

Corporate Social Responsibility Report 2016/17















An introduction to The Priory Group



The Priory Group is the UK's leading provider of behavioural care. We provide a wide range of services including mental health, treatment of addictions, adult residential care, supported living, older people's care, children's social care and specialist education.

The majority of our services are publically funded and commissioned by the NHS or local authorities. We operate over 400 sites with more than 18,000 staff. We provide over 7,000 care placements at any one time and care for over 30,000 people each year.

We are part of Acadia Healthcare Company Inc., the world's largest behavioural care provider.

I am proud to introduce The Priory Group's Corporate Social Responsibility Report for 2016-17 and to share with you some of the many ways we reflect the organisation's values in how we conduct our business.

The Priory Group has delivered care to some of the most distressed and vulnerable people for over 140 years but we recognise that our responsibilities extend beyond the people we care for and include our colleagues, suppliers, customers and the wider community. As a business we are committed to long-term, sustainable growth and recognise that this is only possible with the engagement and support of key stakeholders and our local communities. We are fortunate that the values which inform our delivery of care have been successfully applied to our business relationships and inform all of our business activities, from hiring a new member of staff to building a new hospital. These are embodied in the five behaviours which we expect of ourselves and are set out in more detail on the page opposite.

This report reflects the areas where The Priory Group has the greatest impact, such as employment and community engagement. Additionally, although our direct environmental impact is small relative to other types of business, we have set out some of our initiatives to reduce our carbon footprint and avoid waste. All of our divisions need to continually

improve areas such as energy management and recycling in the interests of the environment and also our shareholders – someone has to pay for waste eventually so better to have as little as possible. The Priory Group also seeks to be a socially responsible business partner and we have set out our approach to working with suppliers and customers to ensure mutually sustainable, long-term business relationships.

Although The Priory
Group is a large and
diverse organisation we
are bound by a strong
common purpose and
shared values. We are
committed to being a
socially responsible
business, valuing and
being valued by everyone
we care for, employ and
do business with.



Mobile

Trevor Torrington, Chief Executive Officer, The Priory Group

Our purpose is:

To make a real and lasting difference for everyone we support





BEING A FAMILY

We support our colleagues, our service users and their families when they need us most.



ACTING WITH INTEGRITY

We are honest, transparent and decent. We treat each other with respect.



BEING POSITIVE

We see the best in our service users and each other and we strive to get things done. We never give up and we learn from our mistakes.



STRIVING FOR EXCELLENCE

For over 140 years, we have been trusted by our service users with their care. We take this trust seriously and constantly strive to improve the services we provide.

The Priory Group is the leading provider of behavioural care in the UK.

Colleagues from across The Priory Group have chosen the behaviours for everyone to aspire to. They are what we expect from each other and what to expect from The Priory Group as a company.













HR, Recruitment and Equality

The Priory Group is a major employer with over 18,000 staff providing or supporting clinical services, care and education for over 30,000 people in the UK and Dubai every year. The quality of our care and the opportunity to grow our business ultimately depends on our ability to recruit, train, develop and support people who share our values and commitment to the behaviours we aspire to. To achieve this, The Priory Group is committed to the highest standards of recruitment and employment practice.

The Priory Group's policies are based on a Single Equalities approach that ensures equality of opportunity regardless of age, disability, marital status, pregnancy and parenthood, race, religion or belief, gender, gender reassignment and/or sexual orientation. At The Priory Group, we believe it is a disservice to the business, as well as to our communities, if we do not strive to find the best candidates available from the broadest pool of talent.

The Single Equalities approach also applies to our role as a service provider and engagement with the public in general, whereby we must ensure equality of access and quality of care regardless of the person's protected characteristics.

With over 400 sites our preference is to recruit and train locally and thereby invest in the local community. Local employment is supported by our employee referral scheme, local advertising, local recruitment fairs and active engagement in local community activities. Currently 87% of our colleagues live within 5 miles of their place of work.

