need of those experiencing mental disorder by:*

- *The establishment of **hospitals** and the provision of **community based care**;*
- *The advancement of **education and training**; and*
- *The development of **research** into the causes and treatment of mental disorder.”*

Despite the many changes in mental healthcare in the last 180-plus years, the Charity’s purpose is still relevant, arguably more than ever.

Our strategy, and everything we do, is underpinned by our vision of Transforming Lives Together, and our CARE values. We believe in treating patients, their carers and families, and our colleagues with **Compassion**, we are **Accountable** and do what we say we will do. We **Respect** our patients and each other, acting with integrity, and we continue to innovate and learn to strive for **Excellence**.

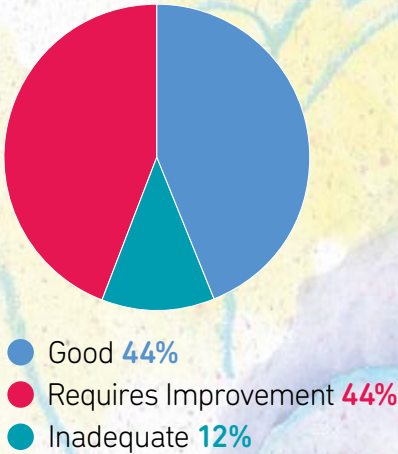


# Who checks we are doing it well?

We are continuously striving to improve, and we welcome scrutiny as this helps us to make changes for the better. The Care Quality Commission (CQC) regulates us, but other bodies also review aspects of what we do. These include all of the Clinical Commissioning Groups (CCGs), NHS Wales, OFSTED, the Safeguarding Boards for Adults and Children in the areas where we operate, NHS Improvement, the Charity Commission and the Health and Safety Executive. In the last year, we have also been scrutinised by the Children’s Commissioner and the Healthcare Safety Investigation Branch (HSIB).

During the past year, the CQC carried out six inspections across St Andrew’s wards. The first of these was at our Nottinghamshire hospital in June 2019, where the service was rated as ‘Requires Improvement’, an improvement on the previous rating of ‘Inadequate’. The second CQC inspection was at Winslow, our six-bed independent living service, which was rated as ‘Good’.

The following chart shows the ratings that the CQC has given us, following their inspections, which demonstrates that 44% of our services are rated as “Good”, 44% of our services are rated “Requires Improvement” and 12% as “Inadequate”.



Our Child and Adolescent Mental Health Service (CAMHS) was the subject of a focussed inspection early in the year, and then re-inspected in December 2019; it was unfortunately rated as ‘Inadequate’. This has triggered a fundamental review of the service and the implementation of a new strategy and implementation of a new model of care. We are confident our CAMHS services will soon return to a level of excellence that the Charity is synonymous with.

Earlier this year, a focussed inspection took place at our Essex hospital (February 2020). This was an unrated inspection which highlighted some concerns with the service we provide. We are now continuing to work with our Commissioners to develop this service further.

Lastly, our Women’s service received a full and comprehensive inspection in March 2020 which was also, unfortunately, rated as ‘Inadequate’-. Working with our patients, their families and Commissioners has allowed us to fundamentally review the service and initiate a new model of care, featuring smaller more specialised wards.

In the reports, the CQC recognised the positive steps being made by the Senior Leadership team to change the culture of the organisation. We are working hard to address all the issues raised swiftly, and we’re confident that the changes we are making will bring about sustainable and positive changes. We are confident that when the CQC return to re-inspect these services they will see improvements.

During 2019/20, NHS Wales carried out Provider Performance Reviews across all of our hospital sites. Following their visits, Performance Improvement Plans were issued to all audited wards, with the exception of Newstead ward which maintained a 3Q ranking - the required quality assurance mark that providers must meet.

As a result of Provider Performance Reviews carried out during January and February 2020, NHS Wales suspended Fern and Marsh (CAMHS), Sunley, Seacole and Elgar (Women’s) and Hawkins (LD) wards from their framework – which meant we were not able to accept new patients from NHS Wales. NHS Wales have since revisited and have agreed to lift all suspensions.



# Our Key Performance Indicators

We measure our results using Key Performance Indicators – KPIs – that we think give a good indication of our performance during the year. These KPIs are focussed on the elements of our charitable purpose, and we use them to ensure we are fulfilling our strategic objectives, which are focussed on Quality of Care, People, New Partnerships, Buildings and Information, Delivering Value and Innovation & Research.

## SERVICE

We are using three measures to track our progress with delivery of care and support to our patients:

**CGI:** The 'Clinical Global Impressions (CGI) outcome tool is a well-recognized and internationally used measure which allows clinicians to monitor and assess whether the treatments being delivered are leading to improvements in patient health. Our latest assessment using the tool indicates that 54% of patients (out of a total of 1,138) have seen an overall improvement in their condition.

**Friends and Family:** The last assessment of the Friends and Family Test showed that 52% of patients (out of a total of 483) are 'likely' or 'extremely likely' to recommend our service.

**Patient Satisfaction:** The Patient Satisfaction Survey showed that that out of a total of 191 patients, 71% report that they would rate their satisfaction with their care as either 'good' or 'excellent'.

**52%**  
of patients are 'likely' or 'extremely likely' to recommend our service

**71%**  
of patients rate their care as 'good' or 'excellent'

## EDUCATION

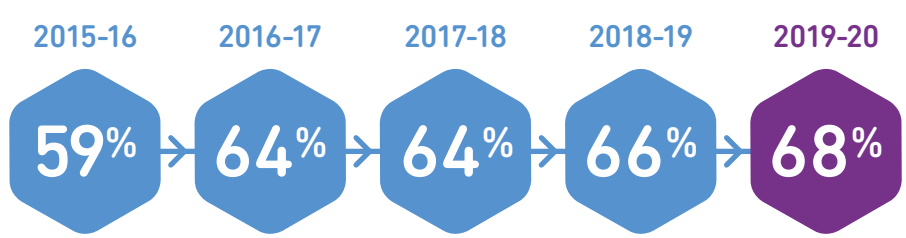
Over the past year, over 500 individual 'students' (patients, staff and carers) have attended a variety of training courses and workshops developed by our Recovery College. The courses focus on promoting hope, recovery and everyday skills. The team are on track to meet and exceed their overall target of 1,000 students by 2022.

## RESEARCH

Our Research and Innovation team has KPIs in 10 areas, each with a specific measure. We have chosen the number of papers published as a good indicator of progress – throughout the year, 26 research papers and conference abstracts were produced and published against a target of 15. The Research Centre is on target to meet and exceed its overall goal of 30 papers published by 2022.

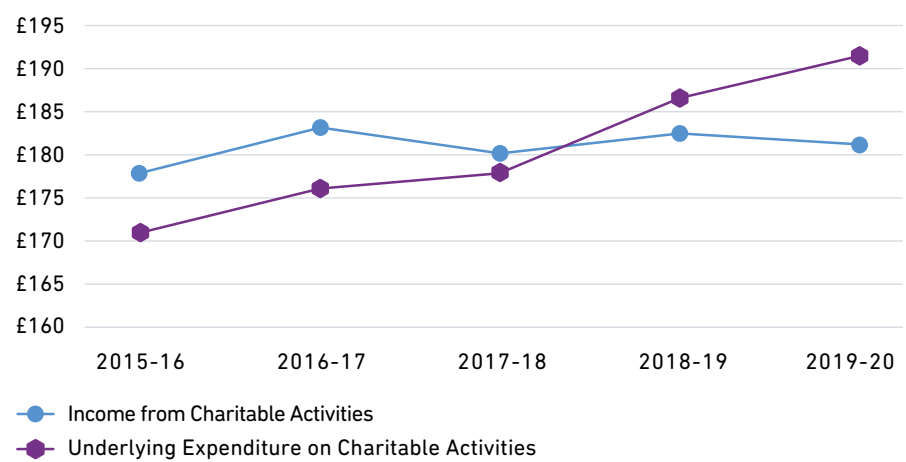
## Staff

The Engagement score from our annual staff survey gives us a good indication of how staff feel about working for our Charity. Despite a lot of change over the past 12 months, our engagement score increased in the last survey, and has increased year on year since we started it in 2015.



## Financial Performance

Our underlying expenditure on charitable activities of £191.3m exceeded income from funding for charitable activities in the year of £180.5m in line with the Charity's expectation for the year. This loss was anticipated, since 2017/18 we have been investing in major change initiatives, aimed at reorganising the Charity to align all its resources with getting better outcomes for patients.







# 2019/20 – A year of reflection

The past year has seen much change at St Andrew's, as we have reflected on our history and made plans for our future. We are continuously striving to deliver the very best care for our patients, while ensuring that all the people in our care are able to move on when they are ready to do so. This is why we are continuing to lobby for an improvement in the approach to commissioning, and planning to develop more community services ourselves. This will help us to support more patients to move into a less restrictive environment within the community.

This year we have also been reviewing our clinical and operational structure, with a view to seeing how we can improve it to help us provide consistently high quality care for all our patients, every day. Our recent CQC inspection reports have highlighted that in some cases, we get things wrong; any occasion where we have let down a patient, or not supported them to the best of our ability is unacceptable, and we are committed to making necessary and drastic changes.

In order to focus our clinical and nursing expertise we have recently moved to a Divisional structure on our Northampton site, and five new divisions have replaced our Integrated Practice Units (IPUs).

## The five new divisions are:

- Child and Adolescent Mental Health Service (CAMHS)
- Medium Secure Mental Health
- Low Secure and Specialist Rehab
- Autistic Spectrum Disorders and Learning Disability
- Neuropsychiatry

Each division is led by a Clinical Director, Head of Nursing and Head of Operations. The divisions will build on the progress made by our IPUs, ensuring we have robust systems across the Charity, reducing unwarranted variations in care and improving the consistency of the quality of the care we deliver. It is early days, but we have already seen some significant improvements as a result of this change.

Clinical leadership continues to be embedded at all levels throughout our services and we continue to place patients at the heart of all we do. We use Value Based Healthcare; this means we focus on achieving the very best patient outcomes by ensuring we use our resources in the most effective and efficient way possible. We are using a range of outcomes measuring 'tools' to allow us to understand how well we are achieving the outcomes which are most important to our patients. We have continued to refine this work over the past year through the use of innovative dashboards that provide our teams with information to support clinical decision making. Collecting information with these tools allows us to compare outcomes data with other national or international mental healthcare providers. Ultimately, it means that we will be able to improve the quality of care we provide to our patients, now and in the future.

As always, we aim to ensure we are helping the people in our care to lead a meaningful life, with – where possible – discharge from hospital as soon as they are ready.

## Covid-19 impact on our hospitals

As we approached the end of the financial year, the Coronavirus pandemic took hold. At St Andrew's, we took steps to prepare for the possibility of Covid-19 infection by putting our well-established and tested pandemic preparedness and infection control plans into place, with a central team established to oversee all preparations. Despite staff shortages during this time, we have worked hard to ensure minimum impact to our patients and wards.

At the time of going to print, restrictions are easing across the country. At St Andrew's we are being exceptionally cautious, focussing on our infection prevention measures and being more vigilant than ever to keep everyone safe.

Of course, Covid-19 has impacted some of our services, education and research in the last few weeks of the financial year, and we expect it to continue to have an impact in 2020-21.



# Services

## Our core services

Across our Charity, we provide treatment and care for over 700 inpatients who face challenges of mental illnesses, developmental disorders, brain injuries and neurological conditions.



These patients are cared for across 62 wards, and four main hospital sites. Over the coming year we aim to reduce the number of inpatient beds we have; instead we will focus on partnering with other organisations to create more places for people to be cared for within the community, closer to their home areas.

## Provider Collaboratives

St Andrew's is a partner for IMPACT - the East Midlands Provider Collaborative for Adult Secure Care - which includes low and medium secure services for individuals with mental health conditions, as well as individuals with diagnoses of Learning Disability and Autistic Spectrum Disorder. The collaborative includes nine providers from both regional NHS trusts and the independent sector. St Andrew's involvement includes 22 wards and over 230 beds available for IMPACT and patients within the East Midlands. IMPACT is currently on a 'fast track' working with NHS England to assume responsibility for commissioning and delivering services in the East Midlands region from October 2020.

In the West Midlands, St Andrew's is an equal partner for the Reach Out Provider Collaborative. The partnership is responsible for the secure inpatient care within the West Midlands for mental health patients, with the aim of improving delivery of care in the region. The overarching focus is to integrate the planning and delivery of specialised secure mental health services with locally commissioned services and move to a whole pathway based approach. The partnership places emphasis on provider collaboration rather than competition to drive better patient outcomes, including shorter lengths of stay and greater use of community rather than inpatient services. St Andrew's provides eight wards and 124 beds for Reach Out.





### Community Partnerships

Previously called the Consultancy Service, we rebranded in 2019 to reflect the Charity's aspirations of increasing our offering through working in partnership with the wider mental health economy, in particular with NHS Trusts.

During the past year we have worked on a wide variety of initiatives including:

- A national pilot for South London and Essex Courts, supporting magistrates in courts to sentence an individual who requires mental health support to our team of psychologists, rather than sentence them to prison.
- Establish a Specialist Community Forensic Team to support the IMPACT Provider Collaborative for the East Midlands. Named by service users as the Assertive Transition Service (ATS), this collaboration with Nottinghamshire Healthcare NHS Trusts is actively supporting support service users during their transition from secure inpatient services to a community placement.

The number of service users we have supported during the past year has grown by 15% to over 1,800.

In March 2020 we had to react to the impact of Covid-19 on all our face-to-face therapy services; instead were able to utilise technology, and we moved all our services online.

### Women's Blended Pilot

St Andrew's Healthcare is one of three hospital sites chosen by NHS England to pilot a Women's Blended Secure Service. The pilot aims to reduce length of stay by providing an innovative model of care that negates the need for transition between medium and low security levels. The service intends to offer a better experience for patients, with a clear emphasis on recovery and progression. Additionally it aims to provide patients with a recovery and progressive clinical experience via a new, trauma informed/ relational security clinical and operating model.

The Women's Blended Service has been co-produced with patients and experts by experience. Additionally, it is improving discharge processes and effectiveness, and increasing the number of women able to discharge directly from secure care into community accommodation.

### JAMIE'S STORY

22-year-old Jamie is on the autism spectrum and suffers from anxiety and emotionally unstable personality disorder. He had a breakdown a few years ago after a reduction in support he received in the community and spent almost six years as an inpatient at St Andrew's.

"Things deteriorated very quickly when I was in the community," he explained. "I used to do a lot of self-harm, and even tried to end my life. My anxiety affected me so much. There were many days I stayed in bed. I wouldn't want to talk to people, I would isolate myself, and when I did try and interact with people it would cause a lot of anxiety."

During the almost 6 years he spent at St Andrew's Jamie was supported by staff and received extensive therapy and undertook a variety of holistic activities which helped with his recovery. He says without that support he wouldn't be where he is today.

"I want to thank St Andrew's for transforming and saving my life. I stand by that in every word. As much as it's been difficult in being sectioned for nearly 6 years now, ultimately I probably wouldn't even be here today if it wasn't for that, and I've had some excellent support."

Jamie is now back living in the community and is equipped with all the coping tools he needs to help manage his anxiety and depression. He hopes to promote greater understanding for people living with autism.





# Education

St Andrew's approach to learning and education is holistic, and recognises that our patients require support to develop in all aspects of their lives, not purely academically. Every patient in our care is given access to learning opportunities to develop the skills and knowledge they need to live independently in the community, and to prepare for opportunities for work. Education is naturally a supportive and nurturing interaction at St Andrew's, and often has the hidden additional benefit of increasing self-esteem, confidence and resilience, as our patients begin to experience success and an awareness of their capabilities.

## Children and Adolescents: St Andrew's College

For our under eighteens, we have a dedicated Ofsted registered college, which has been rated as outstanding in all areas since 2013. Our approach within the college is to normalise learning and remove the fears, anxieties and feelings of failure that many of our young people have experienced in their prior educational experiences. Our patients attend school on a daily basis when they are well enough to do so. Young people are encouraged to improve their academic skills and gain qualifications as part of their recovery, in addition to beginning to recognise and experience that learning can also be fun and rewarding.

The college delivers bespoke programmes for each young person with core subjects including Art, Business, English, ICT, Maths, PE and Science. This is interlaced with a Personal Development programme which includes Personal, Social, Health and Economic education (PSHE), a Careers programme and a focus on Relationships and Sex Education (RSE) where appropriate.

During this past year, 73 students attended the College, and between them they achieved a total of 380 separate qualifications.

## Enriching experiences

Being in hospital is never easy and our staff team are dedicated to making sure that while they are in our care, the young people experience a range of exciting and enriching events to complement their learning. Over the last 12 months, the students have enjoyed activities including regular horse riding and horse care sessions on a local working farm; celebrations for World Book Day; their very own election which enabled some of the young people to understand the voting process and have a voice for their view; an Eco themed day looking at how we can look after our planet and its limited resources, as well as our annual 'Fitzroy's Got Talent' show.

The Duke of Edinburgh's Award is an aspect of our curriculum which has been hugely beneficial to patients at the college. It provides opportunities to develop within three areas – skills, volunteering and physical. The award is then bound together by a series of walks in the countryside and an overnight camping expedition, which develops team working, resilience and leadership skills. This year the college led a trip to the Peak District for a mountain walk which seven of our young people attended as part of their Bronze award.

So far this year, 18 patients have engaged with sections of the Duke of Edinburgh's Award Scheme and eight patients have successfully achieved their Bronze award. This opportunity is a growing success despite the additional challenges that being a secure service holds, and we look forward to achieving some silver awards in the next two years.

## ALICE'S STORY

Alice\* (not her real name) is a 17 year old female from a Black, Asian and Minority Ethnic (BAME) background. She loves horses and small animals and enjoys having her hair done. She has diagnoses of mild learning disability with a significant impairment in behaviour, mixed disorders of conduct and emotions and reactive attachment disorder. She has a history of physical aggression towards others and herself.

Alice has been to many specialist schools for learning disabilities, but she did not engage in any meaningful work or take an interest in academic work prior to her admission to St Andrew's. Her risky behaviours could often result in violence towards her teachers and peers, and she also engaged in risky behaviours towards herself which resulted

\* Name changed to protect identity.

in injuries. She did not achieve any qualifications whilst at her other placements.

Since being admitted to St Andrew's and attending our college, Alice has achieved Entry Level qualifications in Maths, English, and Life and Living Skills. She has attained 16 Unit Awards for skills in Art, an NCFE qualification in Physical Education and also attained a Level 1 Food Hygiene certificate. Alice especially enjoys engaging in weekly community horse riding and stable management sessions, and is well on her way to completing her Duke of Edinburgh's Bronze Award.

Alice is now in the process of transitioning to a Community placement with support, and will soon be enrolling at a college of further education to continue her studies.

## Quality Mark for Mental Health in Schools

The team at St Andrew's College recognise the importance of sharing their specialist skills to help improve awareness of mental health in schools, and to equip those who work with children with mental health needs to better identify and meet their needs.

Our mental health Quality Mark has been popular among local schools as it provides a framework

for them to evidence that they perform well in identifying and supporting students who have additional mental health needs, in line with National educational expectations.

The Quality Mark is linked to an annual conference run by the College around mental health in schools providing continuing professional development to teachers in various aspects of mental health awareness.







### Adult Education

Education contributes to the recovery of our patients by helping people to gain skills they need for life in the wider world, while also building self-esteem and confidence. Many of our patients have had poor experiences of learning in the past, but our dedicated staff team help people learn in ways that meet their individual needs, often leading to awards or qualifications.

Working with patients across all our hospitals in both one-to-one and group activities, the Adult Education team have delivered sessions in Literacy, Numeracy, ICT, Life Skills, Money Management, Staying Healthy, Online Safety and a wide range of Vocational courses. The Adult Education team works with the wider Multi-Disciplinary Team and Workbridge, our vocational pathway, to provide as many opportunities as possible for our patients.

