

Annual Report & Accounts

2019



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About Leuchie House

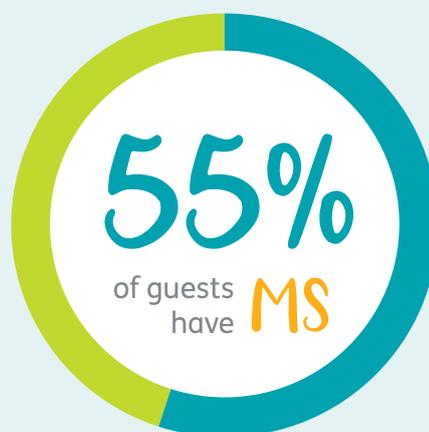
Leuchie House specialises in providing respite breaks for people with long term neurological conditions, such as multiple sclerosis, Parkinson's, motor neurone disease and the effects of stroke. This activity also supports carers, who are able to take a break from their caring role either at Leuchie or elsewhere, safe in the knowledge that their loved one is receiving excellent care.

Leuchie breaks offer a true holiday experience, choice and independence with expert care and support. Our mission is a simple one:

To enhance the lives of people with long term conditions, and their carers, through the provision of individualised breaks that improve their quality of life.



A year in numbers



187 referrals
to community health
& social care professionals



15,750 or
1/300

people in Scotland are
living with MS

Foreword

There are more people with MS per head of population in Scotland than anywhere else in the world. In meeting a uniquely Scottish need, Leuchie House has developed over the years to provide benefit to people with a range of neurological conditions by offering truly excellent short breaks with expert and in house healthcare. At the same time, we provide a vital break to carers, who can relax knowing that their loved one is receiving the very best care and attention.

Our activity is rooted in the principles of person centred health and social care which Leuchie has championed and which underpin Scottish Government policy. In late 2018 we welcomed a new CEO, Mark Bevan, and began a review, leading to an unprecedented period of investment in our operating model, our practice, our building and in technology. This is already paying dividends by improving guest experience and our operating efficiency, lessons which we look forward to building on in the year ahead and sharing to the benefit of the wider care community across Scotland.

As the newly incoming Chair I would take this opportunity to thank my predecessor, Sir David Tweedie, all Board members past and present and the team at Leuchie for their patient energy in maintaining this wonderful place for the guests.

The Trustees are pleased to present their annual Trustees' report together with the financial statements of the Charity for the year ending 31 December 2019 which are also prepared to meet the requirements for a Directors' Report and Accounts for Companies Act purposes.

The financial statements comply with the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended), the Companies Act 2006, the Memorandum and Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015).

Chair of Trustees
Stephen Pearson

One in five of Scotland's unpaid carers reports have not had a single day's break in five years. That's too much responsibility for anyone to bear. It impacts on family cohesion, working life and health and wellbeing for all. For many the only option, that of a temporarily vacant bed in an older people's home is not an acceptable option for their loved one, and so instead they go without a much needed break.

Similarly, people with a neurological condition want to enjoy a stimulating and relaxing holiday but also with expert care which will maintain and improve their health and wellbeing; again, a temporarily vacant bed in an older people's home is no fit place.

That is why Leuchie exists, to provide our guests and their loved ones with the opportunity of a fantastic holiday experience, in a country house hotel with the very best team of expert health care and activity staff. We are unique in Scotland in providing this service.

Joining Leuchie at the end of 2018 was a huge privilege. I have received the same warm welcome that guests receive and it has been a joy to be able to work with such a capable team of staff, with the backing of the Board and very generous donors and volunteers. This year we have made significant investments in the ambitions which Leuchie has for its guests, its team and for the future of care in Scotland and laid the groundwork for exciting developments in 2020 and 2021.

Chief Executive
Mark Bevan



has not had a single day's break in the last **5 years**





Care Inspectorate:

Grade 4 – Good



3 bathrooms,
1 sluice room,
13 bedrooms,
dining room &
first floor lounge
upgraded



Staff have
**14 new
smart
phones**
with digital
care planning
software



Achievement & performance

Following the appointment of the new CEO in November 2018 the Management and Board took the opportunity to review Leuchie's operating model. Between January and April 2019 guest numbers were limited to create capacity for the review to be completed. As a result, in 2019 Leuchie offered fewer respite breaks (438 nights) and generated lower fee income (£902,708) than in 2018. However, costs were lower and including donations in the year Leuchie generated a surplus of £564,938.