We apply Safer Recruitment processes to ensure the safety of patients, students and service users and comply with all regulations preventing illegal working. Every potential employee undergoes a series of pre-employment checks, and independent referencing. No person is engaged, for the purpose of carrying out a regulated activity, until we have evidenced that they are of good character, suitably qualified and physically and mentally fit, as appropriate to their role.

The Priory Group is committed to creating an equitable, developmental and motivating working environment, which values and empowers people at all levels. Colleague development is seen as a key factor in achieving this commitment.

The Priory Group's sites across our three divisions have received recognition for their efforts to support and invest in their colleagues. For example, The Priory Highbank Centre received Investors in People Gold level accreditation for its continuing commitment to high standards of colleague leadership, support and management for sustainable results, and our Adult Care Division (previously Amore Care) was awarded the Laing Buisson Social Care Award for Excellence in Training for its exceptional dementia care training.





Supporting Women to Build their Careers

Priory Group is committed to equal opportunities for employees. In common with other health and care providers we employ a large proportion of women, 71% of our total workforce. We are committed to supporting women to build their careers and it is therefore significant that the proportion of female employees is 70% among professional and management grades.

Staff Communication, Development and Recognition

Communication

At The Priory Group, we understand the importance of effective communication. We have recently developed and established multiple forums and channels to ensure that senior management are able to listen to opinions and feedback from front-line colleagues, and that key messages are shared clearly and consistently across the business, our many sites and services. Colleagues receive Top Priority, a weekly electronic bulletin with information and news from across the business, and important matters are explored in more detail in our Priority staff magazine. Our Internal Communications team has gained industry recognition, with Zoe Chiverton, Head of Internal Communications, being awarded Highly Commended in the Internal Communicator of the Year category at the CEB Internal Communications Summit and Awards 2016.

Every quarter the Group Chief Executive Officer hosts a conference call with colleagues across The Priory Group to share key messages and respond to questions. We hold quarterly staff 'Your Say Forums' in

each division which allow colleagues to provide feedback to the Board on important issues. Responses to staff feedback are then published in 'You Said, We Did' messages circulated across the business.

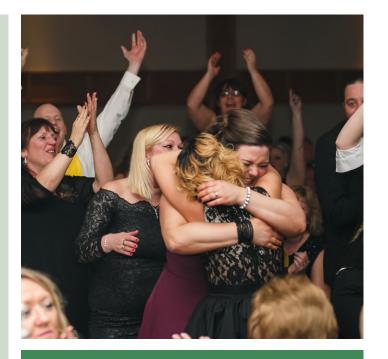


Recognition

The Priory Group recognises the outstanding commitment of our longest serving colleagues through our 'Long Service Awards'. Every Priory employee receives the reward automatically via payroll after each five years of loyal service.

The Priory Group also holds an annual PRIDE Awards to celebrate the success and achievements of colleagues. Additionally, every quarter, "Making a Difference Awards" are presented to colleagues nominated by their peers, service users or family of service users for doing something extra for the benefit of their colleagues, service users or friends, family and carers of service users.





Development

In order to develop our future work force, The Priory Group offers work placements and apprenticeships for young people in our communities who are interested in a career in health and social care.

The Priory Group encourages colleagues to develop within and beyond their current job role, including a range of management and leadership development programmes to support our colleagues to progress within the organisation.

Since 2016, The Priory Group has been sponsoring Health Care Assistants to complete a four year Open University in-service nursing degree. Our current goal is to support 60 colleagues to complete the course between 2016 – 2019 and we are on track to achieve this. Additionally, through our online training portal Priory Academy, we support Health Care Assistants to access any necessary literacy and numeracy qualifications they need prior to being able to apply for the nursing degree.

In the future we plan to offer additional development opportunities to colleagues in our Adult Care division, supporting them to achieve qualifications to become Health Care Assistants through Priory sponsored Open University courses.

We have also provided other support packages to 7 Health Care Assistants to complete their training full time, all whom started in autumn 2016 and early 2017. This too has been extended in September 2017 and in 2018 in the Healthcare and Partnerships in Care division.