Our Adult Education team is approved to offer qualifications through four separate Awarding Bodies, ensuring our patients have the widest possible opportunity to gain qualifications which recognise their studies and achievements. This helps them to collate a Record of Achievement, in preparation for work upon discharge.

### REDS Academy

This year was a year of growth for our Recovery & Every Day Skills (REDS) Academy Recovery College. Launched in June 2018 in Northampton, the College now delivers courses in all St Andrew's sites, including in-reach sessions for patients that are unable to leave the ward.

REDS Academy uniquely welcomes patients, carers and staff to learn together as 'students', creating an inclusive environment free of status or job titles. This year, 453 students from 36 wards attended courses, which were designed to give hope and help them better manage their mental health. Over 160 courses were held over the past year, co-delivered by trainers who have their own experience of mental ill health. The REDS Courses have been tailored where necessary to ensure they are accessible to students with a variety of learning needs, such as the hearing-impaired.

Co-production is a founding principle at the College; during 2019/20 a number of new courses were added to the REDS Academy prospectus which were written in partnership with patients and staff from across our wards. This co-production will continue next year, with a handful of patients and staff already signed up to get involved.

This year also saw the launch of the REDS Academy Peer Support Worker Project in which individuals with lived experience of mental illness were employed to support the recovery of patients on our wards. Twelve people completed rigorous training and voluntary work in order to gain a chance to work on one of our three pilot wards. Through this project, St Andrew's has become one of the first mental healthcare providers in the country to employ Peers on secure, forensic wards. Initial feedback has been positive and the project hopes to expand in 2020/21.

*"The gentleman that joined in Drama today is usually difficult to engage. To see him engaged, focussed and following directions - and not only trying but succeeding - was wonderful. I can only say that you have made an impact."*

Staff member on REDS Drama course

*"The Borderline Personality Disorder Course was truly thought-provoking, offering me some level of comfort that [my daughter] is not alone and neither am I. I gained so much from the course, a new confidence for the future of my daughter and myself."*

Carer on REDS BPD course



## EDUCATION

### Workbridge

Workbridge, at our Northampton and Birmingham hospital sites, gives patients and service users from the community an opportunity to work as a team, learning and developing work and life skills through a broad range of meaningful activities to help them realise their potential in the community.

Service users are supported by skilled staff across many workshops to encourage independence, respect, teamwork and trust. The people who attend Workbridge build skills, knowledge and self-esteem in a supportive environment. There are also opportunities to gain accredited qualifications, and development is supported by regular reviews and feedback.



Our Employment Support service then supports people to take their skills outside of Workbridge and into meaningful paid or voluntary opportunities. Over the year, 86 service users took up work placements either within St Andrew's, or in the local community.

We have other opportunities for our patients to engage in activities, such as the Creative Garage, the bakery and WWASP (the Workbridge Work and Social Programme).



### NAOMI'S STORY

Naomi was admitted to St Andrew's a year ago after suffering a mental health breakdown. She was diagnosed with Borderline Personality Disorder, a mood condition which makes it hard for a person to control their emotions and impulses, and causes problems relating to other people. The disorder affects around seven in every 1,000 people in the UK, according to a study published in The British Journal of Psychiatry.

"I'd been in and out of hospital, and had been very unwell," Naomi explained. "I'd stopped eating, stopped drinking and I ended up losing my job." Naomi's doctors decided that she needed a period of time in a rehab facility and was referred to St Andrew's Healthcare. "I was really scared. I was told it would be for a year - a year just seemed like a really long time and I didn't think I'd be able to cope with it."

However as time went on, Naomi began to enjoy her time at the hospital. She received Dialectical Behavioural Therapy, which helped regulate her emotions and she also learnt a number of skills at Workbridge, which provides vocational training opportunities to people with mental illness. There, Naomi learnt pottery, textiles and horticulture which equipped her with essential life skills which she could use when she returned to life in the community.

After a year at St Andrew's, Naomi and her healthcare team decided she was ready to move home. "I'm feeling really, really excited to be going home," Naomi said. "It feels like the right time, but I'm feeling quite nervous as well. But I've learnt all the skills I need to keep myself safe."

### Staff training

St Andrew's is unrivalled in its approach to staff education and development. On average, our staff members complete 23,000 days of learning each year, which equates to 6 days learning per person per year.

The learning opportunities on offer range across entry level support for literacy and numeracy, apprenticeships, nursing degrees, training for non-medical staff to become Approved Clinicians, leadership and development skills at levels suited to the individual, and continuing professional development in many different areas. Over the past year we hosted over 300 students from UK universities, helping to support the next generation of experts who will provide the care our patients need.

We continue to build strong relationships with Universities, developing programmes that will provide students with the skills we need.

### Apprenticeships

Over the year, we supported 120 staff members in undertaking apprenticeships across many and varied areas, including health care support, business administration, HR, finance, catering, estates, data analytics and leadership. This is a fantastic way in which we can support our staff to develop their skills – which are then put to good use in ensuring continuous improvement in all areas of the Charity's work.

### ASPIRE

Our innovative programme that supports healthcare assistants to qualify as nurses is going from strength to strength. Each year we provide bursaries to 25 staff members to support them in undertaking a nursing degree. There are currently 90 staff members at various stages of their academic journey, who will help us to manage the challenge of providing nursing staff in an environment where nurse shortages are a reality for all healthcare providers. This year 20 nurses have successfully graduated, cumulating in us growing 112 nurses since the programme began.

### Reverse mentoring

At St Andrew's we have a large number of traditional mentoring pairs, the primary aims of which are professional and personal development of senior leaders, with an opportunity to share knowledge, experience and offer advice and guidance. Through this process, both parties benefit from the insight and perspective of the other person.

In 2019 we introduced a 'reverse mentoring' scheme, aiming to raise awareness and understanding about the barriers and challenges faced by our Black, Asian and Minority Ethnic (BAME) community in the workplace and ultimately break down inequalities in the workplace. The difference with reverse mentoring is it is about mentoring 'upwards'; in this case, it is the senior leader who is primarily learning from the less experienced, usually younger colleague.

The scheme has provided an opportunity for our BAME staff to have a direct voice to the top of our organisation. It has helped St Andrew's to break down barriers, shape thinking, policy and strategy, embrace diversity and to build understanding of the experiences and perspectives of our BAME staff. We have paired 5 volunteer reverse mentors (from all levels of nursing and some allied health professionals, including Healthcare Assistants and Staff Nurses) with 5 of our senior leadership team (from the Charity Executive Committee, including the CEO), and provided comprehensive training to all involved upfront.

As well as fostering an environment of growth and learning, building an inclusive culture and supporting our Diversity & Inclusion Strategy, this initiative has helped break down stereotypes, and the assumptions, unconscious bias, entrenched views and misconceptions that accompany them. To find out more about this project, see our latest Diversity and Inclusion report on our website.



# Research and innovation



Research was one of the three founding principles of St Andrew's when it was formed in 1838, and despite many changes in the intervening 180-plus years, it remains a key strategic goal for the Charity.

In today's world of technological advancements and, against a landscape of increasing competition for limited resources, innovation is the natural partner of research. Accordingly, Innovation and Research is a key focus for the Charity, demonstrating the emphasis we place on finding and delivering improvements.

We continue to develop our research strands to aid delivery of the Charity's strategy. The Trauma Research and Service Development Programme focusses on the needs of patient and staff groups, and continues to grow across different clinical specialities. Our clinician partners have significantly added to the success of the programme and in our first year, we have published two papers, with two in submission.

Our technology-based intervention strand has had some exciting developments, including the start of a two-phase project that uses a transdiagnostic approach to treating social avoidance by using a virtual reality (VR) intervention. Staff and patients were eager to have a go and learn more about the potential benefits and treatment development at the session we ran with project-collaborators, Oxford VR.

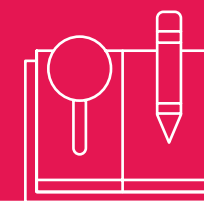
Going forward into 2020, we will have a new clinically-based role leading the Research & Innovation team – the Associate Medical Director for Research. An increased emphasis on innovation for patient benefit, collaborations with our expert clinical teams, focussed external partnerships and use of existing data are vital if we want to deliver a real and positive effect on patient outcomes.



Our nurture and support of all members of the care teams to advance their research skills, through the provision of training and by assisting them in the development of research ideas, study design, data collection, statistical analysis and dissemination continues to be an important role for the Research and Innovation team.

*"It was a great experience – quite hard experiencing real-life situations via virtual reality. I'd like to give it a go again."*

(Patient on Harlestone ward)



## 53

patient participants  
in research studies

## 190

staff  
participants

WE SUPPORTED

## 3

new PhD  
student projects\*

and

## 7

new MSc  
student projects

\*(jointly funded by St Andrew's  
and Loughborough University.)

THIS YEAR

## 22

published  
papers

and

## 26

projects  
conducted in  
collaboration  
with partners

and

## 885

patient records used to  
generate anonymous  
data for research



# REALITY

Picture of an individual in our care who is enjoying using the Virtual Reality headset. He is living well with Dementia.



# St Andrew's family



"He is so happy here, the staff understand him."

Carer

"St Andrew's has changed his life for the better."

Carer

"I am very satisfied with the treatment."

Carer

We recognise and highly value the unique knowledge and support that carers, families and friends offer our patients, and the crucial role they have in supporting the health and wellbeing of the person they care for. We know that by working in partnership with families and friends, we can bring about better outcomes for our patients, while offering guidance and supporting carers' wellbeing.

We are committed to working together with carers on all aspects of care planning, to achieve the very best outcomes for our patients. Research tells us that when we do this well, we can promote recovery. In order to achieve this, we work towards the principles of the Triangle of Care (Carers Trust) and embed guidance from the NHS England toolkit, 'Carer support and involvement in secure mental health services'.

Over the past year, carers have been involved with many aspects of life at St Andrew's, including carer support groups and a number of carer and patient events including a well-being day just for our carers. We have also held talks delivered by subject matter experts on diagnosis and therapies, and carers have been involved in developing and delivering training to our staff.

"St Andrew's was our last hope for our son, who was in his late twenties on admission. Due to undiagnosed autism he had suffered mental illness since his early teenage years. The care and compassion shown to him on the ward right from the very first day at St Andrew's gave us our first flicker of hope in ages. Long telephone interviews from hospital social workers and the promise of regular contact and updates made us feel that we were cared for too; a rare commodity for a carer."

Carer



"Thanks to all staff at the Carers Centre for getting me and my son through yesterday's ordeal. I truly don't know how we could have managed yesterday without you all."

Carer



# Our staff

Success during 2019-20



Our staff are our most important asset and we invest a lot of time and thought in recruiting the right people, ensuring they have the rights skills to perform their roles, through training, mentoring and other support, and that we give them every opportunity to succeed. We also strive to look after our staff when things go wrong, in their work or private lives.

We have introduced technical and behavioural competency frameworks so that our performance expectations are clear and understood and so that we can support employees in achieving their potential.



Our internal development programmes have borne fruit this year, with 381 internal promotions taking place across the Charity – that is 14% of our workforce. Over the past year we have also made three new Charity Executive Committee appointments, and recruited over 160 new nursing staff.



## CARE Awards

We recognise the achievements of our staff in our annual CARE Awards, which highlight some of the amazing achievements of our staff and some of the moments when their remarkable care and compassion has shone through.

## Accountability

Our staff are key to ensuring that we operate in an open and transparent way, identifying when things go wrong or when aspects of our care for patients can be improved. At St Andrew's, everyone is encouraged to speak up and have their say, as our patients rely on us to make a stand for each other when needed.

We have many ways in which staff can make suggestions for change and raise issues, through open forums, online portals, line manager feedback and an independently run whistleblowing service called SafeCall.

## Freedom to Speak up Guardians

In 2019 we followed in the footsteps of NHS Trusts and appointed four Freedom to Speak Up Guardians, who offer independent support and advice to staff who would like to raise concerns.

Together our Guardians:

- Provide confidential advice and support to employees about any concerns they have about risks, malpractice or wrongdoing in the workplace
- Help create a culture of openness across St Andrew's, encouraging people to speak up and enable lessons to be learned that will in turn improve care
- Help to raise the profile of raising concerns in St Andrew's and the different routes available to do this
- Support and provide guidance to employees to speak up, working collectively to remove any barriers which stop our staff from doing so.

We have had good feedback since the Guardians came to post, and the initiative is helping us to create a culture of openness and transparency.





## Volunteers

Our volunteers play a vital role in the Charity, providing extra support for our patients in so many different ways.

Over the past three years we have increased the number of volunteers by 156%, from 119 to 300. Our youngest volunteer is 18 and our oldest is soon to be 91. Between them, the volunteers delivered over 20,000 voluntary hours in the last financial year, providing support to our patients in various roles.

By supporting our patients on either a one to one or group basis, our wonderful team of volunteers (some of whom are also staff members) attend patient events including fireworks, patient parties and sporting activities. They also assist patients and service users within workshops; provide 1:1 companionship as Befrienders to patients who have no other visitors; bring their dogs in as part of our Pets As Therapy programme; act as Non-Executive Directors and Governors of the Charity; and volunteer in teams to provide activity based visits to patients on the wards. All of these things help to enhance the lives of our patients through the fun, friendship, joy and hope that each of the volunteers bring.

The aim of our Voluntary Services is to ensure that "no patient at St Andrew's ever feels alone. That every patient feels loved, cared for and valued." Our volunteers achieve this by donating their time, patience, kindness and understanding to our patients.

We'd like to say a huge thank you to all of our volunteers – your energy and enthusiasm is infectious; we just couldn't do it without you!

Our Voluntary Services team is always open to new members. If you'd like to find out more about how to get involved in becoming a St Andrew's Volunteer, then please visit the Volunteering section of our website ([www.stah.org](http://www.stah.org)).

## New scheme supports students to make a difference

Last year we partnered with the University of Northampton to debut our Student Volunteering Programme. We were pleased to welcome 20 students in all, who completed either a 100 hour or 20 hour volunteering programme where they supported our patients and Service Users in a variety of workshops and activities, including textiles, woodwork, our Patient Social Club and Friday Football at our Northampton site.

The feedback received from students, patients, the staff and the University were all very positive and we look forward to re-running the programme again in future.



*"I really like it here. It is not like I imagined. I have enjoyed meeting with and talking to the patients and now want to work here. I would recommend this Student Volunteering Programme to others".*

Viviana

*"This is the first volunteering I have ever done that I enjoyed. The time flew by so quickly, I wasn't ready to leave".*

Jacinta



# Diversity and Inclusion

We are proud to be an NHS England Diversity and Inclusion partner, and are committed to accomplishing our inclusion strategy of Inclusive Healthcare. This means we aim to create patient outcomes and employment opportunities that embrace diversity and promote equality of opportunity, without tolerating discrimination for any reason.

 **17%**  
of Board members come from a BAME background – one of the highest figures in the UK



Our goal is to ensure that Inclusive Healthcare is reinforced by our culture and is embedded in our day-to-day working practices; we still have work to do, but we're well on the way to achieving this.

We take an equally inclusive approach to patient care. Our Peer Support Worker programme is bringing people with lived experience of mental health recovery onto our wards (page 21), and we have the UK's largest medium secure ward exclusively for Deaf patients. Our patients are encouraged to take part in diversity-related events throughout the year, which celebrate their differences.

We are actively exploring whether race has an influence in incidents on our wards, and last year we introduced a zero tolerance approach to aggression and violence towards our staff. This initiative is led by our Chief Executive, Katie Fisher.

We believe that diversity is important in all parts of the organisation. St Andrew's has a diverse workforce, where we employ more women than men, and have a higher BAME population than the national average. We also have broad age distribution across our colleagues.

The majority of our Clinical Directors have BAME heritage, and our Board is exceptionally diverse, with 17% of our Board members coming from a BAME background – one of the highest figures in the UK.

For more information, please view our latest Diversity and Inclusion report, available on [www.stah.org](http://www.stah.org)



## Nurse Manager advises Holby City on mental health storyline

Fans of BBC1 drama Holby City may remember that last year, consultant Jac Naylor (Rosie Marcel) struggled with her mental health.

As part of the storyline, one of St Andrew's nurse managers – and Co-Chair of our BAME Network, Akim Bande, was invited along to the set to provide a real life perspective and advise the team on how to deal with someone who is suffering from a mental health breakdown.

Akim explained: "The crew and cast wanted to ensure that Jac's storyline was as life-like as possible, so I was there as a psychiatric nurse advisor to ensure that the script and any actions undertaken by the nurses and doctors mirrored what would happen in real life.

Having worked on one of St Andrew's psychiatric intensive care units (PICUs) for several

years, I have first-hand experience of what it is like for a person at crisis point. On set at Holby City I was there to ensure that the storyline was credible and as realistic as possible. As much as my role was there to advise producers, I'm still a mental health nurse and I did spend some time with actress Rosie before filming for the scenes started, just to ensure she was ok, and provide her with support.

I think she did such an amazing job in portraying what it may be

like for someone who's having a breakdown, and at times on set it felt like I was back on the PICU, as it felt very real.

I know some think that the world of TV is glamorous, but it's not an easy job. The actors, writers, and crew all have a responsibility to ensure that their storylines are credible and realistic. I think the cast of Holby really deserve to be praised for the effort and research which went into this storyline."





# STRATEGIC REPORT

Each year we review our Strategy to ensure that we're still on track in terms of our ambitions and plans. The six key strategic themes that we put in place in our 2018 – 2022 Strategy to ensure that we are delivering our charitable purpose of service, education and research, have remained unchanged:

## Our plans for the future

**Quality of Care:** We focus on getting the best possible outcomes for our patients and are fully committed to involving them and their carers in achieving this. Mental and physical health are equally valued.

**People:** Our patients and their carers have access to a range of learning opportunities. Our staff are skilled, flexible and engaged, supported by a wide range of development programmes.

**New Partnerships:** We work in partnership with the NHS and others to develop the right care for the future. We are developing new, community-focussed ways to help people recover.

**Buildings and Information:** Our high quality patient accommodation meets people's needs. We will always use quality information to make the best decisions for our patients.

**Delivering Value:** We will focus our resources on the areas that will make the biggest difference to our patients.

**Innovation and Research:** We aim to partner with the NHS and universities to develop new therapies and treatments; improving patient outcomes with innovative ideas and technologies.

What has changed is that we now have a very detailed series of measurements for each Strategic theme, so that we can check whether we are on track to achieve what we set out to do. The Charity Executive Committee focuses one of its meetings each month on the Strategy, and the Board reviews the whole Strategy twice a year, and makes changes to the measurement, as some items are completed and further developments are agreed.

We've made good progress with our plans and in the key areas that we identified last year, the current position is set out overleaf.

