

Board of Directors – Open

SUMMARY REPORT

Meeting Date: 22 September 2021

Agenda Item: 22

Report Title:	Proposed Dissolution of 7 Hills Care and Support Limited		
Author(s):	David Walsh, Director of Corporate Governance		
Accountable Director:	David Walsh, Director of Corporate Governance		
Other Meetings presented to or previously agreed at:	Committee/Group:	N/A	
	Date:	N/A	

Summary of key points in report

7 Hills Care and Support Limited was established as a separate company owned by SHSC in 2015. The company has remained unused since then, and registered dormant since 2017, and there is no anticipated change to this situation. There are some risks and implications and carrying the company and this paper proposes its dissolution.

Recommendation for the Board/Committee to consider:

Consider for Action	Approval	X	Assurance	Information
---------------------	----------	---	-----------	-------------

To approve the dissolution of 7 Hills Care and Support Limited and to authorise that the necessary steps be taken to complete this process.

Please identify which strategic priorities will be impacted by this report:

	Yes	No	X
Covid-19 Getting through safely	Yes	No	X
CQC Getting Back to Good	Yes	No	X
Transformation – Changing things that will make a difference	Yes	No	X
Partnerships – working together to make a bigger impact	Yes	No	X

Is this report relevant to compliance with any key standards ? State specific standard

Care Quality Commission	Yes	No	X	
IG Governance Toolkit	Yes	No	X	Good Governance

Have these areas been considered ? YES/NO				If Yes, what are the implications or the impact? If no, please explain why
Patient Safety and Experience	Yes		No	Not applicable
Financial (revenue & capital)	Yes		No	
OD/Workforce	Yes		No	
Equality, Diversity & Inclusion	Yes		No	
Legal	Yes		No	

Section 1: Analysis and supporting detail

Background

- 1.1 7 Hills Care and Support Limited was formed following Board considerations during 2015.
- 1.2 The key driver for the establishment of the separate company under the ownership of SHSC was with the intention of competing for new business. It was considered at that time that SHSC would be better placed to do this through a separate company which was owned by but separate to the NHS Foundation Trust.
- 1.3 Specific areas of business that it was anticipated 7 Hills Care and Support would be able to compete for were General Medical Services contracts and Learning Disability services.

Current status

- 1.4 7 Hills Care and Support Limited has remained unused since its establishment. No obvious usage for it has been identified during the discussions Board have held during 2021 about SHSC's strategy moving forward.
- 1.5 There are implications arising from its existence. There is a small but regular amount of work required to ensure its status is retained, including annual returns to Companies House such as the filing of accounts and confirmation statements. While this has always been undertaken to timescales, there are risks of statutory fines for late returns.
- 1.6 In addition, there have needed to be frequent changes to the named Director for 7 Hills Care and Support due to employees moving on from the organisation. The current named Director of 7 Hills Care and Support is the Director of Corporate Governance, the fifth different employee to be named in this role since the company was established.
- 1.7 With the Director of Corporate Governance departing the organisation on 31 October 2021, this will need to change again if the company is retained.

Potential future usage

- 1.8 There was significant work undertaken to prepare for the establishment of 7 Hills Care and Support Limited, including the drafting of Articles of Association and the completion of preparatory documentation.
- 1.9 While there may have been some reluctance to dissolve the company due to this, the reality is that documentation remains and in the event of a company being required in the future could be revised and reused. It is, therefore, not felt that retention of the company is justified on this basis alone.

Assets

- 1.10 7 Hills Care and Support is carrying a small balance of £100 in its account. Arrangements will need to be made for this to be transferred prior to any application to dissolve the company being submitted; any funds not transferred prior to a company being dissolved are passed to the Crown.

Section 2: Risks

- 2.1 There is a risk that dissolving the company will reduce future options for business competition in the future. This risk is considered to be very low given the lack of usage of 7 Hills Care and Support Limited in the last six years, and the lack of need identified during strategy discussions. The risk is also mitigated by the ability to retain the work that was invested in 2015 and re-use if necessary, as described in paragraphs 1.8 and 1.9.
- 2.2 Retaining a dormant company with no intention to use it is not good governance, generates unnecessary work and brings with it a small risk of fines arising from the filing duties with Companies House. This risk has been avoided by the diligence of the PA to the Chief Executive and Executive Director of Finance and Performance, who has managed this to date, but can be eradicated entirely, as well as the work burden associated with it, by dissolving the company.