The Priory Group Nurse Training Scheme – Holly's Story

Holly Ilginnis, a Health Care Assistant (HCA) at Cheadle Royal Hospital, is one of the first people to be accepted onto our Nurse Training Scheme. Holly has worked as an HCA on Elmswood Rehab and Recovery Unit at Cheadle Hospital since September 2014, having initially joined as a bank HCA. Elmswood is an 11-bedded unit for men with complex mental health needs.

After leaving school, Holly did a Graphic Design Diploma at college. Having tried out a number of jobs, and encouraged by her mum who always said she would make a good nurse, she enrolled on an Access to Nursing course. She completed this and has now gone one step further by being accepted on to The Priory Group's first Nurse Training Scheme, and she and her family couldn't have been more pleased.

Holly has excelled at her job on Elmswood and takes great satisfaction in working as part of a strong team to get a patient well enough to go back out into the community. Holly's Ward Manager, Jo, supported her throughout the application process and describes Holly as an outstanding HCA and an exceptional role model to her peers. Jo says that Holly's drive and commitment, and her genuine compassion and desire to improve the lives of others, give her the potential to have a successful career in nursing.

Paul Pritchard, Operations Director for the North, said, "I am extremely proud that Holly has been accepted onto the nurse training scheme and I am sure that both the Elmswood team and the wider team at Cheadle will all support Holly in obtaining her nursing degree."

Service users, Communities, Families and Carers

The Priory Group works with our service users and partners to design, develop and deliver safe and effective, evidence-based services. Our service models incorporate community engagement and co-production and give more influence and choice to service users, carers, families and commissioners.

Empowering Young People

The Investing in Children award is presented to organisations working with young children who recognise and allow children to have a strong voice in the services they use.



Eastwood Grange School has embraced this, recognising that young children have the capacity to make personal choices, to have control, and shape their learning.

To receive the award, Eastwood Grange had to demonstrate that its "dialogue with young people led to change". During their inspection, the organisation 'Investing in Children' said it was impressed with the strength of the student voice at the school and the way this helped bring about positive changes.



Wendy, a Willows Mountain Ash resident, recently asked key worker, Laura, for her room to be redecorated. Laura brought in some magazines about interior design to give Wendy ideas. Laura took her shopping on her day off to choose the colour she wanted and to buy soft furnishings to add the finishing touches.

Former Patient Wins Mental Health Hero Award

Former Kneesworth House patient Ian Callaghan won the Deputy Prime Minister's Mental Health Hero Award (2015). Ian Callaghan won the award following his work on the Recovery and Outcomes project which he started whilst at Kneesworth House hospital, near Royston.

"My involvement in these important activities all started while I was a patient at Kneesworth House hospital, near Royston, and the hospital was very supportive of this. It's been an important part of my own recovery journey and enabled me to help others on their journey too. As well as

improving services for patients, the Recovery and Outcomes work supports people to become more involved both within and outside their service themselves."









All of The Priory Group's sites operate in accordance with our Energy, Environment and Sustainability strategy which aims to avoid waste and minimise environmental impact.

The Priory Group remains linked to the CRC Energy Efficiency Scheme. In 2017 the liability was £ £0.36m (2016: £0.42m) based on 21149 tonnes of CO2 reported emissions (2016: 24804). The decrease in cost was due to the divestment of 12 reportable facilities during the submission period. The Priory Group also entered a submission under E.S.O.S. (Energy Saving Opportunities Scheme) which will also assist in the targeting of our efforts to reduce the carbon footprint through continued structured investment in energy efficiency programmes as and where identified. The Priory Group also submitted and reported CO2 emissions for newly acquired facilities in the name of Partnerships in Care Limited. The 2017 liability was £0.19m based on 10909 tonnes. Environmentally responsible practices are promoted throughout procurement and supply chain activities. Goods and services are sought from suppliers with environmentally sustainable practices and ethical sourcing policies.

Bidfood - The Priory Group sources food and catering supplies from BidFood, who are committed to ethical sourcing. Some of Bidfood's recent awards include the FWD Gold Medal Awards Green Wholesaler of the Year 2016 (for the 4th consecutive year) and the Green Organisation Environmental Best Practice Award 2016.