A portion of the donations received were sought for and restricted to investment in our environment, technology and care equipment. A further £200,000 has been set aside for capital works in 2020. As a result of the change in the model and practices, Care Inspectorate grades in 2019 increased to the maximum award possible of grade 6 in all aspects of healthcare, with the environment being upgrade to grade 5.

In 2019 Leuchie invested £250k in significantly modernising the building and equipment to improve the guest and staff team experience. We have replaced boilers, refitted 3 bathrooms and converted most of the previously shared bedrooms to single rooms. We have decorated the dining room and first floor lounge. We have brought in business speed broadband, introduced 100% wifi coverage, installed a new silent call system and moved from paper based care plans to plans which are held on a smart phone, in the pocket of all care and nursing colleagues. These actions have improved guest and colleagues experience, reduced risks and lowered costs. As a consequence, we have been able to invest more time in our guests and team.

“Caring Well Within Our Means”, our plan for 2019 has shown early signs of success with a measurable improvement in quality of care, our financial sustainability and the quality of our environment and equipment. However, these are early days in our new operating model and the Board wish to continue the current plan into 2020 with an incremental increase in the number of guests and respite nights. We therefore remain focussed on the 3 priorities set in January 2019:

- Improve the quality of care as measured by the Care Inspectorate
- Improve financial viability and
- Invest in our environment and our infrastructure for our guests and our staff team

The wider staff team have been further engaged in considering how we might achieve our ambitions.

In 2020 we will further modernise our décor, bedrooms, bathrooms, equipment and practice. We have improved our pre-placement assessment and will now support guests and their carers by reducing the administrative burden we place upon them. We will continue to concentrate on meeting the needs of people with a smaller group of conditions mainly MS, Parkinson’s, MND and Stroke. These are the conditions which our team is most highly skilled to work with.

We will invest further in our staff team and in our aim to be the best employer in our sector and area. We have plans to improve induction, training and staff reward. We have made investments in technology which we are now starting to increase guest independence, with both practical and mental health advantages. We look forward to significantly developing our capabilities in this area.

The Trustees continue to work closely with, and are grateful to, the Trustees of the Leuchie Forever Fund whose principal aim is to raise funds to support Leuchie to achieve its target of financial sustainability and to assist with the wider development of the Leuchie model through the provision of additional capacity.



Leuchie installed over 5.5km of cabling, making **wi-fi accessible** throughout the house





The Trustees of Leuchie House continue to work closely with the Trustees of the Leuchie Forever Fund, our sister charity, whose principle aim is to raise funds to support Leuchie to achieve its target of financial sustainability and to assist with wider development of the Leuchie model through the provision of additional capacity.

Leuchie was well supported by donors, generous benefactors, the wider community and the Scottish Government in the year, receiving £1,652,489 in grants and donations, an increase of over £662,253 on 2018. We are very grateful to all who have supported Leuchie in 2019 and would like to acknowledge their contribution to enabling our work to take place. A number of significant donations were received during the year from those who prefer to remain private.

Leuchie remains very grateful for the continued support of the Scottish Government and Parliament, which recognises Leuchie's unique contribution to the alleviation of the impact of neurological conditions on the individual, family, health and social care services and the wider economy. This recognition is in the form of a 5 year commitment of a grant of £300k per annum, of which 3 years remain. This is

supporting the Trustees in their continued aim, to achieve financial sustainability of Leuchie in the medium to long term.

The Scottish Government's five year commitment to supporting Leuchie does, in addition to reducing the financial risk, also strengthen other fundraising activities.

75 staff 

There are many who enable Leuchie to deliver the service much needed by our guests and we take this opportunity to thank all donors and funders for their support, without which many people in Scotland could not continue to benefit from the vital services Leuchie provides to them.

Our commitment to delivering complex care, through our highly skilled team and to being a Living Wage Employer remains unchanged. We acknowledge and thank all the staff at Leuchie for the incredible commitment, hard work and care shown by them in providing the service to our guests. They are very special people. Our team includes an army of volunteers who are at the heart of the Leuchie community and without whom the guests could not enjoy all that they do. On behalf of the team and guests, our last word is one of sincere thanks to the volunteers for their efforts.