Strategy Area	2022 Strategic Targets	Current Position 19/20	Next Steps 20/21
Quality of Care	Patient outcomes improving.	Outcomes are now being measured for patients across all clinical areas. A second generation Outcomes Dashboard is being developed which will allow a greater integration of outcomes in care planning by allowing clinicians easier access to analysed outcome data.	On completion of the new Outcomes Dashboard, the focus will be on increasing stakeholder involvement to support further uptake and encourage continued understanding of how the outcomes data can be used as a source of quality improvement.
People	A staff engagement score of 70%.	The overall engagement score from the 2019/20 staff survey was 68%, above the strategic aim for the year of 67%.	Departmental action plans have been developed to increase staff engagement further during 2020/21, and a new Patient, Staff, Carer Engagement Group has been set up to increase joint working in future.
New Partnerships	A 35% increase in the number of patients in community settings compared to 2018. 50% of our service offering is delivered through partnerships by 2022.	We continue to work collaboratively in partnership with NHS providers, seeking better ways to manage referral demand. Community partnership opportunities have continued to evolve during the year, and a new Clinical & Commercial Strategy was approved by the Board in March 2020 that is underpinned by Expertise, Quality and Value.	New services are being set up such as the pilot Assertive Transition Service working across the East Midlands region. There is more to do with implementing the Clinical & Commercial Strategy as we look to increase our partnership and collaborative service models and increase the number of patients from commercial settings.
Buildings and Information	The estate is brought up to date and data is used to support decision making.	We have continued to refurbish clinical areas whilst making good progress on the management of the Statutory Compliance of the Estate, and raising cleaning standards. The project to exit the head office building was completed successfully and on time.  The Patient Safety Dashboard is in place and well used throughout both clinical and enabling functions and provides access to key insights.	Further ward refurbishment will continue in 2020/21, together with the exit of the Main Building clinically and the ongoing implementation of the capacity creation plan.  The integrated performance report is nearing completion and we can now see the high level indicators.
Delivering Value	Focus on cost efficiencies and the introduction of patient level costing by 2021.	We have continued to seek cost efficiencies within clinical settings and enabling functions.  There has also been a focus on the implementation of a capacity creation plan to ensure that our Estate is aligned with the Charity's Strategy.	We are undergoing an organisational structure, which will allow the new divisional leadership teams to manage both the budget and the outcomes for patients.  Upon completion of the capacity creation plan, resources will be available to continue with the patient level costing project.
Innovation and Research	Patient driven research is delivered that improves outcomes.	The Research and Innovation Department has made significant progress and the team's work in exploring the association between physical and mental health, the use of virtual reality and the influence of trauma on adolescent mental ill-health are truly ground breaking and of international importance.	An Associate Medical Director for Research and Innovation has been appointed to oversee the Research and Innovation Department to ensure it is clinically led and continue to develop and grow St Andrew's external partnerships and engagement in this area.



# Principal risks and uncertainties

that might affect our plans and how we manage and deliver them

To support the delivery of high quality care to our patients, it is important for us to identify and understand the risks and uncertainties that could disrupt our care activities or could lead to loss or damage to our resources and properties. The better we are at anticipating and managing risks and uncertainties the more effective and reliable we can be in delivering value based patient outcomes and our strategic objectives.

Our managers identify these risks and uncertainties and record them in 'risk registers', also identifying who is responsible for monitoring and managing the risk, and whether any additional actions are required to reduce the uncertainty with the risk to an acceptable level.

Where managers identify a risk or uncertainty they believe could affect the wider Charity, these are reported to our Charity Executive Committee. If the Charity Executive Committee agrees, the risk is adopted as a 'Material Risk' and assigned an overall Executive owner. Material risks are reviewed by the Charity Executive Committee at least every three months.



Our Board of Trustees is responsible for ensuring the arrangements for identifying and managing risks are appropriate, and they review these together with the register of 'Material Risks' at least annually. Additionally, the Audit and Risk Committee, who meet on a quarterly basis, will monitor the risk management arrangements to satisfy themselves that the approach is working effectively.

Our list of current 'Material Risks' are overleaf, along with an explanation of what we're doing to address them. They have been linked to our strategic objectives.



# Principal risks and uncertainties

## Quality of Care

### Regulation and Compliance:

Failure to comply with existing or changing regulatory requirements and achieve positive ratings for standards/ inspections could lead to reputational damage, adverse media commentary, negative perceptions among patients, relatives and friends and financial and business impacts.

### Management's Response and mitigating actions

We continue to embed the Charity's Governance Model to ensure that there is an effective flow of information from 'ward to board',

Risk Direction  Increasing

so that issues can be addressed in a timely manner. We are also updating our policies and procedures to improve the format, clarity and quality of information.

We do this to ensure that we can demonstrate compliance with the wide range of regulatory governance requirements that exist within the healthcare sector.

Impact: High impact Likelihood: Possible

### Inconsistent Clinical Practice:

Inconsistencies in the application, oversight and recording of clinical practice could undermine the quality and effectiveness of patient care

### Management's Response and mitigating actions

We continue to embed our Clinical Effectiveness Strategy that includes organisation and ownership, collation and reporting of patient

Risk Direction  Stable

measurements, managing restrictive practices, developing technologies and data provision to support best patient care delivery, applying national benchmarks and standards to patient care and developing the 'learning organisation' ethos to continually improve patient care delivery.

Impact: Very high impact Likelihood: Highly likely

### Integrated Healthcare:

Insufficient depth and range of skills, capabilities, organisational frameworks and stakeholder support compromise the development and delivery of effective integrated patient healthcare.

Risk Direction  Stable

### Management's Response and mitigating actions

We continue to develop the integration between our clinical software to improve the quality of patient records. We are also enhancing patient access to technology.

Impact: High impact Likelihood: Possible

### Strategic Environmental Change:

We continue to embed the Charity's Governance Model to ensure that there is an effective flow of information from 'ward to board', so that issues can be addressed in a timely manner. We are also updating our policies and procedures to improve the format, clarity and quality of information.

Risk Direction  Reducing

### Management's Response and mitigating actions

We do this to ensure that we can demonstrate compliance with the wide range of regulatory governance requirements that exist within the healthcare sector. If we cannot demonstrate compliance with regulatory requirements we could be subject to statutory action including prosecution.

Impact: Medium impact Likelihood: Possible

### COVID-19 Infection & Pandemic:

The risks associated with COVID-19 outbreak could impact the Charity's financial position, workforce stability, procurement of resources, patient and staff safety causing widespread service disruptions (impacting patient care) potentially leading to litigation. Financial and reputational damage.

### Management's Response and mitigating actions

We have implemented Incident Command and control procedures for the anticipation and response to unplanned disruptive events and situations.

Risk Direction  Increasing


We are adapting working arrangements as required to support requirements of self-isolation, working from home and redirecting additional resources to required areas and functions. We are applying effective infection control procedures to manage hygiene, including hand hygiene, use of Personal Protective Equipment and procedures for isolation.

Impact: Very high impact Likelihood: Highly likely

## New Partnerships

### Reputation:

Our reputation amongst our stakeholders including commissioners, patients, families and carers could be damaged by media reports, adverse events, false rumours or the effects of risks occurring.

Risk Direction  Stable


### Management's Response and mitigating actions

We continue to develop our relationships with a broad range of external stakeholders including our care partners and key influencers in the healthcare economy so we can understand their priorities and concerns, and also so they can understand St Andrew's position and strategic objectives.

Impact: High impact Likelihood: Likely

### Service Development:

The Risk that the Charity does not have the internal capabilities and capacity to successfully deliver the proposed Community based service user and patient services.

Risk Direction  Stable

### Management's Response and mitigating actions

We continue to develop our community care solutions in partnership with other providers. We are doing this to ensure that the services we provide are appropriate and continue to meet the requirements of organisations that commission healthcare services.

Impact: Medium impact Likelihood: Likely

## People

### Health and Safety:

Failure to comply in our duties under the Health & Safety at Work Act (1974) and other regulations could compromise patient and staff safety, potentially leading to fines and sentencing of individual prosecution and litigation.

### We're doing this because

The health and safety of our staff and patients is of primary importance to us, so we must ensure our health and safety arrangements are

Risk Direction  Stable

effective, appropriate and adaptable to the broad range of activities our staff and patients are engaged in. We continue to develop and improve our health and safety management system and work towards external certification. Health and safety is a key topic monitored by our Board and Charity Executive Committee.

Impact: High impact Likelihood: Likely

### Recruitment and Retention:

The Risk that the Charity is unable to recruit and retain sufficient numbers and quality of clinical, management and strategic skillsets and expertise impacts our ability to deliver operational excellence and develop and implement the strategic objectives.

Risk Direction  Stable

### We're doing this because

We have implemented a programme of charity-wide initiatives to promote employee engagement, including an Employee Forum, a staff survey and the appointment of Freedom to Speak Up Guardians. We are also committed to promoting a range of cultural and inclusivity initiatives and ensuring that our pay and staff benefits are competitive.

Impact: High impact Likelihood: Likely



## Information

### Cyber Risk and Resilience:

The risk of major system disruption from an external or internal attack continues to evolve, and so a failure to ensure our information security protections keep pace could mean we are exposed to data-loss and 'ransom-ware' attack.

Risk Direction  Stable

### We're doing this because

We are continually improving our IT network and information systems to ensure that data is secure and to facilitate agile working for our staff, including video conferencing and support for staff working in the community.

Impact: **High impact**

Likelihood: **Highly likely**

### Data Quality:

Poor quality, inaccurate or misunderstood data comprises effective decision making.

Risk Direction  Stable

### We're doing this because

We have developed a Safety Dashboard and are finalising an Integrated Performance Report to provide an established means of presenting safety and performance data, in order to enhance operational and strategic decision making arrangements.

Impact: **Medium impact**

Likelihood: **Likely**

## Delivering Value

### Estate Management:

Dated estate and facilities, that cannot be modernised or improved, present constraints to the delivery of innovative healthcare and risks of reduced patient referrals.

Risk Direction  Stable

### We're doing this because

We are continuing to refurbish our estate and implementing a capacity creation plan for our Northampton site to support the closure of obsolete patient ward environments. This ensures we have an efficient and high quality estate which supports the delivery of innovative care for our patients.

Impact: **Medium impact**

Likelihood: **Possible**

### Financial:

Changes to way that services are commissioned could mean we may be treating fewer patients in our existing facilities, potentially reducing the income we receive and the resources available to maintain high standards of patient care.

Risk Direction  Stable

### We're doing this because

We continue to seek opportunities to improve the way we manage the Charity's costs, to ensure that we maximise the resources available to support and improve the delivery of patient care.

Impact: **Medium impact**

Likelihood: **Possible**





# Governance

## Status and Structure

St Andrew's Healthcare is registered in England and Wales as a Company Limited by Guarantee and a registered charity, and is governed by its Articles of Association. The Charity is registered with the Care Quality Commission (CQC), holds a licence from NHS Improvement and is regulated by Ofsted.

The Charity is governed by a Court of Governors and a Board of Trustees. All Trustees are also Directors of the Company.

## Court of Governors

The Governors are members of the Charity. At the date of signing the Statutory Accounts, there were 36 Governors (including Non-Executive Trustee Directors) and 14 Honorary Governors (who have been active in the past but now play less of a role) in role, on 31 March 2020.

The Court of Governors meets four times a year, including for the Annual General Meeting, where the Governors receive the Annual Report and Accounts and elect or re-elect Trustees. The Board informs the Governors about the Charity's recent performance and future development.

Some of the Governors play an active role in the Charity through ward visits, review of compliments and complaints and patient engagement, all of which provide an important form of assurance to the Governors and helpful intelligence to the Charity Executive Committee regarding current issues. Some Governors also act as Mental Health Act Managers, others are involved with Board Committees, such as the Audit & Risk Committee and the Research Committee and some are Directors of the Pension Trustee Company.

In order to bring more diversity to the Court of Governors and to ensure that key stakeholders have a voice in the overall direction and management of the Charity, the Board agreed to create a group of Constituency Governors who will represent different groups of stakeholders. The first four Constituency Governors represent Carers and Staff and were appointed following the AGM in September 2019, and October 2019 Board meeting.

## The Board

The Charity is governed by a Board of Trustees, who are also Directors. At the date of signing the Statutory Accounts, the Board was made up of 14 Trustees, including eight Non-Executive and six Executive Trustees. All Trustees are also Directors of the Company. All Non-Executive Trustees are also Governors of the Charity.

As part of the Charity's review of its leadership and governance the number of Non-Executive and Executive Trustees has been increased, expanding the depth of knowledge and experience within the Board and improving the overall effectiveness of it.

During the year Alex Owen was appointed as the new Chief Financial Officer on 1 April 2019, replacing Martin Beer who resigned from the Board at the end of the previous year. Lisa Cairns was appointed as Chief Nurse and Executive Trustee on 1 June 2019, later resigning on 1 May 2020.

Peter Winslow stepped down as Chair of the Board and Trustees at the Board meeting on 25 July 2019 and Stuart Richmond-Watson stepped down as Chair of Governors at the same time. Dr Peter Carter took on the role of Chair of both the Board and the Governors on that date.

Jess Lievesley, Deputy Chief Executive Officer and Alastair Clegg, Chief Operating Officer were appointed as Executive Trustees on 1 August 2020. In addition to the Trustees, attendees at Board meetings now include the Chief Information Officer and Director of Quality.



Non-Executive Trustees are appointed for an initial three year term, that can be extended for a further three year term. Stuart Richmond-Watson, has served as a Trustee for 15 years, which is longer than the recommended time frame. However, his skills and knowledge are deemed by the Board to be valuable to the Charity and making an exception is therefore justified.

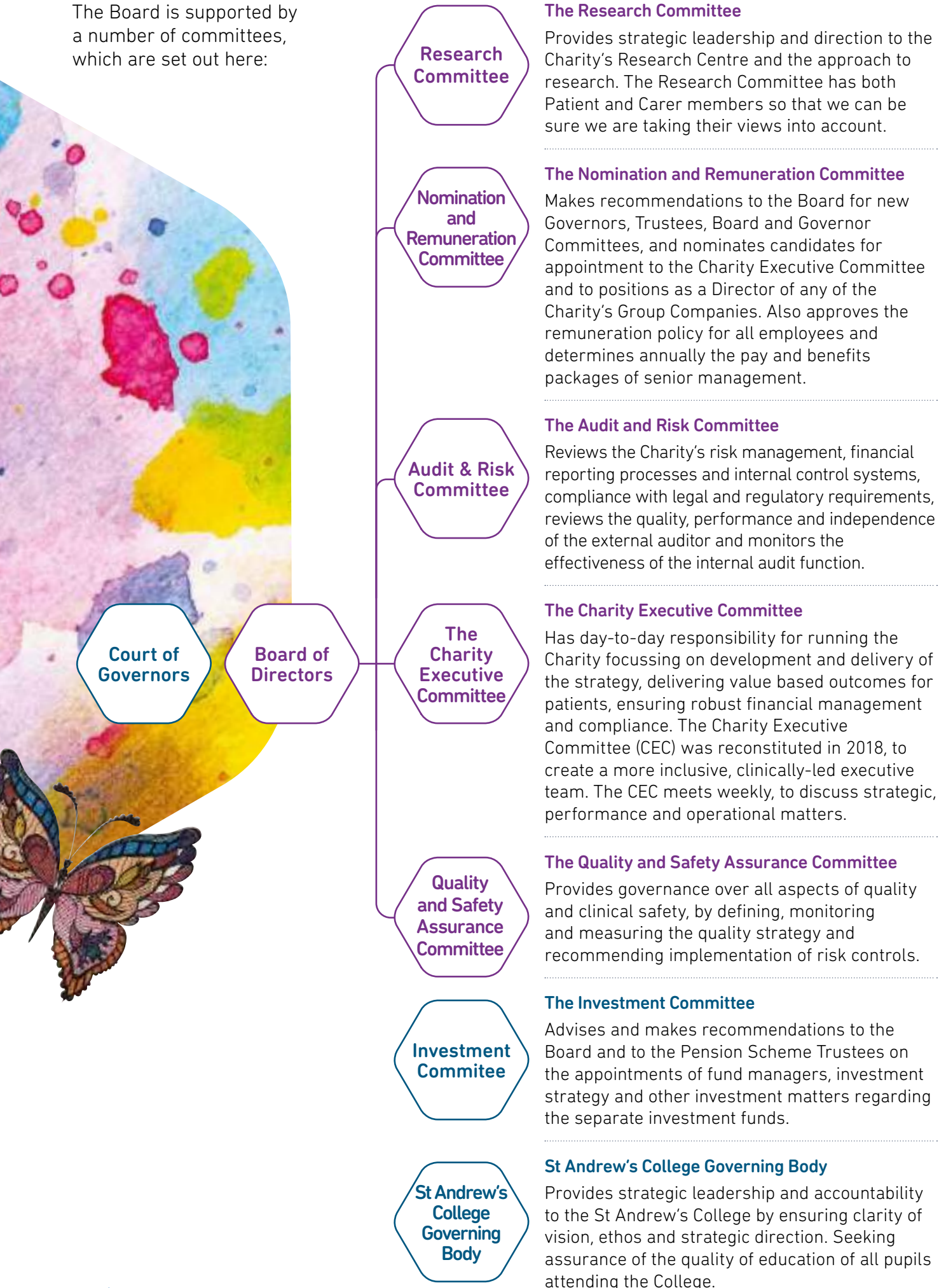
Three Non-Executive Trustees stepped down from their roles during the year, Dr Michael Harris (30 April 2020); Jane Forman Hardy (24 July 2020) and Frances Jackson (24 July 2020). Five new Non-Executive Trustees, Elena Lokteva, Andrew Lee, Tansi Harper, Professor David Sallah and Professor Stanton Newman, were appointed to the Board (and as Governors) on 1 May 2020.

The Board considers the Non-Executive Trustees to be independent. All Non-Executive Trustees, save for Dr Peter Carter and Dr Michael Harris, have no financial or other business relationship with St Andrew's, act as Non-Executive Directors on an unpaid and voluntary basis. Dr Carter was remunerated for being the Chair in light of the time commitment required. Dr Harris is paid for acting as Clinical Non-Executive Trustee.

All new Trustees are required to undergo a comprehensive induction programme, to introduce them to the Charity and explain their obligations as Trustees. This includes visits to our service facilities, discussions with Executive Directors, our corporate induction, and any appropriate training.



The Board is supported by a number of committees, which are set out here:



In October of 2019 the Charity had its first CQC Well-Led inspection, which highlighted both the positive progress that is being taken to strengthen the leadership and governance within the Charity, as well as providing direction about areas to strengthen and improve. The report was not rated and the full report can be found on the CQC website.

**Board Responsibilities**

The Board is responsible for the overall leadership of the Charity, and for approval and monitoring of the Charity's vision, values, purpose, long-term objectives and strategy. The Board meets six times a year, with a Board plan in place to ensure that issues are discussed at the right time. In addition to the six scheduled meetings, the Board meets twice per year to discuss, review and determine the Charity's Strategy. The day-to-day running of the Charity is the responsibility of the Charity Executive Committee.

**S.172 Statement**

The Trustees of St Andrew's Healthcare are aware of their requirement under S.172 of the Companies Act 2006 to act in the way they consider, in good faith, would most likely promote the success of the Charity for the benefit of its patients, employees and other key beneficiaries and stakeholders, and in doing so, have regard (amongst other matters) to:

- the likely consequences of any decision in the long term;
- the interests of the Charity's employees;
- the need to foster the Charity's business;
- relationships with suppliers, customers and others;
- the impact of the Charity's operations on the community and the environment;
- the desirability of the Charity maintaining a reputation for high standards of business conduct, and
- the need to act fairly as between members of the Charity

The Trustees have taken steps to incorporate the S.172 requirements as part of the matters and decisions reserved for the Board, with due

consideration given to potential impacts and risks for our stakeholders. The Board regularly reviews our main stakeholders and how we engage with them. The stakeholder voice is heard within the Board throughout the annual board cycle through information provided by management and also by direct engagement with the stakeholders themselves.

The Trustees take account of these factors before making strategic decisions which they believe are in the best interests of the Charity and will relieve suffering, give hope and promote recovery. The Charity recognises that this has been a year of reflection and learning in response to a number of performance issues identified through our stakeholders and the Trustees are aware of the significance of these areas when discharging their duties. Learning from previous decisions and actions, the Trustee's ensure the Charity's strategy and vision considers the longer-term consequences for the Charity and its key stakeholders.

The section overleaf sets out our key stakeholders and provides examples of how we have engaged with them in the year, as well as demonstrating stakeholder considerations in the decision making process.





# Engaging our Stakeholders

## Patients

At the heart of the Charity are our patients and delivering the best outcomes possible. As such, it is crucial for the voice of our patients to be heard throughout the organisations, especially at Board level. The Patient Experience Team have a range of initiatives to capture and act on patient's opinions and collaborate about decision making and service improvement and a "Patient Voice" section is included on Board agendas.