Veolia - provides The Priory Group with waste management services and is currently recognised by Business in the Community as "Responsible Business of the Year" 2016 for its development of the "Circular Economy" approach to environmental sustainability. We are actively engaged with Veolia to increase our Recycling Volumes and diversion from Landfill.

Current projects in partnership with our suppliers include:

- Converting waste cooking oil into bio-diesel
- Reduction of packaging waste by use of 'topless' boxes and reusable or biodegradable packaging

The Priory Group's policy of local recruitment helps to minimise work related travel and our expenses policies are designed to encourage the use of public transport for business travel. Priory makes extensive use of information and communication solutions such as teleconferencing to avoid unnecessary travel.

In 2015 The Priory Group was awarded the Birmingham Business Charter for Social Responsibility in recognition of the Group's sustainable business practices as a service provider to the City Council and customer of many local suppliers and sub-contractors.



Rugeley School for pupils with autism branches out to scoop a gold award from the Woodland Trust.

The school earned points from the Trust, a nature charity, for a variety of projects within the school as well as outside which saw them turn nature detective and environmentalist. The award recognises involvement in a wide range of "green" activities including tree planting, visiting a local woodland, reducing carbon emissions and recycling.



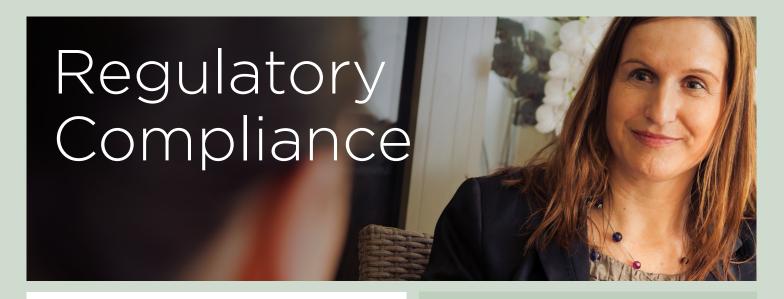
The Priory Group recognises our responsibility to keep service users, staff and the general public safe and fully complies with all relevant legal and regulatory requirements in relation to health and safety.

The Priory Group has a robust set of risk management and safety polices and effective procedures to monitor compliance and ensure that lessons are learned and quickly applied in the event of a serious risk being identified or an adverse event occurring. The Priory Group is committed to providing adequate resources to ensure these policies are effectively implemented and applied at all times. We aim to maintain a healthy and safe environment, safe systems of work, timely and relevant management information and effective, well-trained staff.

Partners, suppliers and subcontractors are subject to appropriate due diligence and held to the same high standards of health and safety good practice that we hold ourselves to. The health and safety performance of Priory and the Group's Health and Safety Policies are

reviewed annually by the Operating Board on the advice of the Director of Risk and Safety, the Health and Safety Manager and where appropriate, third party technical specialists. Interim reviews are carried out in the event of any Serious Untoward Incident in the meantime.

The Priory Group has current accreditation with the Contractors Health and Safety Assessment Scheme (CHAS). The CHAS health and safety assessment scheme is a pre-approval scheme which demonstrates that The Priory Group has achieved the required health and safety standards. The Priory Group is also accredited with ISO 9001 which demonstrates that the company has implemented the relevant Quality Management System requirements for all areas of the business including facilities, people, training, services and equipment.



The provision of mental health, social care and specialist education services is a highly regulated activity.

Policy makers, funders and the wider community look to the regulators to ensure quality and the safety of service users and the general public. The Priory Group regards our regulators as key allies in maintaining our programme of continuous improvement and being ever vigilant for risks to our service users, staff and the public.

The Priory Group treats regulatory compliance as an opportunity to proactively drive up quality and safety in the business, not as a 'box-ticking' exercise.

Achieving prescribed standards is the minimum requirement, with services expected to exceed the expectations of regulators, customers and service users whenever possible and appropriate to do so.