40 volunteers

saved Leuchie
more than



Financial & operating review

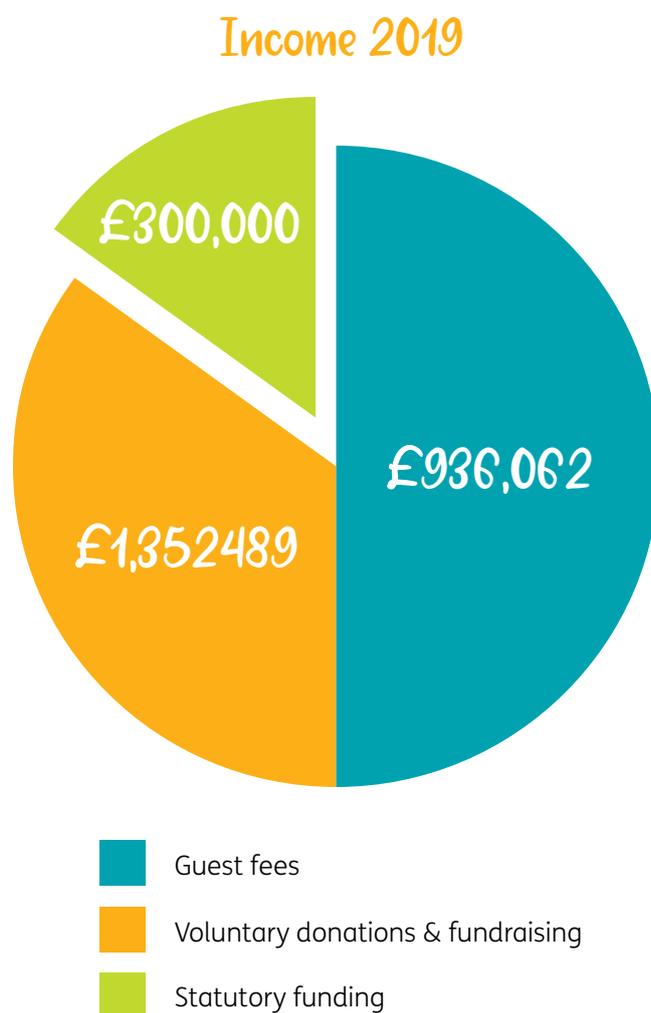
Leuchie operations produced a surplus for the year of £564,938 (2018 - £33,603). Of this £72,430 is considered an underlying surplus in the general operations with £271,723 reflecting donations received in advance of capital expenditure of this amount in 2020. The total value of funds held at 31 December 2019 amounted to £731,541 (2018 - £166,603) comprising £299,500 (2018 - £92,971) of a restricted nature and £432,401 (2018: £73,632) of an unrestricted nature.

Our 2019 plan called for a year on year increase in fundraised income and we are pleased to report that during the year this was achieved. We are continuing to invest in fundraising resource to grow this income, specifically targeting corporate and legacy sources in 2020.

Principal funding sources

Leuchie receives funding from three main sources:

- fees from guests for use of the Leuchie service;
- voluntary donations and fundraising; and
- statutory funding.



Reserves policy

In the Trustees view, the reserves should provide the Charity with adequate financial stability and the means for it to meet its charitable objectives for the foreseeable future. In 2019 the Leuchie Forever Fund, a sister charity established to financially support Leuchie, formally intimated and subsequently designated £400k of its fundraised income as a reserve for Leuchie.

In addition, in January 2020 Leuchie Forever Fund donated £100k to Leuchie to create a working reserve, to enable Leuchie to draw on funds for expenditure / projects in advance of specific and known fundraising for this expenditure / project. This will improve efficiency and reduce our costs through smoothing the cash flow.

It is the view of the Board and management that these two reserves totalling £500k provide a robust reserve position for Leuchie going forward.

94p

of every £1 raised
goes directly to providing
short respite breaks



Principal risks and uncertainties

Leuchie maintains a comprehensive Risk Register which is the principal tool for the management of risk. The Trustees and senior management team monitor the key risks identified in the Risk Register and adjust where necessary. The principal risks facing the charity are:

There are significant risks and challenges in meeting the demand for respite for this group of individuals. In addition, as with the whole of the care sector across the UK, there is a shortage of those willing to take positions in both care and nursing, our largest two staffing groups.

Financial

Leuchie operates with a robust set of financial controls. However, it operates in cyclical and potentially vulnerable markets which need constant monitoring. The Charity has made a significant advance in establishing reserve funds from 2020 and continues to operate so that financial risks are minimised where possible. It is increasingly the case that individuals funding for a placement falls short of the cost of a placement at Leuchie. An ever larger proportion of the cost of care is being passed on by public authorities to the individual guest, against an economic background of wage inflation, increased costs of equipment, food and other running costs due to the general and prevailing economic conditions. Leuchie is working hard and investing in increased capacity for fundraised income.

The Charity prepares a detailed annual budget, comprising monthly profit & loss accounts, balance sheet and cash flows, and performance is monitored and reviewed against the budget by budget holders and in monthly management meetings. During the year a Head of Finance post was added to the senior management team strengthening the internal financial resources and reporting.