The Trustees regularly attend our Birmingham, Essex, Nottinghamshire and Northampton Service (BENNS) meeting to hear patient's views and concerns from across all four regional sites and these are discussed at the Board meetings. Patients also attend both Board and Sub-Board Committees for direct involvement with the Trustees and in July 2020 the Chair of BENNS (one of our patients) attended Board to discuss how BENNS could be improved with increased Board involvement.

Where a significant event is planned, a Quality Impact Assessment is completed and overseen by our Executive Trustees, ensuring any impact on the quality of care given to our patients is given the highest priority during the decision process.

Patient outcomes and their care is a central part of our Quality and Safety Assurance Committee. This Board Committee is chaired by one of our Non-Exec Trustees and includes two further Trustees within its membership. The focussed discussions at these meetings help inform and support the decisions made in these areas by the Board and help shape the Charity's Strategy.

## Carers

We understand that often our patients are supported by a network of families and carers and how key it is for Trustees to receive their input when making decisions that impact our patients. To support this there is a dedicated Carer Centre on the Northampton site available for carers to use as well as a support line, with regular reports given to the Trustees on this service.

In order to bring the views and different experiences of carers to the discussions at the Court of Governors, the Board approved the appointment of two Carer Governors to our Court of Governors during the year. The Court of Governors help the Board achieve the best possible results for the patients who use our services, now and in the future, they hold the Board to account and provide additional scrutiny through ward visits and reviews of complaints.

There are also regular carer forums where carers are able to voice their comments or concerns and the new dedicated Carer Governors are available for them to liaise with, reports on these are provided to Trustees at Board, Board Committees and through the Court of Governors. A "Carer Voice" section is included on Board agendas and includes discussions on feedback from Carers, whether via a Complaint, Compliment, Concern or Comment.

Further detail on our engagement with our employees, and the impact of that engagement, can be found on page 28.

## Employees

The Charity recognises the value of its employees and volunteers and the important role they have to play in its success. There is an annual "YourVoice" survey to capture information on employee opinion, which informs a yearly plan for improvement (You Said, We Did) which is submitted for review and approval by the Board. In addition there are frequent employee engagement forums where employees can raise any concerns and have discussions on Charity matters, with one of these Chaired by a dedicated Trustee. The Charity also has Freedom to Speak Up Guardians, who provide confidential advice and support to employees about any concerns. With regular reports on all these topics shared directly with the Trustees, during Board meetings.

Two new Staff Governors were appointed in November 2019 in order to bring the views and different experiences of Charity employees to the discussions at the Court of Governors.

The Charity is proud to have introduced an innovative Reverse Mentoring programme during the year. This new approach helps to drive better representation of Black, Asian and Minority Ethnic (BAME) people at senior levels. Reverse mentoring is about mentoring 'upwards' where it is the senior leader who is primarily learning from the less experienced, usually younger

colleague. It enables each person to benefit from the knowledge, insight, perspective and experiences of the other. A number of our Executive Directors have entered into reverse mentoring relationships this year so that they can understand and learn from the skills and expertise our staff and help inform some of the wider Board decisions.

Further detail on our engagement with our employees and volunteers, and the impact of that engagement, can be found throughout this report.

## Governors

Whilst the Trustees understand their obligations to the Charity as Directors, the Charity operates an additional level of oversight through its Court of Governors. The Trustees meet with our Governors formally, four times each year, to provide updates on the Charity's performance and ability to meet its strategic objectives. This allows our Governors the opportunity to ensure that our Trustees are meeting their statutory obligations toward the Charity and acting in a way that promotes its success.

Governors make regular visits to the Charity to review the care provided and feed this back to both ward management and the Executive team.





## Regulators

As a result of the care that the Charity provides we are subject to review through a number of external regulators. Our Trustees are committed to working closely with our regulators and taking account of their views. To this end the Charity meets regularly with a variety of these regulators to discuss ongoing matters but also to seek advice and guidance on decisions.

In addition the Charity has been able to welcome a senior member of staff from one of our regulators on secondment into a key role which has supported the drive for an improvement in quality and with the continuous improvement of services, through their attendance and participation at Board and Board Committees.

## Partners

Due to the nature of the Charity, we work closely with key partners throughout the country and value the role that they play in shaping our strategy. To support the Trustees in understanding this wide range of views, the Charity encourages open dialogue with our partners through a number of channels. We also work jointly with partners on initiatives both regionally and nationally that promote our success and the best outcomes for our patients.

The Charity's 2018-2022 Strategy, contains a key focus area of New Partnerships, overseen directly by an Executive Trustee, with objectives focussed on strong external engagement and ensuring future service offerings are built on partnerships.

The Charity has entered into a number of Alliances and Provider Collaboratives within the East and West Midlands, these were approved by the Board and are reviewed regularly by our Trustees via Board and Board Committees.

Alliances aim to build strong relationships with our NHS, third sector and independent sector partners and look at the direction and development of services and are therefore an integral part of our future decision making processes. The Provider Collaboratives place the emphasis on collaboration rather than competition with providers to drive better patient outcomes.

New Community based partnerships are being created in line with our Strategy, such as the pilot Assertive Transition Service and the Veterans Mental Health Complex Treatment Service.

Our Trustees also work closely with key partners such as NHS England, Care Quality Commission and Commissioners to build understanding and awareness of the Charity's decisions and activities.

Further detail on our engagement with our partners, and stakeholders, and the impact of that engagement on the decisions made by our Board, can be found on page 34.

# Remuneration Policy

**Our reward strategy is designed to deliver market competitive remuneration for all employees while recognising our status as a charity. We also provide a range of benefits, development and wellbeing opportunities which help make St Andrew's a great place to grow and progress in one's career.**

As part of our reward strategy we regularly benchmark salaries and other benefits for the whole organisation of which the Remuneration Committee has oversight. For our senior team, we have a published Remuneration Policy that describes a framework for how they should be positioned relative to the market, to ensure we can attract and retain the talent we need. Accordingly, when making any decisions on pay, the Remuneration Committee considers pay levels and conditions on pay in the NHS, the private sector, the healthcare sector, as well as other charitable organisations. As part of this the Charity made a decision to close the bonus scheme and this has been withdrawn for Executives and senior employees.

We recognise the extraordinary charitable work to which everyone working at St Andrew's contributes and this means we set our minimum pay levels above the National Living Wage for all employees, regardless of age or role. This year, we continued to pay a premium above the NLW and since we offer enhancements on top of base salary, over 92% of our employees are on average hourly earnings at or above the Real Living Wage.

The Charity's Gender Pay Gap ratio, which was published in January 2020 showed the median pay gap remaining at 0%. This is a clear commitment to being an inclusive employer, and demonstrates the success of our approach to ensuring equality for our workforce.

Showing our commitment to transparency and being an inclusive organisation is important to us and the Charity's Ethnicity Pay Gap ratio was published internally and externally for the first time in March 2020. This showed our median ethnicity pay gap is -2.8% meaning that our BAME employees receive a higher hourly rate of pay in comparison to our non-BAME colleagues.



# Statement of Trustees' Responsibilities

The Trustees (who are also Directors of St Andrew's Healthcare for the purposes of Company Law) are responsible for preparing the Trustees' Annual Report (including the Strategic Report) and the financial statements in accordance with applicable law and regulation

Company Law requires the Trustees to prepare financial statements for each financial year. Under that law the Trustees have prepared the financial statements in accordance with United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law (United Kingdom Generally Accepted Accounting Practice). Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of the affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Statement of Recommended Practice: Accounting and Reporting by Charities (2019);
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Charitable Company's transactions and disclose with reasonable accuracy at any time the financial position of the Charitable Company and the Group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Charitable Company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for the maintenance and integrity of the Charitable Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

In so far as the Trustees are aware at the time of approving the annual report:

- (a) there is no relevant audit information of which the group's auditors are unaware; and
- (b) the Trustees have taken all the steps that they ought to have taken as a Trustee in order to make himself aware of any relevant audit information and to establish that the Group's auditors are aware of that information.





# ENERGY AND CARBON REPORT

## Summary

St Andrew's Healthcare's greenhouse gas emissions, reportable under the government's streamlined energy and carbon reporting (SECR) framework in 2019-20 were **8,528 tonnes CO2e**.

These include the emissions associated with UK electricity and natural gas consumption, and business travel in charity and private vehicles by employees. In 2019-20, the Charity's greenhouse gas emissions were 10.4% lower than in the previous year. The intensity metric (carbon emissions comparative against floor area) of 0.070 tonnes CO2e per m<sup>2</sup> floor area is 5.7% lower than last year.

### Boundary, methodology and exclusions

An 'operational control' approach has been used to define the Greenhouse Gas emissions boundary<sup>1</sup>.

This approach captures emissions associated with the operation of all buildings, such as Residential Care Buildings, Staff Accommodation buildings, Day Centres, Offices and Workshops, plus charity-owned vehicles, leased/rental cars and grey fleet transport used for business purposes. This report covers all UK operations as required by SECR for large Non-Quoted organisations.

This information was collected and reported in line with the methodology set out in the UK Government's Environmental Reporting Guidelines 2019.

Emissions have been calculated using the latest conversion factors provided by the UK Government. There are no material omissions from the mandatory reporting scope.

The reporting period is 1st April 2019 to 31st March 2020, in line with St Andrew's Healthcare financial accounts.

<sup>1</sup> An operational control approach to GHG emissions boundary is defined as: "Your organisation has operational control over an operation if it has the full authority to introduce and implement its operating policies at the operation".

### Energy efficiency initiatives

SECR legislation requires that every organisation provides some basic information in their Directors' Report on the energy efficiency initiatives carried out in the financial year covered by this report. St Andrew's Healthcare has been pro-active in the FY2019/20 reporting year and implemented a number of energy efficiency measures, which are listed below:

- Completed a staff energy awareness campaign
- Installed a swimming pool cover (at Gloucester House)
- Installed several variable speed drive inverter controls on air handling unit plant
- Installed LED lighting in a number of areas
- The Combined Heat and Power Plant (CHP) was repaired and the strategy optimised for maximum running times
- Building Energy Management System (BEMS) optimisation of Heating, Ventilation and Air Conditioning (HVAC) time and temperature control.

## Greenhouse gas emissions

Figure 1: Greenhouse gas emissions by year (tonnes CO2e)

	2018/19	2019/20	Share %	Change '19 to '20 %
<b>Emissions source</b>				
Fuel combustion: Natural gas	4,347	4,080	48%	-6%
Fuel combustion: Transport	234	275	3%	+18%
Purchased electricity	4,935	4,173	49%	-15%
<b>Total emissions (tCO2e)</b>	<b>9,516</b>	<b>8,528</b>	<b>100%</b>	<b>-10%</b>
Square Metre (tCO2e per 1 m <sup>2</sup> )	128,581	122,229		
Intensity:	0.074	0.070		

Figure 2: Greenhouse gas emissions by scope (tonnes CO2e)

	2018/19	2019/20	Share %	Change '19 to '20 %
<b>Emissions source</b>				
Scope 1	4,580	4,201	49%	-8%
Scope 2	4,548	3,846	45%	-15%
Scope 3	388	481	6%	+24%
<b>Total emissions (tCO2e)</b>	<b>9,516</b>	<b>8,528</b>	<b>100%</b>	<b>-10%</b>

Scope 1: Natural gas and charity-operated transport

Scope 2: Electricity (less distribution & transport losses)

Scope 3: Losses from electricity distribution and transmission & private vehicles used for business travel. This includes emissions reportable under SECR and does not reflect the entire carbon footprint of the Charity

## Energy consumption

Figure 3: Energy consumption by year (kWh)

	2018/19	2019/20	Share %	Change '19 to '20 %
<b>Emissions source</b>				
Natural gas for heating	23,642,969	22,192,791	58%	-6%
Electricity	16,464,363	15,047,684	39%	-9%
Transport fuel	945,632	1,122,781	3%	+19%
<b>Total</b>	<b>41,052,964</b>	<b>38,363,256</b>	<b>100%</b>	<b>-7%</b>



# FINANCE REVIEW

## For the year ended 31st March 2020

This report covers the financial performance of the Charity in the year and explains other important factors that the Directors of the Charity need to consider in making sure that the Charity is able to fulfil its aims on an ongoing basis. The activities, strategy and risks of the Charity have been discussed elsewhere in this document.

### Income – where does our money come from?

St Andrew's receives almost all of its income from NHS commissioners who aim to place patients with complex mental health needs with appropriate providers of care. Our single biggest source of such funding is NHS England (NHSE), the centralised body that places patients with secure care requirements. Our other main source of funding is the Clinical Commissioning Groups (CCGs) who commission our services for their patients with complex needs. The funding from NHSE and CCGs is linked to each patient in our care and paid mainly on a per day basis for each day they are with us.



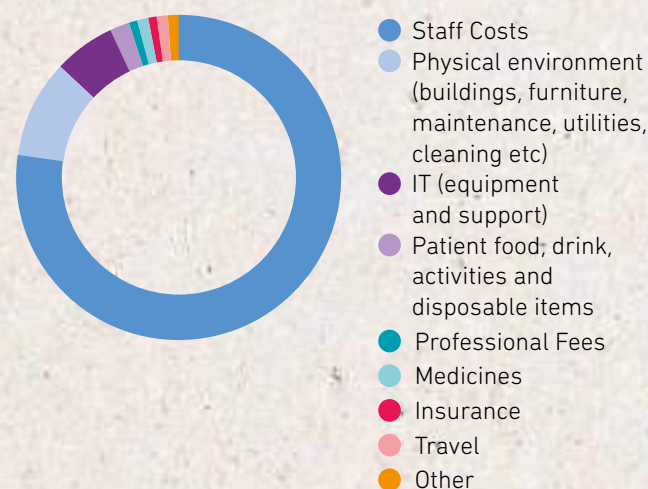
We also receive funding to support the provision of education for our patients, from the Education Funding Authority and Local Authorities, and we receive some income from donations, thanks to the generosity of our supporters, including ex-patients and their families, which during the year was £0.4m. The Charity does not actively seek donations from the public and as such does not undertake to be bound by any voluntary scheme or standard for regulating fund-raising. With increasing pressure on public spending and limited resources to meet our operational and service commitments, we intend in future to

develop a policy around how we might actively seek funding through donations, grants and legacies. In total, funding received for charitable activities was £180.5m, a decrease of 1.3% on the previous year. We also receive income from trading activities, mainly the Three Shires Hospital, our joint venture with BMI Hospitals, which receives income from insurance companies and NHS bodies for general medical care. Income from trading activities was £22.8m in the year, which was an increase of 4.6% from the previous year. Income from investments was £0.4m in the year, which was the same as the prior year.

	2020 £m	2020 %	2019 £m	2019 %
<b>Income from:</b>				
Donations	0.4	0.2%	0.1	0.1%
Funding for charitable activities	180.5	88.4%	182.8	89.1%
Other trading activities	22.8	11.2%	21.8	10.6%
Investments	0.4	0.2%	0.4	0.2%
<b>Total Income</b>	<b>204.1</b>	<b>100.0%</b>	<b>205.1</b>	<b>100.0%</b>



### Expenditure on Charitable Activities



### Staff Costs by Speciality



### Expenditure – what do we spend our money on?

We are extremely conscious of our duty not only to provide the best outcomes for our patients but to do so in an efficient manner. Our aim is to maximise the impact of every pound spent on delivering outcomes for our patients.

We aim to make a surplus in some years to enable us to retain a certain amount of money in reserve so that in challenging years, or years where we need to spend on "one-off" items, we can make a loss if we believe this in the best interests of our long term

charitable objectives and still have enough cash to continue to provide care.

In 2019-20, our total expenditure was £212.2m, 1.3% more than in the previous year, resulting in a net loss of £13.9m. This additional expenditure over and above the previous year is as a result of investment in our services to improve quality in certain specialities as a response to a number of inspections in the year which are detailed on page 9 of this report.

This loss was anticipated, since 2017/18 we have been investing in major change initiatives, aimed at reorganising the Charity to align all its resources with getting better outcomes for patients.

Charitable activities accounted for 91.1% of the group's expenditure (£193.3m), and was used in either directly caring for our patients or providing the infrastructure and enabling services required to make that possible.

	2020 £m	2020 %	2019 £m	2019 %
<b>Expenditure on:</b>				
Charitable activities	(193.3)	91.1%	(191.0)	91.2%
Other trading activities	(17.8)	8.4%	(17.3)	8.2%
Interest payable and similar charges	(1.0)	0.5%	(1.0)	0.5%
Taxation	(0.1)	0.0%	(0.2)	0.1%
<b>Total expenditure</b>	<b>(212.2)</b>	<b>100.0%</b>	<b>(209.5)</b>	<b>100.0%</b>
Net gain/(loss) on investments	(4.1)		1.0	
Net income attributable to non-controlling interests share	(1.7)		(1.7)	
<b>Total net loss</b>	<b>(13.9)</b>		<b>(5.1)</b>	

### Balance Sheet

The Balance Sheet of the Charity measures the assets and liabilities that the Charity had on the final day of the year, 31 March 2020, and compares them with the same position a year earlier.

### Summarised Balance Sheet

	2020 £m	2019 £m
Tangible and intangible fixed assets	235.8	247.4
Investments	19.1	14.5
Current assets	21.8	23.2
Current liabilities	(23.1)	(22.1)
Long term liabilities	(35.6)	(30.6)
<b>Net assets</b>	<b>218.0</b>	<b>232.4</b>
Non-controlling interests	2.0	2.0
Charity Reserves	216.0	230.4
<b>Total funds</b>	<b>218.0</b>	<b>232.4</b>

Our tangible and intangible fixed assets comprises of £229.3m of tangible assets, £6.5m of intangible assets. The total has reduced by £11.6m in the year. This movement is due to depreciation and impairment charges of £16.0m and a £8.4m reduction as a result of the transfer to investments of Cliftonville House, which is land and property owned by the Charity, that at the start of the year was a fixed asset utilised and occupied by the Charity but during the year transferred to an investment property due to its rental out to a third party. This reduction is offset by additional investment in tangible fixed assets of £12.8m in the year.

Our current assets of £21.8m are mainly cash of £5.0m and debtors of £16.0m and our current liabilities of £23.1m are mainly accruals and creditors.

Our long term liabilities are largely made up of a bank loan of £35m. The potential interest rate risk as a result of these borrowings has been reduced by hedging, effectively swapping part of the variable exposure for a fixed interest rate. The bank loan has increased by £5m in the year in order to fund the investment in major change initiatives.

Although the Charity has net current liabilities of £1.3m overall the Charity remains in a strong position with total Charity Reserves of £216.0m. During the year the Charity has actively reduced the cash position in order to minimise the borrowing with the aim to reduce interest payments and associated risks with elevated borrowing. This has resulted in a reduction in the cash balance of £3.9m and the net liabilities position of £1.3m. The Charity has significant headroom remaining within the current revolving credit facility ensuring the Charity can comfortably fund any short and long term financial requirements.





Cash Flow

In any organisation, managing cash is critical. The statement below shows that essentially we generated £5.5m from our operations (the net loss of £13.9m adjusted for non-cash deprecation and impairment charges and working capital movements). We have used this to invest £11.7m into our property and equipment (capital expenditure), a £2.2m inflow from interest and non-controlling interest obligations and have received £0.1m from other investing activities. This has resulted in an overall cash outflow in the year of £3.9m.

Summarised Cash Flow Statement

	2020	2019
	£m	£m
Net cash generated from operating activities	5.5	13.7
Purchase of property, plant and equipment	(11.7)	(7.0)
Other investing activities	0.1	0.1
Net cash used in investing activities	(11.6)	(6.9)
Net cash generated from / (used in) financing activities	2.2	(2.5)
'draw down on loans, interest payments and non-controlling interest obligations'		
Change in cash and cash equivalents	(3.9)	4.3
Cash and cash equivalents at the beginning of the year	8.9	4.6
Cash and cash equivalents at the end of the year	5.0	8.9

Investments and Reserves Policy

The Charity has investments that it uses to fund its long term capital development programme, which means that in a challenging year, or one where we need to spend on “one-off” items, we can make a loss if we believe this is in the best interests of our long term charitable objectives. With this in mind our overall investment objective is to maximise the returns the Charity receives while maintaining the capital value of investments in real terms over the long term. By the end of the financial year the investments had suffered a loss in value of £1.2m due to the impact of Covid-19. The investments have largely recovered since the year end and at the date of signing the accounts have a similar value to the value at 31 March 2019. These investments are managed by the Charity's Fund Manager on a discretionary basis. The long term strategy may require an increase in borrowing against assets that the Board will monitor closely and is restricted by bank covenants where net debt cannot exceed three times profit before interest, tax and depreciation.

