

**REPORT TO:** Cabinet

**DATE:** 16 December 2010

**SUBJECT:** Sefton New Directions

**WARDS AFFECTED:** All

**REPORT OF:** David McCullough  
Acting Head of Corporate Legal Services

**CONTACT OFFICER:** David McCullough 0151 934 2032

**EXEMPT / CONFIDENTIAL:** No

**PURPOSE / SUMMARY:**

To provide an update on the current position of Sefton New Directions (SND).

**REASON WHY DECISION REQUIRED:**

As the shareholder of SND the Council should monitor developments with SND and how they may impact on the Council.

**RECOMMENDATION(S):**

That Cabinet note the report and request further update reports when proposals for the future of Sefton New Directions have been formulated.

**KEY DECISION:** No

**FORWARD PLAN:** Not appropriate

**IMPLEMENTATION DATE:** Following the expiry of the 'call-in' period for the minutes of the cabinet meeting.

**ALTERNATIVE OPTIONS:**

Not appropriate

**IMPLICATIONS:****Budget / Policy Framework:** None**Financial:** None within this report

<b><u>CAPITAL EXPENDITURE</u></b>	<b>2009/ 2010 £</b>	<b>2010/ 2011 £</b>	<b>2011/ 2012 £</b>	<b>2012/ 2013 £</b>
Gross Increase in Capital Expenditure				
Funded by:				
Sefton Capital Resources				
Specific Capital Resources				
<b><u>REVENUE IMPLICATIONS</u></b>				
Gross Increase in Revenue Expenditure				
Funded by:				
Sefton funded Resources				
Funded from External Resources				
Does the External Funding have an expiry date? Y/N	When?			
How will the service be funded post expiry?				

**Legal:**

**Risk Assessment:**

The Council is the shareholder in SND and therefore, should be kept informed of developments with the Company and how they may impact on the Council.

**Asset Management:**

**CONSULTATION UNDERTAKEN / VIEWS**

Strategic Director – Social Care and Wellbeing and the Head of Corporate Personnel

**CORPORATE OBJECTIVE MONITORING:**

<u>Corporate Objective</u>		<u>Positive Impact</u>	<u>Neutral Impact</u>	<u>Negative Impact</u>
1	Creating a Learning Community		√	
2	Creating Safe Communities		√	
3	Jobs and Prosperity		√	
4	Improving Health and Well-Being		√	
5	Environmental Sustainability		√	
6	Creating Inclusive Communities		√	
7	Improving the Quality of Council Services and Strengthening local Democracy		√	
8	Children and Young People		√	

**LIST OF BACKGROUND PAPERS RELIED UPON IN THE PREPARATION OF THIS REPORT**



- 1.8 At its Board meeting on 2<sup>nd</sup> December 2010 the Board of SND agreed:
- the immediate appointment of Fresh Care Consulting to manage the business and to advise the Board on the options surrounding the business which may include sale, disposal, transfer or more efficient operation
  - having received advice in respect of administration / liquidation to seek advice on an informal basis from an insolvency practitioner, which is recommended business practice in such circumstances
- 1.9 Members should be aware that under the terms of the Articles of Association of SND they cannot commence any action for the winding-up or dissolution of the Company or the making of an administration order or a composition or arrangement with its creditors without the prior written approval of the Council. Furthermore, the Company cannot make more than 10 employees redundant during any rolling three month period without the prior written approval of the Council.

## **2.0 Proposal**

- 2.1 The Council as Shareholder will receive a further report in due course outlining the proposals for the future of the Company. When considering such proposals the Council needs to bear in mind the future delivery of services and how those options may affect the Council in terms of liabilities transferring to the Council. These potential liabilities are currently being assessed
- 2.2 The Council as Commissioner of Social Care Services will want to ensure the continuity of services for users and appropriate consultation and engagement regarding any changes.
- 2.3 The Company is currently reviewing its service provision to establish the necessary actions to re-configure services to meet the needs of the commissioners

## **3.0 Recommendation**

That Cabinet note the report and request further update reports when proposals for the future of Sefton New Directions have been formulated.