The Priory Group's Chief Executive is ultimately accountable for regulatory compliance and delegates responsibility for delivery and ongoing assurance to the The Priory Group's Medical Director, the Senior Responsible Officer for quality and safety across the Group's operating divisions. Her team includes the Director of Audit and Regulation whose inspectors work across the business, and she maintains a "dotted line" relationship with the Director of Quality within each operating division. The Quality and Audit teams between them maintain a robust cycle of improving, validating, testing and reporting which means that constructive challenge and evidence based practice are the norm across The Priory Group. This in turn means that even when unannounced external regulatory inspections take place, the business is fully prepared to evidence good practice, assure compliance and quickly take on board any opportunities to improve.

Modern Slavery

The Priory Group proudly values individuals and those organisations with which we work and we always seek to conduct or business affairs to the highest possible ethical standards. Our operating procedures are kept under regular review and we seek to consistently improve our practices to prevent human tracking and slavery. We have clear and rigorous whistleblowing policies and colleagues are encouraged to report unethical or inappropriate behaviour. Any such issues are investigated fully and appropriate action taken.

Data Protection

All personal data which The Priory Group has access to whilst providing our services is dealt with the greatest of integrity and in accordance with the requirements of the data protection regime. We know that this data is highly sensitive and it is treated accordingly.

Taxation

As over 90% of the services we provide are publically funded, The Priory Group recognises that taxation is not simply a matter of compliance but also a matter of contributing to the communities that support us and that we benefit from being a member of. The Priory Group meets in full our obligations to pay tax and complies with all relevant legal and regulatory requirements of the jurisdictions in which we do business. The Priory Group does not utilise any artificial tax planning arrangements for the purpose of avoiding or reducing taxation. Since February 2016, The Priory Group is a wholly owned subsidiary of Acadia Healthcare Company Inc., a US publically traded company subject to the transparency and compliance requirements of the NASDAQ exchange. All UK businesses have a common need to comply with regulations related to employment, taxation, health and safety, environmental protection and data protection. Providers of mental health, social care and specialist education services also have to comply with the requirements of the corresponding sector regulators:



England

Care Quality Commission (CQC):

Regulates health and adult social care

Ofsted: Regulates schools and children's social care

Scotland

Care Inspectorate: Regulates care services

Healthcare Improvement Scotland: Regulates health services

Education Scotland: Regulates schools and children's social care

Wales

Care and Social Services Inspectorate Wales: Regulates adults' and children's social care

Healthcare Inspectorate Wales: Regulates health services

Estyn: Regulates schools

Northern Ireland

Education and Training Inspectorate: Regulates schools

Regulation and Quality Improvement Authority: Regulates health and social care services

OUTSTANDING LEVELS OF COMPLIANCE ACROSS THE PRIORY GROUP

87.2%

of The Priory Group's children's services are currently (June 2017) rated GOOD or OUTSTANDING by Ofsted

78.0% of The Priory Group's Healthcare and Adult Care sites are currently (June 2017) rated GOOD or EXCELLENT by CQC

Voluntary and Charitable Activities

Corporately and as an active member of our local communities, The Priory Group supports a wide range of charitable and voluntary activities. Colleagues and service users in residential care are supported to take part in local community projects and The Priory Group's sites support a number of national charities aligned to the services we provide.

Colleagues within The Priory Group's People Team raised funds for the British Heart Foundation through a sponsored bake off and London to Paris bike ride.



Colleagues at the Priory
Hospital Altrincham supported
National Walking Month by
arranging walking activities for
service users culminating in a
sponsored ten mile walk which
raised money for local young
people's mental health charity
42nd Street.



Jamie, a resident of Ewan House, did a 50 mile cycle challenge. He was accompanied by Vincent, a team leader. The journey took six hours along a carefully planned route and the sponsorship money will go to Bath Dogs Home, where Jamie's family dog came from.



Patients and colleagues at the Priory Hospital Roehampton raised money for BEAT - the eating disorders charity - by making and selling lavender bags, knitting socks and painting nails for colleagues and members of the public.



The Priory Group's schools, Adult Care homes and a number of corporate offices all took part in The Word's Biggest Coffee Morning to raise money for Macmillan Cancer Support.