The free reserves that the Charity holds at 31 March 2020 after making allowance for restricted funds of £1.3m and of the fixed assets that are required to function of £202.1m, £12.6m (which represents the investments the Charity holds in the stock market) are highly liquid. The Board has a policy of holding long term reserves of at least £10m which is in line with the free reserves that the Charity maintains.

Going Concern

The Directors have a responsibility to make sure that the Charity continues in existence for the foreseeable future (at least 12 months from signing these accounts) and to do so they have to be sure that they always have sufficient funds not only to pay the Charity's bills as they fall due but also to fund commitments to future capital expenditure. This is known as being a “going concern”.

The Directors are confident that the Charity remains a going concern. The Charity has a long term bank facility that is sufficient to meet all foreseeable requirements which is managed carefully and only drawn upon where additional funding is required for the immediate future. During the year the Charity reduced the bank facility from £75m to £50m as on further assessment of future funding requirements a £50m facility was more than adequate to support any requirements and provide excess funding if needed to support going concern. By reducing this facility it is expected that

the Charity will save a minimum amount of £0.1m in the following financial year. At year end the funds available to draw down from this facility were £15m and this facility is available until 2022.

In addition, on 4 June 2020 the Charity exchanged contracts for the sale of its Nottinghamshire site, this sale will complete 10 days following the vacant possession of the building which will occur in November 2020. All proceeds from the sale will be used to continue to reduce the Charity's reliance on this facility in the coming financial year. Should the receipt from the sale of this facility not be received within the expected time scales this would result in a breach of certain of the facility covenants until the sale was completed. The Directors are confident that this will not occur and will continue to work closely with our Banks to ensure the facility remains accessible to the Charity.

The Charity's review of Going Concern was extensive and extended to 'stress testing' for impacting scenarios including the financial impact of delays to operational changes as a result of scenarios such as a negative CQC inspection and/or a significant second wave of Covid-19 as well as the direct financial impact of a continuing Covid-19 pandemic. The outcome of these reviews show that these events would be challenging for the Charity but in the Directors opinion would not compromise the Charity's ability to continue as a Going Concern.

Post balance sheet events

The Charity reached an agreement during June 2020 to sell the property that it owns in Nottinghamshire to a third party with an expected completion date no later than December 2020. The patients that currently reside at this property will transfer to the Northampton site or will be discharged from St Andrew's to suitable alternative providers. This change to the asset portfolio will not result in significant loss of business but will allow the Charity to better utilise its existing resources. The sale of this property will generate a cash inflow of £24.6m which will primarily be used to repay the revolving credit facility. This agreement is contingent on completing certain works to the property which the Charity fully expects to complete by the agreed date.

Dr Peter Carter, OBE  
Chairman





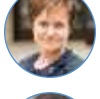
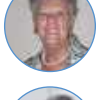
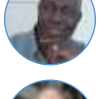

Katie Fisher  
Chief Executive Officer










# The Board of Trustees

The Board of Trustees operates as a Unitary Board, which means that it has a single board of Directors, made up of Executive and Non-Executive members. The Board is currently comprised of eight Non-Executive Directors and six Executive Directors. The Executive Directors are also members of the Charity Executive Committee.

## Non-Executive Directors/Trustees

-  **Dr Peter Carter, Chairman**  
Appointed as a Trustee (and Chairman): 25 July 2019
-  **Stuart Richmond-Watson**  
Appointed as a Trustee: 30 July 2004
-  **Paul Parsons**  
Appointed as a Trustee: 3 February 2017
-  **Andrew Lee**  
Appointed as a Trustee: 1 May 2020
-  **Elena Lokteva**  
Appointed as a Trustee: 1 May 2020
-  **Tansi Harper**  
Appointed as a Trustee: 1 May 2020
-  **Professor David Sallah**  
Appointed as a Trustee: 1 May 2020
-  **Professor Stanton Newman**  
Appointed as a Trustee: 1 May 2020

## Executive Directors/Trustees

-  **Katie Fisher, Chief Executive Officer**  
Appointed as a Trustee: 25 June 2018
-  **Alex Owen, Chief Financial Officer**  
Appointed as a Trustee: 1 April 2019
-  **Martin Kersey, Executive HR Director**  
Appointed as a Trustee: 17 November 2014
-  **Dr Sanjith Kamath, Executive Medical Director**  
Appointed as a Trustee: 1 May 2018
-  **Jess Lievesley, Deputy Chief Executive Officer**  
Appointed as a Trustee: 1 August 2020
-  **Alastair Clegg, Chief Operating Officer**  
Appointed as a Trustee: 1 August 2020
-  **Duncan Long, Company Secretary**  
Appointed Company Secretary: 1 April 2020

Please refer to page 92 for all changes to the Board of Trustees during the year.

**Picture montage, left to right, from the top row:** Celebrating World Book Day, supporting our friends in the NHS during Covid-19, having fun at a patient event, exploring Virtual Reality on our Dementia wards, a party for BBC Music Day, ensuring everyone has their flu jab, Psychotherapist Liz Ritchie on the set of the Jesy Nelson documentary, our summer patient party, and celebrating St Andrew's staff members' long service.







## › Financial Statements

for the year ended 31 March 2020



## › Independent auditors' report to the members of St Andrew's Healthcare

### Report on the audit of the financial statements

#### Opinion

In our opinion, St Andrew's Healthcare's group financial statements and parent charitable company financial statements (the "financial statements"):

- give a true and fair view of the state of the group's and of the parent charitable company's affairs as at 31 March 2020 and of its incoming resources and application of resources, including its income and expenditure, and of the group's cash flows, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the Consolidated and Company Balance Sheets as at 31 March 2020; the Consolidated Statement of Financial Activities, the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Funds for the year then ended; and the Notes to the Financial Statements.

#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Independence

We remained independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements.

#### Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which ISAs (UK) require us to report to you when:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's and parent charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the group's and parent charitable company's ability to continue as a going concern.

#### Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

#### Strategic Report and Trustees' Annual Report

In our opinion, based on the work undertaken in the course of the audit the information given in the Trustees' Annual Report, including the Strategic Report, for the financial year for which the financial statements are prepared is consistent with the financial statements; and the Strategic Report and the Trustees' Annual Report have been prepared in accordance with applicable legal requirements.

In addition, in light of the knowledge and understanding of the group and parent charitable company and their environment obtained in the course of the audit, we are required to report if we have identified any material misstatements in the Strategic Report and the Trustees' Annual Report. We have nothing to report in this respect.

## › Independent auditors' report to the members of St Andrew's Healthcare (Continued)

### Responsibilities for the financial statements and the audit

#### Responsibilities of the trustees for the financial statements

As explained more fully in the Statement of Trustees' Responsibilities set out on page 50, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The trustees are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group's and parent charitable company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group and parent charitable company or to cease operations, or have no realistic alternative but to do so.

#### Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditors' report.

#### Use of this report

This report, including the opinions, has been prepared for and only for the charity's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

### Other required reporting

#### Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the parent charitable company or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

#### Gillian Hinks (Senior Statutory Auditor)

for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
East Midlands



## › Consolidated Statement of Financial Activities For the year ended 31 March 2020

	Note	All Restricted and unrestricted funds			All Restricted and unrestricted funds		
		Underlying result	Non-underlying result	Group Total	Underlying result	Non-underlying result	Group Total
		£m	£m	2020 £m	£m	£m	2019 £m
<b>Income from:</b>							
Donations		0.4	-	<b>0.4</b>	0.1	-	<b>0.1</b>
Charitable activities	4	180.5	-	<b>180.5</b>	182.8	-	<b>182.8</b>
Other trading activities	5	22.8	-	<b>22.8</b>	21.8	-	<b>21.8</b>
Investments	6	0.4	-	<b>0.4</b>	0.4	-	<b>0.4</b>
<b>Total income</b>		204.1	-	<b>204.1</b>	205.1	-	<b>205.1</b>
<b>Expenditure on:</b>							
Charitable activities	7	(191.3)	(2.0)	<b>(193.3)</b>	(186.5)	(4.5)	<b>(191.0)</b>
Other trading activities		(17.8)	-	<b>(17.8)</b>	(17.3)	-	<b>(17.3)</b>
Interest payable and similar charges		(1.0)	-	<b>(1.0)</b>	(1.0)	-	<b>(1.0)</b>
<b>Total expenditure</b>		(210.1)	(2.0)	<b>(212.1)</b>	(204.8)	(4.5)	<b>(209.3)</b>
Taxation	9	(0.1)	-	<b>(0.1)</b>	(0.2)	-	<b>(0.2)</b>
Net (loss)/gain on investments	16	(1.5)	(2.6)	<b>(4.1)</b>	1.0	-	<b>1.0</b>
<b>Net (expenditure)/income</b>		(7.6)	(4.6)	<b>(12.2)</b>	1.1	(4.5)	<b>(3.4)</b>
Net income attributable to non-controlling interest share	8	(1.7)	-	<b>(1.7)</b>	(1.7)	-	<b>(1.7)</b>
<b>Total net expenditure attributable to Charitable Group</b>		(9.3)	(4.6)	<b>(13.9)</b>	(0.6)	(4.5)	<b>(5.1)</b>
<b>Other recognised gains/(losses)</b>							
Actuarial (losses)/gains on defined benefit pension schemes	22	(0.2)	-	<b>(0.2)</b>	0.7	-	<b>0.7</b>
Cash flow hedge losses on change in value of hedging instrument	23	(0.3)	-	<b>(0.3)</b>	(0.4)	-	<b>(0.4)</b>
<b>Net movement in deficit</b>		(9.8)	(4.6)	<b>(14.4)</b>	(0.3)	(4.5)	<b>(4.8)</b>
<b>Reconciliation of funds:</b>							
Total funds brought forward				<b>230.4</b>			<b>235.2</b>
<b>Total funds carried forward</b>				<b>216.0</b>			<b>230.4</b>

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

## › Consolidated Balance Sheet As at 31 March 2020

	Note	Group Total 2020 £m	Group Total 2019 £m
<b>Fixed assets</b>			
Intangible assets	15	6.5	8.7
Tangible assets	15	229.3	238.7
Investments	16	19.1	14.5
		<b>254.9</b>	<b>261.9</b>
<b>Current assets</b>			
Stock		0.8	0.9
Debtors falling due within one year	17	16.0	13.3
Debtors falling due after one year	17	-	0.1
Cash at bank and in hand	18	5.0	8.9
		<b>21.8</b>	<b>23.2</b>
<b>Current liabilities</b>			
Creditors falling due within one year	19	(23.1)	(22.1)
		<b>(1.3)</b>	<b>1.1</b>
<b>Net current (liabilities)/assets</b>		<b>253.6</b>	<b>263.0</b>
<b>Total assets less current liabilities</b>			
Creditors falling due after one year	19	(35.0)	(29.9)
<b>Net assets excluding pension liability</b>		<b>218.6</b>	<b>233.1</b>
Defined benefit pension liability	22	(0.6)	(0.7)
<b>Net assets</b>		<b>218.0</b>	<b>232.4</b>
<b>Funds</b>			
Funds		216.6	227.5
Revaluation reserve		-	3.6
Pension reserve		(0.6)	(0.7)
<b>Total funds of the Charity</b>		<b>216.0</b>	<b>230.4</b>
Non-controlling interests		2.0	2.0
<b>Total funds</b>		<b>218.0</b>	<b>232.4</b>

The notes on pages 70 to 91 are an integral part of the financial statements.

Approved by the Board of Trustees on 25th September 2020 and signed on its behalf by:

**Dr Peter Carter**  
Chairman and Trustee

**Alexandra Owen**  
Chief Financial Officer and Trustee

Members of the Board of Directors of St Andrew's Healthcare Company number: 5176998



## › Company Balance Sheet As at 31 March 2020

		Company Total	Company Total (Restated*)
	Note	2020 £m	2019 £m
<b>Fixed assets</b>			
Intangible assets	15	6.3	8.4
Tangible assets	15	241.3	250.7
Investments	16	19.1	14.5
		<b>266.7</b>	<b>273.6</b>
<b>Current assets</b>			
Stock		0.5	0.4
Debtors falling due within one year	17	14.1	11.3
Debtors falling due after one year	17	-	0.1
Cash at bank and in hand	18	3.0	7.2
		<b>17.6</b>	<b>19.0</b>
<b>Current liabilities</b>			
Creditors falling due within one year	19	(21.0)	(19.9)
		<b>(3.4)</b>	<b>(0.9)</b>
<b>Total assets less current liabilities</b>		<b>263.3</b>	<b>272.7</b>
Creditors falling due after one year	19	(34.8)	(29.4)
<b>Net assets excluding pension liability</b>		<b>228.5</b>	<b>243.3</b>
Defined benefit pension liability	22	(0.6)	(0.7)
<b>Net assets</b>		<b>227.9</b>	<b>242.6</b>
Funds		228.5	239.7
Revaluation reserve		-	3.6
Pension reserve		(0.6)	(0.7)
<b>Total funds of the Charity</b>		<b>227.9</b>	<b>242.6</b>

The Charity has taken advantage of the exemption in section 408 of the Companies Act from disclosing its individual statement of financial activity. The Charity's net loss before other recognised gains was £14.3m (2019: net loss £5.5m).

The notes on pages 70 to 91 are an integral part of the financial statements.

Approved by the Board of Trustees on 25th September 2020 and signed on its behalf by

**Dr Peter Carter**  
Chairman and Trustee

**Alexandra Owen**  
Chief Financial Officer and Trustee

Members of the Board of Directors of St Andrew's Healthcare Company number: 5176998

\* See note 25 for further details about the restatement

## › Consolidated Cash Flow Statement For the year ended 31 March 2020

	Note	Total 2020 £m	Total 2019 £m
<b>Net cash from operating activities</b>	24	<b>5.6</b>	<b>13.9</b>
Taxation paid		(0.1)	(0.2)
<b>Net cash generated from operating activities</b>		<b>5.5</b>	<b>13.7</b>
<b>Cash flows from investing activities</b>			
Dividends, interest and rent from investments		0.4	0.4
Purchase of property, plant and equipment		(11.7)	(7.0)
Proceeds from sale of investments		2.6	1.9
Movement in cash balance held in investment portfolio		(0.2)	(0.5)
Purchase of investments		(2.7)	(1.7)
<b>Net cash used in investing activities</b>		<b>(11.6)</b>	<b>(6.9)</b>
<b>Cash flows from financing activities</b>			
Repayments of borrowing		-	(1.0)
Cash inflows from new borrowing		5.0	1.0
Interest paid		(0.9)	(0.8)
Dividends paid to non-controlling interests		(1.7)	(1.5)
Repayment of obligations under finance leases		(0.2)	(0.2)
<b>Net cash generated from/(used in) financing activities</b>		<b>2.2</b>	<b>(2.5)</b>
<b>Change in cash and cash equivalents in the reporting year</b>		<b>(3.9)</b>	<b>4.3</b>
Cash and cash equivalents at the beginning of the reporting year		8.9	4.6
<b>Cash and cash equivalents at the end of the reporting year</b>	18	<b>5.0</b>	<b>8.9</b>

## › Consolidated Statement of Changes in Funds

	Funds £m	Revaluation Reserve £m	Pension Reserve £m	Non-controlling interests £m	Group Total £m
Balance as at 1 April 2019	227.5	3.6	(0.7)	2.0	<b>232.4</b>
Total net movement in deficit in the year	(14.5)	-	0.1	-	<b>(14.4)</b>
Transfer	3.6	(3.6)	-	-	-
Profit attributable to non-controlling interests	-	-	-	1.7	<b>1.7</b>
Dividends paid to non-controlling interests	-	-	-	(1.7)	<b>(1.7)</b>
<b>Balance as at 31 March 2020</b>	<b>216.6</b>	<b>0.0</b>	<b>(0.6)</b>	<b>2.0</b>	<b>218.0</b>
Balance as at 1 April 2018	232.9	3.0	(0.7)	1.8	<b>237.0</b>
Total net movement in deficit in the year	(4.8)	-	-	-	<b>(4.8)</b>
Transfer	(0.6)	0.6	-	-	-
Profit attributable to non-controlling interests	-	-	-	1.7	<b>1.7</b>
Dividends paid to non-controlling interests	-	-	-	(1.5)	<b>(1.5)</b>
<b>Balance as at 31 March 2019</b>	<b>227.5</b>	<b>3.6</b>	<b>(0.7)</b>	<b>2.0</b>	<b>232.4</b>



# › Notes to the financial statements

## 1 General information

St Andrew's Healthcare ("the Charity") is incorporated and registered in England and Wales as a Charity and as a private company limited by guarantee. The address of its registered office is Billing Road, Northampton, Northamptonshire NN1 5DG.

The Charity has no share capital and is limited by guarantee. Each of the members has a liability to £1 should there be a deficit of assets after meeting liabilities on winding up.

## 2 Accounting policies

### Basis of preparation

The financial statements of the Group and Charity, which is a public benefit entity under FRS 102, have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), Accounting and Reporting by Charities: Statement of Recommended Practice applicable charities preparing their financial statements in accordance with FRS 102 (Charities SORP FRS 102 (2019)), the Companies Act 2006 and the Charities Act 2011.

These financial statements are prepared on a going concern basis, under historical cost convention, as modified by the recognition of certain financial assets and liabilities measured at fair value. The Directors are confident that the Charity remains a going concern. The Charity has a long term bank facility that is sufficient to meet all foreseeable requirements which is managed carefully and only drawn upon where additional funding is required for the immediate future. Please see page 59 for further details.

The Charity has taken advantage of the exemption in section 408 of the Companies Act from disclosing its individual statement of financial activities.

The Charity has taken advantage of the exemption in FRS 102 from preparing its individual statement of cash flows, on the basis that it is a qualifying entity and the consolidated statement of cash flows, included in these financial statements, includes the Charity's cash flows.

### Basis of consolidation

The Group consolidated financial statements include the financial statements of the Charity and all of its subsidiary undertakings:

- St Andrew's Healthcare, the Charity;
- St Andrew's Foundation for Mental Health, a wholly owned subsidiary of St Andrew's Healthcare (dormant since 2017);
- St Andrews Property Management Limited, a wholly owned subsidiary of St Andrew's Healthcare;
- 3SH Limited (formerly known as Three Shires Hospital Limited), a subsidiary of St Andrews Property Management Limited (dormant since 2017);
- Three Shires Hospital LLP, a subsidiary of St Andrews Property Management Limited;
- The Pavilion Clinic Limited, a subsidiary of Three Shires Hospital LLP.

All the subsidiaries of the Charity are incorporated in the United Kingdom, and have a year end of 31 March. Uniform accounting policies have been adopted across the Group. All intra-group transactions, balances, income and expenses are eliminated on consolidation. New subsidiaries included in the Group for the first time are consolidated from the date of acquisition.

### Income

Income is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Donations are recognised on receipt. Donated services from our volunteers are not included within the financial statements. Volunteers perform various roles, mainly involving therapeutic activities, patient events and befriending patients. Volunteer contribution was the equivalent of 10 full-time staff (2019: 8).

Income from charitable activities largely consists of fees for the provision of services and facilities to our service users. This is recognised when the service has been provided, the Charity has entitlement to the funds, the receipt is probable and the amount can be measured reliably.