Operational

Leuchie works with a wide range of different guests who have dynamically varying and complex health conditions, the operational delivery of which involves many staff and volunteers. As a result, the organisation is faced with a large number of potential risks to manage including appropriate staffing levels, health and safety and the welfare of all involved. These are managed through a new senior management and nursing structure and an active programme of audits, regular site visits from public authorities and reviews by senior staff, along with induction training for all staff and volunteers, pre-admission review of guests' needs and the maintenance of high standards through adherence to clear and robust policies. Leuchie has worked closely with public authorities in 2019 to improve care quality management and we have invested in systems which improve availability of critical information to our colleagues. Leuchie has developed a single plan which highlights quality improvement action and ensures its adherence to regulatory standards. Notwithstanding, guests are arriving at Leuchie with ever more complex health care requirements and equipment. As medical advance is enabling people to live longer, there is a compound effect of ageing on top of any underlying condition.



Political

The focus in recent years of government policy on carers and on respite has led to some prioritisation of public monies toward these purposes. This is the case at national and at local government levels. With pressure on public finances likely to grow it will remain important for Leuchie to operate a good quality service at a reasonable price and to maintain its moderate but insistent voice in the political landscape.

Reputational

Leuchie has a high profile across Scotland as the national respite centre for people with long term neurological conditions and the Charity is well known. As well as being a high profile charity, in the local community Leuchie enjoys significant local support in terms of fundraising and volunteers. In addition, a large proportion of Leuchie's income, both from the use of its charitable services and fundraising activities, comes from members of the public. Reputational damage is therefore a critical risk for the charity. Because of this, Leuchie takes every opportunity to maintain its high standards of operational and financial management and to communicate regularly with stakeholders and supporters, maintaining a positive and accurate representation in the media through regular events, press releases and promotional materials and an active social media presence on Facebook and Twitter.



Structure, governance & management

Governing document

The Charity is controlled by its governing document, a deed of Trust, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006. The liability of each member in the event of winding up is limited to a £1.

The Board operates standing Sub Committees for Care Quality, Finance and Nominations. The terms of reference for these committees have been updated to best support the organisation to deliver its plans, in particular we have appointed a Board member to support the delivery team to support quality improvement.

Recruitment and appointment of new Trustees

The Board of Trustees has a Nominating Committee. The Committee and Board are reviewing their recruitment practice with the intention of demonstrating best practice in recruitment and appointment. The Charity operates a rotation policy in respect of Trustees. Movements in Trustees are shown on page 6.

Our founding Chairman, Sir David Tweedie retired from the Board in October 2019. Sir David has helped steer the organisation from its fragile though enthusiastic beginnings to becoming a stable and effective organisation harnessing the deep commitment from its supporters and team. The Board wish to acknowledge the very significant contribution which Sir David has made to people affected by neurological conditions in Scotland

The Board welcome Stephen Pearson into the role of Chair, following his role as a Trustee since 2014 and as Vice Chair in recent years.

Summary of accounts

For the year ending 31 December 2019

	Note	Unrestricted Funds £	Restricted Funds £	Total funds 2019 £	Total funds 2018 £
INCOME AND ENDOWMENTS FROM:					
<i>Donations and legacies</i>					
Grants and donations	2	986,592	665,527	1,652,119	989,866
Legacies	2	370	-	370	-
<i>Charitable activities</i>					
Short break care	4	936,062	-	936,062	1,025,605
Other trading activities	5	201,067	-	201,067	118,764
Investment income		779	-	779	36
Other income - renewable heat incentive		21,191	-	21,191	22,656
Total		2,146,061	665,527	2,811,588	2,156,927
EXPENDITURE ON:					
Raising funds		135,002	-	135,002	135,125
Charitable activities		1,706,829	404,819	2,111,648	2,055,405
Total	6	1,841,831	404,819	2,246,650	2,190,530
NET INCOME/(EXPENDITURE)					
Transfer between funds	7 14	304,230 54,179	260,708 (54,179)	564,938 -	(33,603) -
NET MOVEMENT IN FUNDS					
		358,409	206,529	564,938	(33,603)
RECONCILIATION OF FUNDS					
Total funds brought forward		73,632	92,971	166,603	200,206
TOTAL FUNDS CARRIED FORWARD					
		432,041	299,500	731,541	166,603



 Lovely staff, lovely food and lots of good company. 

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Leuchie House is a charity registered in Scotland no SC042249. Company no. SC392721