The Priory Group's regional management team took part in, and sponsored the final leg of, the Walk on Wales endurance event in support of Combat Stress and the Welsh Guards Afghanistan Appeal



Bohill House, part of Priory Adult Care, took part in a balloon race in support of their local Alzheimer's Society releasing 1,490 balloons at an event attended by the local mayor.



Craig, a resident at Priory Adult Care's Haven House and his support worker George completed a six mile sponsored to walk to raise money for St. Catherine's Hospice.





Business Development Strategies

The Priory Group has been meeting the care and mental health needs of vulnerable and distressed people for over 140 years, since the founding of the original Priory Hospital in Roehampton. Over time The Priory Group has grown to provide a wide range of mental health, social care and specialist education services from over 400 sites across the UK and internationally and in 2016 became part of Acadia Healthcare Company Inc. the world's largest behavioural care provider.

Over the past century, our understanding of mental ill health and the needs of people with learning disabilities, brain injuries and neurodegenerative disorders, has improved beyond recognition.

Effective treatments have been developed for what once would have been considered intractable problems and our care and support programmes now focus on recovery and re-ablement for all service users, including those with the biggest challenges and longest journeys to wellbeing.

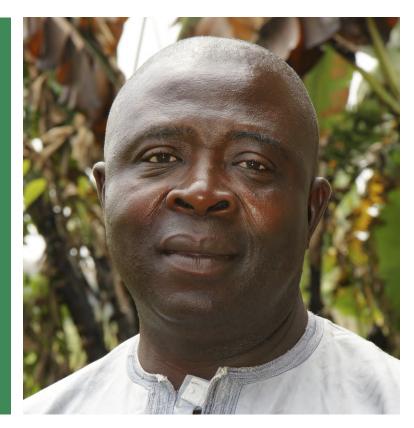
At The Priory Group we recognise that we deliver care in a very dynamic environment within which technology, professional practice and the expectations of service users are continuously evolving. Over 90% of our services are commissioned by the UK's National Health Services and Local Authorities and therefore we must recognise and respond to changes in policy and constant pressure on public finances. The Priory Group embraces the opportunity this provides to develop innovative services that meet the needs of all stakeholders safely, effectively and efficiently. It is not enough that these are just an improved version of what we currently provide – they need to be truly transformative to help address some of the fundamental challenges that affect communities and public services including:

- The need for more public education and awareness of mental ill health and learning disability
- · Service user and carer engagement in service development
- Improved access to services
- Early intervention
- Delivering specialist services closer-to-home and in the least restrictive environment
- Integration within and between services

Innovation

The Priory Group is a leader in service innovation and works with policy makers, commissioners and, most importantly, service users, to develop new services, often in partnership with NHS providers and Local Authorities. The Priory Group has successfully bid for central government innovation fund grants which have been used to pilot new models in children's services including the Haven model of therapeutic children's home.

The Priory Group's business development team actively pursue commissioner-led innovation opportunities such as Birmingham's integrated mental health service for children and young adults (0-25) as part of the Forward Thinking collaboration with NHS and charitable sector partners and NHS England's New Models of Care Pilots for Specialist Services.



CASE STUDY - Belhaven Specialist Children's Home

In 2015 Priory Education and Children's Services was awarded funding under the Department for Education's Innovation Programme to pilot the development of a children's home providing specialist mental health services to young people identified as at risk of future hospitalisation. We recognised early in the process that the service would require dual registration and that Ofsted's requirement for this to be a homely environment for looked after children may conflict with CQCs requirement for it to be a safe environment for children with mental ill health. We engaged early with both regulators and put together a design team with operational experience across hospital and residential care to develop an innovative solution which fully complies with the needs of both regulators and provides a safe and supportive environment to help the children on their road to recovery. Both regulators were fully satisfied with the new model and Belhaven was rated "GOOD" by Ofsted on its first inspection. The model is now being rolled out across other specialist services for children with mental ill health.



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For further information about our services please visit: www.priorygroup.com www.priorychildrensservices.co.uk www.prioryadultcare.co.uk