Income from other trading activities consists of income generated by subsidiary undertakings through provision of goods and services and income generated by the Charity in respect of its garden centre and coffee shop. This income is recognised to the extent that the service has been provided, or the significant risks and rewards of ownership have transferred to the buyer in the case of goods, receipt is probable and the income can be reliably measured.

Investment income in relation to dividends and interest is recognised when receivable.

### Expenditure

Expenditure is accounted for on an accruals basis and is classified under headings that aggregate costs related to that category. Liabilities are recognised when an obligation exists, it is probable that settlement will be required, and the amount can be measured or estimated reliably.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred, or capitalised as part of the cost of the related asset, where appropriate.

### Non-underlying items

In order to illustrate the underlying performance of the Group, presentation has been made of performance measures excluding those items which it is considered would distort the comparability of the Group's results. These non-underlying items are defined as those items that, by virtue of their nature, size or expected frequency, warrant separate additional disclosure in the financial statements in order to fully understand the underlying performance of the Group.

### Employee benefits

The Group provides a range of benefits to employees, including annual bonus arrangements, paid holiday arrangements and pension plans.

- Short term benefits, including holiday pay and other similar non-monetary benefits, are recognised as an expense in the year in which the service is received.
- The Group operates a number of annual bonus plans for employees. An expense is recognised when the Group has a legal or constructive obligation to make payments under the plans as a result of past events, and a reliable estimate of the obligation can be made.

iii. The Group has two types of pension schemes, defined contribution and defined benefit. The assets of these are held separately from each other and those of the Group in independently administered funds.

a. A defined contribution plan is a pension plan under which contributions are paid into a separate entity. Once the contributions have been paid the Group has no further payment obligations. The contributions are recognised as an expense when they are due. Amounts not paid are shown in accruals in the balance sheet.

b. A defined benefit plan defines the pension benefit that the employee will receive on retirement, dependent upon several factors. The defined benefit scheme was closed to new entrants from 1 April 2003 and closed to future accrual from 31 March 2012. The fair values of plan assets and liabilities are measured in accordance with FRS 102 by independent actuaries. Any surplus of assets over liabilities is not recognised as the Charity is not entitled to a refund of any of the surplus. The cost of the plans recognised in the Statement of Financial Activity comprises:

- The cost of benefit changes, curtailments and settlements
- Net interest cost
- Administrative costs
- Re-measurements

### Investments

Investments are stated at market value at the balance sheet date (investment properties are re-valued by a chartered surveyor or the Directors annually). Net investment gains and losses arising from revaluation and disposals during the year are shown as "net gains/(losses) on investment" within the consolidated statement of financial activities.

Investments in subsidiary companies are held at cost.

### Stock

Stock is included at the lower of cost and net realisable value. Cost is based on the cost of purchase on a first in, first out basis.

### Service users' funds

The Charity holds cash in current accounts on behalf of service users. The asset (being the amount held at the bank) is shown within other debtors and the liability (being the offsetting amount payable to service users) is shown within other creditors.

### Cash at bank and in hand

Cash at bank and in hand includes cash and any short term highly liquid investments which are not volatile in value and have a short maturity of three months or less from the date of acquisition or deposit.



## Financial instruments

### i. Financial Assets

The Group has chosen to adopt Sections 11 and 12 of FRS 102 in respect of financial instruments.

Basic financial assets include trade and other receivables and cash and bank balances, are initially recognised at fair value, being the transaction price. Such assets are subsequently carried at amortised cost using the effective interest method.

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in the Consolidated Statement of Financial Activities.

Basic financial assets are recognised at cost (being transaction price) and subsequently measured at amortised cost using the effective interest rate method. For trade and other receivables, cash and bank balances, their settlement value (net of any discount offered or provision for doubtful debt) is used to determine fair value. For investments in equity instruments which are not subsidiaries, market value is used to determine fair value. Any changes in fair value are recognised in the consolidated statement of financial activities.

Derivatives, including interest rate swaps, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in net income in finance costs or finance income as appropriate unless they are included in a hedging arrangement. The classification of the entire fair value of the derivative as non-current or current is dependant on the expiry date of the hedge relationship.

### ii. Financial Liabilities

Basic financial liabilities, including trade and other payables and bank loans, are initially recognised at transaction price. Bank loans are subsequently carried at amortised cost, using effective interest rate method. They are then subsequently carried at amortised cost, calculated using the effective interest rate method.

### Hedging arrangements

The Charity applies hedge accounting for transactions entered into to manage the cash flow exposures of borrowings. Interest rate swaps are held to manage the interest rate exposures and are designated as cash flow hedges of floating rate borrowings.

Changes in the fair value of derivatives designated as cash flow hedges, and which are effective, are recognised directly in equity. Any ineffectiveness in the hedging relationship (being the excess of the cumulative change in fair value of the hedging instrument since inception of the hedge over the cumulative change in the fair value of the hedged item since inception of the hedge) is recognised in the consolidated statement of financial activities.

The gain or loss recognised in other recognised gains/losses is reclassified to the net income when the hedged cash flows impact the consolidated statement of financial activities. Hedge accounting is discontinued when the hedging instrument expires, no longer meets the hedging criteria, the hedged debt instrument is derecognised or the hedging instrument is terminated.

### Fixed assets

Items classified as fixed assets are those which cost more than £5,000 per item or group of items and provide an on-going economic benefit (by generating income or contributing to the Charity's objectives) for more than one year. Cost includes the purchase price of the asset, expenses attributable to bringing the asset to working condition, and any capitalised borrowing costs.

### Tangible fixed assets

Tangible fixed assets are measured at cost less accumulated depreciation and any recognised provision for impairment. Depreciation is calculated to write down the cost of assets to their residual values, over their expected useful lives, on a straight-line method, on the following bases:

**New buildings:** 50 years

**New building fit-out:** 3 years

**Building extensions:** 25 years

**Building refurbishments:** 10 or 15 years (major refurbishments)

**Fixtures, fittings, machinery and equipment:** 3 to 5 years (or the lease term if shorter)

**Motor vehicles:** 5 years (or the lease term if shorter)

Land and assets in the course of construction are not depreciated.

The assets' residual values and useful lives are reviewed, and adjusted, if appropriate, at the end of each reporting year. The effect of any change is accounted for prospectively.

### Intangible fixed assets

i. Software is measured at cost less accumulated depreciation and any recognised provision for impairment. Software is depreciated in equal instalments over its estimated useful economic life (3 to 5 years). Software assets in the course of construction are not depreciated.

ii. Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, Goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight-line basis over its useful economic life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

The assets' residual values and useful lives are reviewed, and adjusted, if appropriate, at the end of each reporting year. The effect of any change is accounted for prospectively.

### Funds

Unrestricted funds are available to spend as the Trustees see fit, in accordance with the objectives of the Charity.

Restricted funds are donations which the donor has specified are to be solely used for particular areas of the Charity's work.

## 3 Key accounting estimates and judgements

In the application of the 'Company's and Group's' accounting policies, which are described in note 2, management is required to make judgements, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that year, or in the year of the revision and future years if the revision affects both current and future years.

### a. Critical judgements in applying the Group's accounting policies

#### Control of Three Shires Hospital LLP

Assessing whether the Group controls Three Shires Hospital LLP requires judgement. St Andrews Property Management Limited holds 50% of the issued share capital of the partnership and the Group has a controlling interest in this company through the provisions of a LLP members' agreement giving the Group the power to appoint the Chairman and under certain circumstances, exercise a casting vote. The Group considers that this demonstrates control of Three Shires Hospital LLP.

### Key management personnel

The key management personnel are considered to be the people who have authority and responsibility for planning, directing and controlling the activities of the Charity. In the Charity's judgement these are defined as those Directors, Executive Trustee Directors, Non-Executive Trustee Directors and the Company Secretary who attend or sit at Charity Board Meetings.

### Defined benefit pension scheme

Any surplus of assets over liabilities is not recognised on the balance sheet because, in the judgement of the Charity, there is no expectation of future economic benefit from it, given no agreement is in place with the pension Trustees that provides for this surplus to be returned to the Group or for reduced contributions to be made.

## b. Key accounting estimates and assumptions

### Depreciation

When calculating depreciation, residual value of all fixed assets (with the exception of land) is assumed to be zero, as it is expected that, given the purpose built nature of the significant assets and the frequently changing environment of regulations for the built environment, at the end of the expected useful life the buildings would not have any further value. This is reviewed and adjusted annually if appropriate.

### Defined benefit pension scheme

The value of the assets and liabilities of this scheme is estimated by independent qualified actuaries. The cost of these benefits and the present value of the obligation depend on a number of factors, including; life expectancy, inflation, asset valuations and the discount rate. The assumptions reflect historical experience and current trends.





4 Income from charitable activities

Relates entirely to providing care for service users.

5 Income from other trading activities

	2020	2019
	£m	£m
Three Shires Hospital LLP - healthcare activities	19.6	18.8
The Pavilion Clinic - healthcare activities	2.6	2.5
Other - healthcare related services	0.4	0.4
Rental income	0.2	0.1
	22.8	21.8

6 Investment income

	2020	2019
	£m	£m
Dividends	0.3	0.3
Interest	0.1	0.1
	0.4	0.4

7 Expenditure on charitable activities

	2020	2019
	£m	£m
<b>Staff costs</b>		
Wages and salaries	134.2	127.7
Social security costs	11.2	10.5
Other pension costs	4.5	4.9
Training	1.0	1.1
Other	0.5	0.9
<b>Facilities and residents' amenities</b>	13.2	13.4
<b>Administration</b>	12.7	13.7
<b>Advertising</b>	0.1	0.1
<b>Depreciation, amortisation and impairment</b>	15.4	18.4
<b>Operating lease costs – plant and machinery</b>	0.1	0.1
<b>External governance costs</b>		
External statutory audit	0.1	0.1
External legal advice	0.3	0.1
<b>Total for the Group</b>	<b>193.3</b>	<b>191.0</b>

Staff costs include: £0.9m (2019: £1.8m) in relation to redundancy and termination payments where individuals were notified during the financial year. £nil is accrued at year end (2019: £0.3m). Also included within expenditure on other trading activities are staff costs of £6.6m (2019: £6.5m). Group wages and salaries were £140.2m (2019: £133.6m), group social security costs were £11.6m (2019: £10.9m) and group pension costs were £4.7m (2019: £5.1m). Company wages and salaries were £134.5m (2019: £127.9m), company social security costs were £11.2m (2019: £10.5m) and company pension costs were £4.5m (2019: £4.9m). Included within the above is a total of £2.0m non-underlying costs (2019: £4.5m) which is made up of the following expenditure:

1) During the year the Charity agreed a three year 'Health and Safety Action Plan' (HSAP) further to guidance from the Health and Safety Executive (HSE) to ensure the Charity's estate complies with statutory Health and Safety requirements. This HSAP has been put in place to address shortfalls in Compliance, Training and Management Systems. During the year £1.4m was expended in the execution of the HSAP which represents a specific project cost on the basis it is bringing the Charity's systems, processes and assurance to a standard appropriate to the ongoing management of Health and Safety and once complete will become embedded as the usual course of business.

2) During the year the Charity incurred £0.4m non-recurring costs in relation to re-allocation of our property resources. These costs were incurred in order to achieve better outcomes for our patients and to utilise assets owned by the Charity to maximise the benefit that the Charity receives from these assets. This includes costs incurred of £0.3m in relation to the movement of all central functions out of Cliftonville House which was then rented to a third party securing future income to benefit the Charity.

3) During the year the Charity engaged a third party to undertake an external review of the Child and Adolescent Mental Health Service (CAMHS) that the Charity provides after a CQC inspection which resulted in an inadequate rating. The cost of this review was £0.2m and its purpose was to provide recommendations on how the Charity could improve its services and ensure patients receive care which is of the highest standards.

4) In the prior year £2.8m related to the final costs associated with the Transformation Programme aimed at re-organising the Charity to align all its resources with getting better outcomes for the patients.

5) Also during the prior year the Charity took the decision to refurbish one of its existing buildings on the Northampton site to create a specialist dementia facility for up to 40 current patients. The building which housed the Children's and Adolescents service up until the opening of the Fitzroy building in 2017 was held on the balance sheet at a carrying value at February 2019 of £8.0m. Of this amount £6.3m related to the building and £1.7m to the internal fabric which, as part of this refurbishment, was to be removed and therefore was written off in the prior financial year. The refurbishment will be completed during the 2020/21 financial year with the opening of the new specialist dementia unit during 2020.

The external statutory audit fee is for both the Group and the Company.

8 Non-controlling interest share

	2020	2019
	£m	£m
Non-controlling interest in Three Shires Hospital LLP	1.4	1.3
Non-controlling interest in The Pavilion Clinic Limited	0.3	0.4
	1.7	1.7

9 Taxation

The Charity is exempt from taxation in respect of income and capital gains received within categories covered under Part 11 Chapter 3 Corporation Tax Act 2010 or section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that such income or gains are applied to exclusively charitable purposes.

The Charity's subsidiaries are subject to corporation tax and deferred tax in the same way as commercial organisations. The taxation charge of £0.1m (2019: £0.2m) represents the tax suffered by subsidiary companies.

The tax charge on the profit on ordinary activities of the subsidiaries was:

	2020	2019
	£m	£m
<b>Current tax:</b>		
UK corporation tax	0.1	0.1
Adjustments in respect of prior year	-	0.1
Total current tax	0.1	0.2
<b>Tax on profit on ordinary activities of subsidiaries</b>	<b>0.1</b>	<b>0.2</b>

Factors affecting tax charge

The tax assessed for the year is the same as (2019: higher than) the standard rate of corporation tax in the UK of 19% (2019: 19%). The differences are explained below:

	2020	2019
	£m	£m
<b>Profit on ordinary activities of subsidiaries before tax</b>	<b>3.5</b>	3.4
Less profit not subject to corporation tax	(3.1)	(2.9)
<b>Profits subject to corporation tax</b>	<b>0.4</b>	0.5
Profit on ordinary activities multiplied by standard rate of UK corporation tax of 19% (2019: 19%)	0.1	0.1
<b>Effects of:</b>		
Adjustments to tax in respect of prior years	-	0.1
Losses arising in the year not relievable against current tax	-	-
<b>Total tax charge for the year</b>	<b>0.1</b>	<b>0.2</b>



10 Staff numbers

The average monthly numbers of employees (including Executive Directors) were:

	Consolidated Group		Charitable Company	
	2020	2019	2020	2019
	FTE	FTE	FTE	FTE
Care for service users	4,043	3,981	4,043	3,981
Other healthcare related services	232	232	55	51
	4,275	4,213	4,098	4,032

11 Emoluments analysis

The number of employees whose total employee benefits excluding pension contributions for the year fell in each band of £10,000 from £60,000 upwards is as follows:

	2020	2019
	Number	Number
£60,000 to £70,000	60	44
£70,001 to £80,000	38	34
£80,001 to £90,000	11	9
£90,001 to £100,000	8	17
£100,001 to £110,000	11	11
£110,001 to £120,000	10	9
£120,001 to £130,000	7	11
£130,001 to £140,000	10	6
£140,001 to £150,000	4	8
£150,001 to £160,000	7	2
£160,001 to £170,000	4	7
£170,001 to £180,000	2	2
£180,001 to £190,000	6	1
£190,001 to £200,000	3	1
£210,001 to £220,000	1	1
£220,001 to £230,000	1	2
£230,001 to £240,000	-	1
£330,001 to £340,000	2	-
	185	166

12 The cost of key management personnel

During the current year P Carter and M Harris were the only Non-Executive Trustee Directors to receive remuneration and in the prior year the only Non-Executive Trustee Director to receive remuneration was M Harris as below. No other Non-Executive received any remuneration in their role as Non-Executive Trustee Directors, or any reimbursed expenses from the Charity. The legal authority under which payments are made to both Non-Executive and Executive Trustee Directors are provded in the governing documents of the Charity.

The Board has recognised the need to attract and retain able executives to manage the day to day affairs of the Group. The pay of senior executives is determined by the Remuneration Committee, which benchmarks these remuneration packages with those paid by the NHS and peers within the Charity, as well as the broader independent sector with whom it competes and similar sized commercial organisations from which it recruits.

		Salaries / fees	Pension <sup>1</sup>	Other Benefits	Total <sup>2</sup>	Expenses <sup>3</sup>
		£'000	£'000	£'000	£'000	£'000
2020						
P Winslow	Chairman (Resigned 25.07.19)	-	-	-	-	-
P Carter	Chairman (Appointed 25.07.19)	34	-	-	34	2
S Richmond-Watson		-	-	-	-	-
F Jackson		-	-	-	-	-
J Forman Hardy		-	-	-	-	-
M Harris	(Resigned 30.04.20)	21	-	-	21	1
P Parsons		-	-	-	-	-
Non-Executive Director Total		55	-	-	55	3
K Fisher	Chief Executive Officer	303	-	32	335	1
A Owen	Chief Finance Officer (appointed 01.04.19)	178	7	9	194	1
M Kersey	Executive HR Director	181	15	17	213	1
S Kamath	Executive Medical Director	218	6	11	235	1
L Cairns	Chief Nurse (Appointed 01.06.19)	133	8	7	148	-
Key management personnel who are not Trustees <sup>4</sup>		547	22	27	596	2
Executive Director Total		1,560	58	103	1,721	6
C Carless	General Counsel and Company Secretary (resigned 31.03.20)	173	-	38	211	-
Total		1,788	58	141	1,987	9
2019						
P Winslow <sup>5</sup>		-	-	-	-	-
S Richmond-Watson		-	-	-	-	-
F Jackson		-	-	-	-	-
J Forman Hardy		-	-	-	-	-
M Harris		21	-	-	21	2
P Parsons		-	-	-	-	-
Non-Executive Director Total		21	-	-	21	2
K Fisher	Chief Executive Officer (appointed 25.06.18)	212	4	7	223	1
M Beer	Chief Finance Officer (resigned 29.03.19)	206	25	8	239	-
A Parshall	Chief Medical Officer (resigned 20.04.18) <sup>6</sup>	106	13	5	124	-
M Kersey	Executive HR Director	154	-	8	162	1
D Howells	Executive Director of Nursing & Operations (resigned 31.01.19) <sup>7</sup>	215	-	11	226	-
S Kamath	Executive Medical Director (appointed 01.05.18)	166	-	8	174	1
Key management personnel who are not Trustees <sup>8</sup>		138	-	9	147	1
Executive Director Total		1,197	42	56	1,295	4
C Carless	General Counsel and Company Secretary	154	19	25	198	1
Total		1,372	61	81	1,514	7

Subnotes

- 1 Relates to contributions made to the defined contribution scheme.
- 2 During 2017/18 and 2018/19 the Charity took steps to close the bonus scheme for all employees including Executives and senior employees. As part of this closure there was a buyout element that commenced in 2019/20 which explains a change in total remuneration for some of the senior executives.
- 3 Expenses relate to travel and subsistence.
- 4 J Clarke, Director of IT (in post for entire year), L Cairns, Acting Director of Nursing (in post until 01.06.19 when appointed as Executive Director as above), A Clegg, Acting Director of Operations (in post for entire year), J Lievesley (in post from 01.04.19).

- 5 Between January and June 2018 P Winslow acted as Executive Chairman then reverted to a Non-Executive capacity following the appointment of a new Chief Executive Officer in June 2018.
- 6 A Parshall resigned from her role of Trustee and Chief Medical Officer on 20 April 2018. Her remuneration reflects payments in lieu of notice up to the end of her 6 month notice period.
- 7 D Howells resigned from his role of Trustee and Executive Director of Nursing & Operations on 31 January 2019. His remuneration reflects payments in lieu of notice up to the end of his 6 month notice period.
- 8 A Owen, Director of Finance (in post from 03.09.18), J Clarke, Director of IT (in post from 04.03.19), L Cairns, Acting Director of Nursing (in post from 01.01.19), A Clegg, Acting Director of Operations (in post from 01.01.19).



13 Related party transactions

Consolidated Group

The Group has not entered into any transactions with Trustee Directors or the Company Secretary during the year except for the transactions disclosed in note 12 (2019: nil).

Entity with significant influence over Three Shires Hospital LLP

Trading and balances between the LLP and an entity with significant influence over it was as per below:

	2020	2019
	£m	£m
Charges to the LLP from the entity with significant influence		
Management charges	1.4	1.4
Purchased goods and other recharges	0.7	0.7
Amounts owed to the LLP from the entity with significant influence	0.8	0.4

In 2019 and 2020 there is no fixed date for repayment and no interest is charged on the amounts owed.

Entity with significant influence over The Pavilion Clinic Limited

Trading and balances between the The Pavilion Clinic Limited and an entity with significant influence over it was as per below:

	2020	2019
	£m	£m
Charges to the company from the entity with significant influence for recharges	0.2	0.2

In 2019 and 2020 there are no amounts outstanding at the year end between The Pavilion Clinic Limited and the entity with significant influence over it.

Charitable Company

St Andrews Property Management Limited and St Andrew's Healthcare

St Andrews Property Management Limited manages construction projects and certain non-core facilities for the Group which are charged onto the Charity. Each year any surplus that the company makes is donated to the Charity.

Some of the Trustee Directors of St Andrew's Healthcare are also Board Directors of St Andrews Property Management Limited.

Trading with St Andrews Property Management Limited during the year was as follows:

	2020	2019
	£m	£m
Donation paid by St Andrews Property Management Limited to the Charity	1.4	1.1
Amounts owed to the Charity by the Company	(0.2)	-
Amounts owed by the Charity to the Company	-	0.3

There is no fixed date for repayment and no interest is charged on the amounts owed.

Three Shires Hospital LLP and St Andrew's Healthcare

Three Shires Hospital LLP leases the Three Shires Hospital buildings from St Andrew's Healthcare.

Some of the Trustee Directors of St Andrew's Healthcare are also Partnership Board Directors of Three Shires Hospital LLP.

Trading with Three Shires Hospital LLP during the year was as follows:

	2020	2019
	£m	£m
Sales (rental income)	1.4	1.3

In 2019 and 2020 there are no amounts outstanding at the year end between the Charity and Three Shires Hospital LLP.

14 Subsidiary undertakings

All subsidiary undertakings are registered in England and Wales.

St Andrews Property Management Limited manages construction projects and certain non-core facilities for the Group. The Charity owns 100% of the two £1 ordinary shares of the company. Each year any surplus that the company makes is donated to the Charity.

The Charity is an ultimate shareholder of Three Shires Hospital LLP. St Andrews Property Management Limited owns 250,000 £1 shares amounting to 50% of the issued share capital of the partnership with the remaining share capital being held by BMI Healthcare Limited. The Group has a controlling interest in this company through the provisions of the LLP members' agreement giving the Group the power to appoint the Chairman and, under certain circumstances, exercise a casting vote. Three Shires Hospital LLP operates an acute medical surgical hospital situated in the grounds of St Andrew's Healthcare in Northampton (previously operated by 3SH Ltd).

Three Shires Hospital LLP has the controlling interest and holds 51% of the issued ordinary share capital (the remainder is held by Global Diagnostics Limited) of The Pavilion Clinic Limited, which provides a diagnostic centre of excellence in a dedicated environment, with consulting and physiotherapy services provided by Three Shires Hospital. The Pavilion Clinic Limited trades as Imaging @ Three Shires.

St Andrews Property Management Limited owns 50% of the share capital of 3SH Ltd, a dormant company (with 50 % being held by BMI Healthcare Limited). Net assets are £2. The registered office of the company is the same as Three Shires Hospital LLP as per below. The company is exempt from preparing or filing individual accounts under CA 2006, s. 394A.

The Charity owns 100% of St Andrew's Foundation for Mental Health, a dormant company. Net assets are £2. The registered office of the company is the same as the St Andrews Property Management Limited as per below and the company number is 10938734. The company is exempt from preparing or filing individual accounts under CA 2006, s. 394A.

The financial performance for the subsidiary undertakings, prior to the elimination of intercompany balances and transactions, included within the consolidated financial statements is as follows:

	St Andrews Property Management Limited		Three Shires Hospital LLP		The Pavilion Clinic Limited	
Company number	2798380		OC398963		6061941	
Registered office	Billing Road Northampton Northamptonshire NN1 5DG		1st Floor 30 Cannon Street London EC4M 6XH		1st Floor 30 Cannon Street London EC4M 6XH	
	2020	2019	2020	2019	2020	2019
	£m	£m	£m	£m	£m	£m
Income	1.5	1.3	20.3	19.4	2.6	2.5
Expenditure	(1.5)	(1.3)	(17.2)	(16.5)	(2.1)	(1.9)
Tax	-	(0.1)	-	-	(0.1)	(0.1)
Net (loss)/income	-	(0.1)	3.1	2.9	0.4	0.5
Fixed assets	1.5	1.5	1.2	1.5	0.6	0.9
Current assets	0.1	0.3	4.0	4.1	0.4	0.5
Liabilities due within one year	(0.2)	(0.4)	(1.6)	(2.2)	(0.4)	(0.5)
Liabilities due after one year	-	-	-	-	(0.3)	(0.5)
Net assets	1.4	1.4	3.6	3.4	0.3	0.4



## 15 Tangible and Intangible Assets

Consolidated Group	Freehold land and buildings	Assets under construction	Fixtures, fittings, machinery & equipment	Motor vehicles	Total tangible assets	Software	Software Assets under construction	Goodwill	Total intangible assets
	£m	£m	£m	£m	£m	£m	£m	£m	£m
<b>Cost</b>									
At 1 April 2019	300.1	0.6	24.4	0.7	<b>325.8</b>	15.5	0.5	1.8	<b>17.8</b>
Additions	1.9	7.4	2.2	-	<b>11.5</b>	1.2	0.1	-	<b>1.3</b>
Disposals	(0.2)	-	(5.6)	-	<b>(5.8)</b>	(0.9)	-	-	<b>(0.9)</b>
Transfer to investments	(11.6)	-	-	-	<b>(11.6)</b>	-	-	-	-
Reclassification	0.3	(0.4)	0.1	-	-	0.5	(0.5)	-	-
At 31 March 2020	290.5	7.6	21.1	0.7	<b>319.9</b>	16.3	0.1	1.8	<b>18.2</b>
<b>Accumulated depreciation/ amortisation</b>									
At 1 April 2019	71.8	-	14.7	0.6	<b>87.1</b>	8.0	-	1.1	<b>9.1</b>
Charge for the year	8.4	-	3.9	0.1	<b>12.4</b>	3.4	-	0.1	<b>3.5</b>
Disposals	(0.2)	-	(5.6)	-	<b>(5.8)</b>	(0.9)	-	-	<b>(0.9)</b>
Transfer to investments	(3.2)	-	-	-	<b>(3.2)</b>	-	-	-	-
Impairments	-	-	0.1	-	<b>0.1</b>	-	-	-	-
At 31 March 2020	76.8	-	13.1	0.7	<b>90.6</b>	10.5	-	1.2	<b>11.7</b>
<b>Net book value</b>									
<b>At 31 March 2020</b>	<b>213.7</b>	<b>7.6</b>	<b>8.0</b>	<b>-</b>	<b>229.3</b>	<b>5.8</b>	<b>0.1</b>	<b>0.6</b>	<b>6.5</b>
At 31 March 2019	228.3	0.6	9.7	0.1	<b>238.7</b>	7.5	0.5	0.7	<b>8.7</b>

The net book value of tangible fixed assets includes £0.4m (2019: £0.6m) in respect of assets held under hire purchase agreements. The transfer to investments relates to the conversion of Cliftonville House, which is land and property owned by the Charity, from a fixed asset utilised and occupied by the Charity to an investment property rented out to a third party. The date of the transfer of the building from tangible fixed assets to investments was 03/10/2019 which was the date of commencement of the lease term of the rental agreement. See note 16, Investments, for further details.

Included in the net book value of freehold land and buildings for both the Group and the Charity is £23.7m (2019: £23.4m) relating to freehold land owned by the Charity.

Also included are restricted fixed assets, see note 21.

Charitable Company	Freehold land and buildings	Assets under construction	Fixtures, fittings, machinery & equipment	Motor vehicles	Total tangible assets	Software	Software Assets under construction	Goodwill	Total intangible assets
	£m	£m	£m	£m	£m	£m	£m	£m	£m
<b>Cost</b>									
At 1 April 2019 (Restated*)	315.1	0.6	18.1	0.7	<b>334.5</b>	15.5	0.5	0.4	<b>16.4</b>
Additions	2.0	7.4	2.0	-	<b>11.4</b>	1.2	0.1	-	<b>1.3</b>
Disposals	(0.2)	-	(5.1)	-	<b>(5.3)</b>	(0.9)	-	-	<b>(0.9)</b>
Transfer to investments	(11.6)	-	-	-	<b>(11.6)</b>	-	-	-	-
Reclassification	0.3	(0.4)	0.1	-	-	0.5	(0.5)	-	-
At 31 March 2020	305.6	7.6	15.1	0.7	<b>329.0</b>	16.3	0.1	0.4	<b>16.8</b>
<b>Accumulated depreciation/ amortisation</b>									
At 1 April 2019 (Restated*)	73.1	-	10.1	0.6	<b>83.8</b>	8.0	-	-	<b>8.0</b>
Charge for the year	8.8	-	3.4	0.1	<b>12.3</b>	3.4	-	-	<b>3.4</b>
Disposals	(0.2)	-	(5.1)	-	<b>(5.3)</b>	(0.9)	-	-	<b>(0.9)</b>
Transfer to investments	(3.2)	-	-	-	<b>(3.2)</b>	-	-	-	-
Impairments	-	-	0.1	-	<b>0.1</b>	-	-	-	-
At 31 March 2020	78.5	-	8.5	0.7	<b>87.7</b>	10.5	-	-	<b>10.5</b>
<b>Net book value</b>									
<b>At 31 March 2020</b>	<b>227.1</b>	<b>7.6</b>	<b>6.6</b>	<b>-</b>	<b>241.3</b>	<b>5.8</b>	<b>0.1</b>	<b>0.4</b>	<b>6.3</b>
At 31 March 2019	242.0	0.6	8.0	0.1	<b>250.7</b>	7.5	0.5	0.4	<b>8.4</b>

\* See note 25 for further details about the restatement.

## 16 Investments

Consolidated Group and Charitable Company	As at 31 March 2019 Restated*		Purchases	Sales	Cash	Transfer from	As at 31 March 2020	
	Cost	Market value	Cost	Cost	Movement	Tangible Fixed Assets	Cost	Market value
	£m	£m	£m	£m	£m	£m	£m	£m
Stock market investments	10.9	13.8	2.7	(2.5)	0.2	-	11.3	12.6
Cliftonville House investment Property	-	-	-	-	-	8.4	8.4	5.8
Well Vale Estates investment property	-	0.7	-	-	-	-	-	0.7
<b>Total investment assets</b>	<b>10.9</b>	<b>14.5</b>	<b>2.7</b>	<b>(2.5)</b>	<b>0.2</b>	<b>8.4</b>	<b>19.7</b>	<b>19.1</b>
(Deficit) / Surplus of market value (under) / over cost		3.6						(0.6)
Less: prior year surplus excluding amounts realised		(2.7)						(3.1)
Unrealised gain/(loss) on revaluation of investments in year		0.9						(3.7)
Realised (loss)/gain on disposal of investments in year		0.1						(0.4)
<b>Net (loss)/gain</b>		<b>1.0</b>						<b>(4.1)</b>

All investment assets are held primarily to provide an investment return for the Group. The stock market investments are listed securities on recognised stock exchanges and comprise 67% UK securities with a market value of £8.5m (2019: 65%, £9.0m) and 33% non-UK securities with a market value of £4.1m (2019: 35%, £4.8m). The Well Vale Estates comprise farming lands of approximately 40.45 acres (2019: 40.45 acres).

The transfer from tangible fixed assets relates to the conversion of Cliftonville House, which is land and property owned by the Charity, from a fixed asset utilised and occupied by the Charity to an investment property rented out to a third party. The date of the transfer of the building from tangible fixed assets to investments was 03/10/2019 which was the date of commencement of the lease term of the rental agreement. The cost of the investment property represents the net book value of the tangible fixed asset at the date of transfer. The rental of the property to a third party was undertaken in order to achieve better outcomes for our patients by utilising assets owned by the Charity to maximise the benefit that the Charity receives from these assets by securing future income from the rental agreement. The initial difference between the net book value and market value of £2.6m has been disclosed as a non-underlying cost in the net loss on investments for the year in the Consolidated Statement of Financial Activities.

As a result of the difference between cost and valuation on investments, there is a revaluation reserve of £nil (2019: £3.6m) held within unrestricted funds on both the Consolidated Group balance sheet and the Charitable Company balance sheet. Stock market investments are valued using the latest available mid-market prices at the valuation date. Investment properties are valued by specialist independent valuers. Well Vale Estates were valued by Berry's Chartered Surveyors and Valuers regulated by RICS in 2020 and was valued using market value of the land. Cliftonville House was valued by Avison Young (UK) Limited regulated by RICS in 2020 and was valued using combination of the future rental income until 2030 and the potential market value of the development of the site in 2030 on expiry of a restrictive covenant which only allows redevelopment of the site for specific uses. There are no contractual obligations for the purchase, construction or development of investment properties held by the Group or for repairs, maintenance or enhancements in relation to these investment properties.

\* the Charitable Company balance at 31 March 2019 has been restated. Please see note 25 for further details.



## 17 Debtors

	Consolidated Group		Charitable Company	
	2020	2019	2020	2019
	£m	£m	£m	£m
Trade debtors	8.8	6.9	7.6	5.5
Amounts owed by related undertakings	0.8	0.6	0.2	-
Prepayments and accrued income	3.3	2.3	3.2	2.3
Other debtors	3.1	3.5	3.1	3.5
<b>Amounts falling due within one year</b>	<b>16.0</b>	<b>13.3</b>	<b>14.1</b>	<b>11.3</b>
Derivative financial instrument	-	0.1	-	0.1
<b>Amounts falling due after more than one year</b>	<b>-</b>	<b>0.1</b>	<b>-</b>	<b>0.1</b>

Included within other debtors is cash held at bank by St Andrew's Healthcare on behalf of service users' of £3.0m (2019: £3.1m). There is an offsetting liability within other creditors.

Amounts owed by related undertakings are unsecured, interest free and have no fixed date of repayment.

## 18 Cash at bank and in hand

Included within cash are balances in current accounts and instant access interest bearing accounts.

## 19 Creditors

	Consolidated Group		Charitable Company	
	2020	2019	2020	2019
	£m	£m	£m	£m
Bank loans	-	-	-	-
Trade creditors	(5.3)	(5.0)	(4.0)	(3.3)
Amounts owed to group undertakings	-	-	-	(0.3)
Other creditors	(3.9)	(4.1)	(3.9)	(3.9)
Obligations under finance lease and hire purchase contracts	(0.2)	(0.2)	-	-
Taxation and social security	(3.3)	(3.0)	(3.1)	(2.9)
Accruals	(8.9)	(9.2)	(8.5)	(8.9)
Deferred Income	(1.5)	(0.6)	(1.5)	(0.6)
<b>Creditors falling due within one year</b>	<b>(23.1)</b>	<b>(22.1)</b>	<b>(21.0)</b>	<b>(19.9)</b>
Bank loans (falling due between 1 and 5 years)	(34.6)	(29.5)	(34.6)	(29.4)
Obligations under finance lease and hire purchase contracts	(0.2)	(0.4)	-	-
Derivative financial instrument	(0.2)	-	(0.2)	-
<b>Creditors falling due after one year</b>	<b>(35.0)</b>	<b>(29.9)</b>	<b>(34.8)</b>	<b>(29.4)</b>

Included within other creditors are balances in respect of service users' monies of £3.0m (2019: £3.1m).

The Charity has a £50.0m (2019: £75.0m) revolving credit facility with Barclays and HSBC. This not only provides for current working capital needs but also enables the Board to fulfil its strategic ambitions. At the year end £34.6m (2019: £29.5m) was drawn down in relation to this facility. The Charity opted to reduce the facility during the year in order to more closely align the facility with the estimated funds required. The facility is secured on a proportion of the Charity's land and building portfolio (William Wake House, FitzRoy House, Birmingham, Nottinghamshire, Essex, Cliftonville House and the Braye Centre). The interest on this facility is charged at LIBOR plus a margin which at the year end was 1.1% however this margin can fluctuate based on the Charity's net leverage. The facility is due for repayment in May 2022. A commitment fee of 0.4% was applicable at year end and is charged on the undrawn amount.

## 20 Commitments

At the year end, the Company had future minimum lease payments under non-cancellable operating leases for assets as follows:

	Consolidated Group		Charitable Company	
	2020	2019	2020	2019
	£m	£m	£m	£m
<b>Falling due:</b>				
Within one year	0.1	0.1	0.1	0.1
Between one and five years	-	0.1	-	0.1
Later than five years	-	-	-	-
	<b>0.1</b>	<b>0.2</b>	<b>0.1</b>	<b>0.2</b>

Contractual commitments in relation to the acquisition of tangible and intangible fixed assets for the group are £4.5m at year end (2019: £1.7m). Contractual commitments in relation to the acquisition of tangible and intangible fixed assets for the Charity are £4.2m at year end (2019: £1.7m).



## 21 Funds of the Charity

### Consolidated Statement of Financial Activities by Fund Type For the year ended 31 March 2020

	Restricted Funds	Unrestricted Funds	Group Total	Restricted Funds	Unrestricted Funds	Group Total
			2020			2019
	£m	£m	£m	£m	£m	£m
<b>Income from:</b>						
Donations	-	0.4	<b>0.4</b>	-	0.1	<b>0.1</b>
Charitable activities	-	180.5	<b>180.5</b>	-	182.8	<b>182.8</b>
Other trading activities	-	22.8	<b>22.8</b>	-	21.8	<b>21.8</b>
Investments	-	0.4	<b>0.4</b>	-	0.4	<b>0.4</b>
<b>Total income</b>	-	204.1	<b>204.1</b>	-	205.1	<b>205.1</b>
<b>Expenditure on:</b>						
Charitable activities	-	(193.3)	<b>(193.3)</b>	(0.1)	(190.9)	<b>(191.0)</b>
Other trading activities	-	(17.8)	<b>(17.8)</b>	-	(17.3)	<b>(17.3)</b>
Interest payable and similar charges	-	(1.0)	<b>(1.0)</b>	-	(1.0)	<b>(1.0)</b>
<b>Total expenditure</b>	-	(212.1)	<b>(212.1)</b>	(0.1)	(209.2)	<b>(209.3)</b>
Taxation	-	(0.1)	<b>(0.1)</b>	-	(0.2)	<b>(0.2)</b>
Net gain/(loss) on investments	-	(4.1)	<b>(4.1)</b>	-	1.0	<b>1.0</b>
<b>Net (expenditure)/income</b>	-	(12.2)	<b>(12.2)</b>	(0.1)	(3.3)	<b>(3.4)</b>
Net income attributable to non-controlling interest share	-	(1.7)	<b>(1.7)</b>	-	(1.7)	<b>(1.7)</b>
<b>Total net (expenditure)/income attributable to Charitable Group</b>	-	(13.9)	<b>(13.9)</b>	(0.1)	(5.0)	<b>(5.1)</b>
<b>Other recognised gains/(losses)</b>						
Actuarial gains/(losses) on defined benefit pension schemes	-	(0.2)	<b>(0.2)</b>	-	0.7	<b>0.7</b>
Cash flow hedge gains/(losses) on change in value of hedging instrument	-	(0.3)	<b>(0.3)</b>	-	(0.4)	<b>(0.4)</b>
<b>Net movement in funds</b>	-	(14.4)	<b>(14.4)</b>	(0.1)	(4.7)	<b>(4.8)</b>
<b>Reconciliation of funds:</b>						
Total funds brought forward	1.3	229.1	<b>230.4</b>	1.4	233.8	<b>235.2</b>
Dividends paid	-	-	-	-	-	-
<b>Total funds carried forward</b>	<b>1.3</b>	<b>214.7</b>	<b>216.0</b>	<b>1.3</b>	<b>229.1</b>	<b>230.4</b>

## Summary of Fund Movements

	Funds Net Assets 1 April 2019	Income	Expenditure	Funds Net Assets 31 March 2020	Cash	Fixed Assets
	£m	£m	£m	£m	£m	£m
<b>Huntington's disease fund:</b>	0.3	-	-	<b>0.3</b>	0.3	-
For the care and wellbeing of people with Huntington's disease						
<b>FitzRoy fund:</b>	1.0	-	-	<b>1.0</b>	-	1.0
Contribution to FitzRoy, a residential facility for adolescents with mental disability						
<b>Total</b>	<b>1.3</b>	<b>-</b>	<b>-</b>	<b>1.3</b>	<b>0.3</b>	<b>1.0</b>

## 22 Pensions

### Defined contribution pension scheme (Standard Life)

Standard Life run two schemes on behalf of St Andrew's Healthcare:

1. The Auto Enrolment Scheme where the contributions are based on qualifying earnings as defined by the auto enrolment legislation. For the year up to April 2020 these were set at a minimum of 3% for the employer and 5% for the employee.
2. The Group Personal Pension Scheme (GPP). For the year up to April 2020 the Charity's GPP scheme has a minimum employer's contribution of 4% and minimum employee contribution of 5%. This scheme also provides life insurance of 3 x salary for active employees. This scheme is now closed to new members.

The Charity's contributions are charged to the Statement of Financial Activities each year during the year in which the employee is an active member of the scheme. The costs of administering the scheme and providing for death in service cover are met by the Group.

The pension charge for the year for these schemes was £3.7m (2019: £3.2m). As at 31 March 2020 there was an accrual of £0.8m (2019: £0.6m) for these schemes.

### Defined benefit pension scheme (St Andrew's Healthcare Pension Scheme)

The Charity pays £0.5m per annum to meet the expenses of the scheme.

The last full actuarial valuation was carried out as at 31 March 2019 by a qualified independent actuary. After discussions between the Trustee and St Andrew's Healthcare, a Recovery Plan was agreed. The Recovery Plan follows the actuarial valuation of the scheme, which revealed a shortfall in the assets, when measured against the scheme's Technical Provisions, of £3.5m. It will be reviewed, and may be revised, following the Trustee's next valuation under section 224 of the Pensions Act 2004, or earlier if the Trustee and Employer agree. To ensure that the statutory funding objective is met St Andrew's Healthcare agreed to:

- To correct the remaining shortfall, pay a £0.5m contribution each scheme year to 31 March 2023.



## 22 Pensions (Continued)

### Actuarial Valuation Report

Financial year ending on	31 March 2020 £m	31 March 2019 £m
<b>Change in defined benefit obligation</b>		
Defined benefit obligation at end of prior year	182.8	179.4
Loss on curtailments / changes / introductions	0.5	1.3
Interest expense	4.3	4.6
Cash flow - benefit payments from plan assets	(8.3)	(7.9)
Remeasurement - effect of changes in assumptions	(6.2)	5.4
Remeasurement - effect of experience adjustments	(0.9)	-
<b>Defined benefit obligation at end of year</b>	<b>172.2</b>	182.8
<b>Change in fair value of plan assets</b>		
Fair value of plan assets at end of prior year	199.1	202.0
Interest income	4.7	5.2
Total employer contributions	1.0	1.0
Benefit payments from plan assets	(8.3)	(7.9)
Administrative expenses paid from plan assets	(0.3)	(0.4)
Remeasurement - return on plan assets (excluding interest income)	(23.0)	(0.8)
<b>Fair value of plan assets at end of year</b>	<b>173.2</b>	199.1
<b>Change in asset ceiling</b>		
Asset ceiling at end of prior year	16.3	22.6
Interest income	0.4	0.6
Remeasurements - changes in asset ceiling (excluding interest income)	(15.7)	(6.9)
<b>Asset ceiling at end of year</b>	<b>1.0</b>	16.3
<b>Amounts recognised in the Balance Sheet</b>		
Defined benefit obligation	172.2	182.8
Fair value of plan assets	173.2	199.1
Funded status	(1.0)	(16.3)
Effect of asset ceiling	1.0	16.3
<b>Net defined benefit liability / (asset)</b>	<b>-</b>	-
The defined benefit surplus has been restricted to zero on the Balance Sheet, as no refund has been agreed with the pension scheme Trustees.		
<b>Cost relating to defined benefit plans</b>		
Loss on curtailments/changes/introductions	0.5	1.3
Interest expense on DBO	4.3	4.6
Interest (income) on plan assets	(4.7)	(5.2)
Interest expense on effect of (asset ceiling)	0.4	0.6
Administrative expenses and/or taxes	0.3	0.4
<b>Cost relating to defined benefit plans included in Statement of Financial Activity</b>	<b>0.8</b>	1.7
<b>Remeasurements (recognised in other recognised gains/losses)</b>		
Effect of changes in assumptions	(6.2)	5.4
Effect of experience adjustments	(0.9)	-
(Return) on plan assets (excluding interest income)	23.0	0.8
Changes in asset ceiling (excluding interest income)	(15.7)	(6.9)
<b>Total remeasurements included in Statement of Financial Activity</b>	<b>0.2</b>	(0.7)
<b>Total cost related to defined benefit plans recognised in Statement of Financial Activity</b>	<b>1.0</b>	1.0

## 22 Pensions (Continued)

Financial year ending on	31 March 2020 £m	31 March 2019 £m
<b>Net defined benefit liability / (asset) reconciliation</b>		
Cost relating to defined benefit plans included in SOFA	0.8	1.7
Total remeasurements	0.2	(0.7)
Cash flows - employer contributions	(1.0)	(1.0)
<b>Net defined benefit liability / (asset) as of end of year</b>	<b>-</b>	-
<b>Defined benefit obligation by participant status</b>		
Vested deferreds	56.2	65.2
Retirees	116.0	117.6
<b>Total</b>	<b>172.2</b>	182.8
<b>Fair value of plan assets</b>		
Cash and cash equivalents	15.1	33.0
Equity instruments	84.9	98.7
Debt instruments	73.2	57.0
Other	-	10.4
<b>Total</b>	<b>173.2</b>	199.1
<b>Actual return on plan assets</b>	<b>(18.3)</b>	4.4
<b>Significant actuarial assumptions</b>	<b>31 March 2020</b>	<b>31 March 2019</b>
<b>Weighted-average assumptions to determine defined benefit obligations</b>		
Discount rate	2.40%	2.40%
RPI Max 5.0%	2.55%	3.00%
RPI Max 2.5%	1.90%	2.10%
CPI Max 3.0%	1.55%	1.85%
Price inflation rate (RPI)	2.60%	3.20%
Male Post-retirement mortality assumption	100% S3 light tables CMI_2019_1.25%_SK7.5	S2 light tables CMI_2018_1.25%_SK7.5
Female Post-retirement mortality assumption	93% S3 middle tables CMI_2019_1.25%_SK7.5	S2 light tables CMI_2018_1.25%_SK7.5
<b>Assumed life expectancy on retirement at age 65</b>		
Male retiring today (member age 65)	23.4	22.9
Female retiring today (member age 65)	24.4	24.0
Male retiring in 20 years (member age 45 today)	24.6	24.2
Female retiring in 20 years (member age 45 today)	25.9	25.5
<b>Expected cash flows for following year</b>	<b>£m</b>	<b>£m</b>
Expected employer contributions	<b>1.0</b>	1.0
<b>Provision in respect of an unfunded employer-financed retirement benefits scheme (EFRBS)</b>	<b>£m</b>	<b>£m</b>
Discounted present value of EFRBS:	<b>(0.6)</b>	(0.7)



## 23 Financial instruments

	Consolidated Group		Charitable Company (restated*)	
	2020 £m	2019 £m	2020 £m	2019 £m
<b>Financial assets at fair value</b>				
Derivative financial instruments	-	0.1	-	0.1
Stock market investments	12.6	13.8	12.6	13.8
Investment in property	6.5	0.7	6.5	0.7
	<b>19.1</b>	<b>14.6</b>	<b>19.1</b>	<b>14.6</b>
<b>Financial assets at amortised cost</b>				
Trade debtors	8.8	6.9	7.6	5.5
Other debtors	7.2	6.4	6.5	5.8
Cash and short term deposits	5.0	8.9	3.0	7.2
	<b>21.0</b>	<b>22.2</b>	<b>17.1</b>	<b>18.5</b>
<b>Financial liabilities measured at fair value</b>				
Derivative financial instruments	(0.2)	-	(0.2)	-
	<b>(0.2)</b>	<b>-</b>	<b>(0.2)</b>	<b>-</b>
<b>Financial liabilities measured at amortised cost</b>				
Trade creditors	(5.3)	(5.0)	(4.0)	(3.3)
Accruals	(8.9)	(9.2)	(8.5)	(8.9)
Other creditors	(7.2)	(7.1)	(7.0)	(7.1)
Amortised Bank loans	(34.6)	(29.5)	(34.6)	(29.4)
Obligations under finance lease and hire purchase contracts	(0.4)	(0.6)	-	-
	<b>(56.4)</b>	<b>(51.4)</b>	<b>(54.1)</b>	<b>(48.7)</b>

### Derivative financial instruments – Interest rate swaps

The Charity has entered into two interest rate swaps to hedge the Charity's exposure to interest rate movements on the revolving credit facility as per below:

- 1) To receive interest at LIBOR and pay interest at a fixed 0.765%. The swap is based on a principal amount of £20.0m which is part of the revolving credit facility with Barclays and HSBC and matures in 2022 on the same date as the revolving credit facility. The fair value of the swap is -£0.2m (2019: £0.1m).
- 2) To receive interest at LIBOR and pay interest at a fixed 0.5575%. The swap is based on a principal amount of £10.0m which is part of the revolving credit facility with Barclays and HSBC and matures in 2020, 3 years after the start of the revolving credit facility. The fair value of the swap is £nil (2019: £nil).

Cash flows on both the loan and the interest rate swaps are paid quarterly. During 2020 a hedging loss of £0.3m (2019: loss £0.4m) was recognised in other recognised gains/losses for changes in the fair value of the interest rate swap.

\* see note 25 for details about the prior year restatement.

## 24 Notes to the cash flow statement

	Total 2020 £m	Total 2019 £m
<b>Net cash from operating activities</b>		
<b>Net (expenditure)/income for the reporting period per the statement of financial activities</b>	<b>(12.2)</b>	<b>(3.4)</b>
Taxation	0.1	0.2
Depreciation and amortisation charge	15.9	17.1
Impairment of fixed assets	0.1	1.9
Losses/(gains) on investments	4.1	(1.0)
Dividends, interest and rents from investments	0.6	0.6
Decrease/(increase) in stocks	0.1	(0.1)
(Increase)/decrease in debtors	(2.7)	1.4
Decrease in creditors	(0.3)	(2.8)
Decrease in defined benefit pension liability (EFRBS)	(0.1)	-
<b>Net cash generated from operating activities</b>	<b>5.6</b>	<b>13.9</b>

### Analysis of changes in net debt

	At 1 April 2019 £m	Cash flows £m	Fair value movements £m	Non-cash changes £m	At 31 March 2020 £m
Cash at bank and in hand	8.9	(3.9)	-	-	5.0
Revolver loan	(29.5)	(5.0)	-	(0.1)	(34.6)
Finance leases	(0.6)	0.2	-	-	(0.4)
Derivative financial instrument	0.1	-	(0.3)	-	(0.2)
<b>Total</b>	<b>(21.1)</b>	<b>(8.7)</b>	<b>(0.3)</b>	<b>(0.1)</b>	<b>(30.2)</b>

The non-cash movements represent the amortisation of the debt issue costs.



25 Change of accounting policy

Following the Financial Reporting Council’s triennial review of FRS102 undertaken in 2017, the Charity has elected to change its accounting policy in relation to property rented to another group entity which effects the Charitable Company balance sheet and associated Charitable Company notes. Prior to the review, property rented to another group entity had to be treated as an investment asset in the company balance sheet rather than a tangible fixed asset, which is how the property is treated in the consolidated financial statements. For accounting periods beginning on or after 1st January 2019 the updated FRS102 allows property rented to another group entity to be held as a tangible fixed asset on the company balance sheet which the Charity believes best reflects the economic reality of the use of the asset.

The Charity has therefore restated prior year comparatives in order to reflect the property in the Charitable Company financial statements as a tangible fixed asset measured at historic cost less depreciation. A summary of the adjustments to prior year comparatives are listed below:

Company Balance Sheet	Charitable Company		
	2019 prior to restatement £m	2019 after restatement £m	Adjustment £m
<b>Fixed assets</b>			
Intangible assets	8.4	8.4	-
Tangible assets	243.2	250.7	7.5
Investments	31.0	14.5	(16.5)
	<b>282.6</b>	<b>273.6</b>	<b>(9.0)</b>
<b>Current assets</b>			
Stock	0.4	0.4	-
Debtors falling due within one year	11.3	11.3	-
Debtors falling due after one year	0.1	0.1	-
Cash at bank and in hand	7.2	7.2	-
	<b>19.0</b>	<b>19.0</b>	<b>-</b>
<b>Current liabilities</b>			
Creditors falling due within one year	(19.9)	(19.9)	-
	<b>(0.9)</b>	<b>(0.9)</b>	<b>-</b>
<b>Net current (liabilities)</b>			
<b>Total assets less current liabilities</b>	<b>281.7</b>	<b>272.7</b>	<b>(9.0)</b>
Creditors falling due after one year	(29.4)	(29.4)	-
<b>Net assets excluding pension liability</b>	<b>252.3</b>	<b>243.3</b>	<b>(9.0)</b>
Defined benefit pension liability	(0.7)	(0.7)	-
<b>Net assets</b>	<b>251.6</b>	<b>242.6</b>	<b>(9.0)</b>
Funds	243.1	239.7	(3.4)
Revaluation reserve	9.2	3.6	(5.6)
Pension reserve	(0.7)	(0.7)	-
<b>Total funds of the Charity</b>	<b>251.6</b>	<b>242.6</b>	<b>(9.0)</b>
The Charity's net loss before other recognised gains	(5.2)	(5.5)	(0.3)

Note 15 Tangible and Intangible Assets Charitable Company note

	Charitable Company		
	2019 prior to restatement £m	2019 after restatement £m	Adjustment £m
Freehold land and buildings			
Cost at 1 April 2019	304.2	315.1	10.9
Accumulated Depreciation at 1 April 2019	69.7	73.1	3.4
Net book value at 31 March 2019	234.5	242.0	7.5
Total tangible assets			
Cost at 1 April 2019	323.6	334.5	10.9
Accumulated Depreciation at 1 April 2019	80.4	83.8	3.4
Net book value at 31 March 2019	243.2	250.7	7.5

Note 16 Investments Charitable Company note

Three Shires Hospital investment property			
Cost as at 31 March 2019	10.9	-	(10.9)
Market value 31 March 2019	16.5	-	(16.5)
Total investment assets			
Cost as at 31 March 2019	21.8	10.9	(10.9)
Market value 31 March 2019	31.0	14.5	(16.5)
Market value at 31 March 2019			
Surplus of market value over cost	9.2	3.6	(5.6)
Less: prior year surplus excluding amounts realised	(8.3)	(2.7)	5.6

Note 23 Financial instruments Charitable Company note

Investment property	17.2	0.7	(16.5)
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26 Events after the end of the reporting year

The Charity reached an agreement during June 2020 to sell the property that it owns in Nottinghamshire to a third party with an expected completion date no later than December 2020. The patients that currently reside at this property will transfer to the Northampton site or will be discharged from St Andrew’s to suitable alternative providers. This change to the asset portfolio will not result in significant loss of business but will allow the Charity to better utilise its existing resources. The sale of this property will generate a cash inflow of £24.6m which will primarily be used to repay the revolving credit facility. This agreement is contingent on completing certain works to the property which the Charity fully expects to complete by the agreed date.



› Reference and Administrative Details

Registered Name	St Andrew’s Healthcare
Charity number	1104951
Company number	5176998
Principal and Registered office	Billing Road Northampton Northamptonshire NN1 5DG
Non-Executive Trustee Directors and Governors	Dr Peter Carter OBE, Chairman (Appointed 25.07.2019) Peter Winslow CBE, Chairman (Resigned 25.07.2019) Stuart Richmond-Watson, Vice Chairman Frances Jackson (Resigned 24.07.2020) Jane Forman Hardy (Resigned 24.07.2020) Dr Michael Harris (Resigned 30.04.2020) Paul Parsons Tansi Harper (Appointed 01.05.2020) Andrew Lee (Appointed 01.05.2020) Elena Lokteva (Appointed 01.05.2020) Professor Stanton Newman (Appointed 01.05.2020) Professor David Sallah (Appointed 01.05.2020)
Executive Trustee Directors	Katie Fisher, Chief Executive Officer Alexandra Owen, Chief Finance Officer (Appointed 01.04.2019) Martin Kersey, Executive HR Director Dr Sanjith Kamath, Executive Medical Director Lisa Cairns, Chief Nurse (Appointed 01.06.2019, Resigned 01.05.2020) Jess Lievesley, Deputy Chief Executive Officer (Appointed 01.08.2020) Alastair Clegg, Chief Operating Officer (Appointed 01.08.2020)

Governors	Anne Burnett James Charrington John Church CBE (Resigned 22.06.2020 and became an Honorary Governor from this date) William Church Tim Davy Sir Peter Ellwood Deirdre Fenwick (Resigned 10.06.2020 and became an Honorary Governor from this date) Lord Charles FitzRoy Alec Foster (Resigned 07.07.2020 and became an Honorary Governor from this date) William Francklin Dr Martin Gaskell Robert Heygate Nick Heygate Mary Hodges (Resigned 20.05.2020 and became an Honorary Governor from this date) Crispin Holborow David Laing Amanda Lowther Oliver Mackaness The Marchioness of Northampton	Lavinia Perry (Resigned 07.07.2020 and became an Honorary Governor from this date) Rupert Perry Lady Proby Adrian Spooner Johnny Wake Sandy Howse - Constituency Governor from 10.10.2019 Karen Irvine - Constituency Governor from 10.10.2019 Ria Stanyer - Constituency Governor from 18.11.2019 Denford Jeyacheya - Constituency Governor from 18.11.2019 Lady Braye - Honorary James Mackaness - Honorary The Marquess of Northampton - Honorary Ian Pasley-Taylor - Honorary Sir John Robinson Bt. - Honorary Stephen Schilizzi - Honorary Sir James Spooner - Honorary (Deceased 08.08.2019) Lady Tennant - Honorary Sir Charles Wake - Honorary
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Company Secretary	Claire Carless (Resigned 31.03.2020) Duncan Long (Appointed 01.04.2020)
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Independent Auditors	PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors Donington Court Pegasus Business Park Herald Way East Midlands DE74 2UZ
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External Legal Advisers	Eversheds Sutherland 1 Wood Street London EC2V 7WS	Capsticks 1 St George’s Road Wimbledon London SW19 4DR
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Bankers	Lloyds Banking Group plc 25 Gresham Street London EC2V 7HN	Barclays plc 1 Churchill Place Canary Wharf London E14 5HP	HSBC Bank plc 8 Canada Square London E14 5HQ
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Investment Managers	Smith & Williamson Investment Management Limited 25 Moorgate London EC2R 6AY
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## Getting in touch





For more information about our [comprehensive care services](#) or to make a referral:

**t:** 0800 434 6690 (We welcome text relay calls)

**e:** [enquiries@standrew.co.uk](mailto:enquiries@standrew.co.uk)

**w:** [stah.org](http://stah.org)

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