

## **Statement by the Board of SVHG**

### **Proposed transfer of SVHG ownership by the Religious Sisters of Charity**

St. Vincent's Healthcare Group (SVHG) is a designated activity company (DAC) limited by shares, and the hospitals in the Group – St. Vincent's University Hospital, St. Vincent's Private Hospital and St. Michael's Hospital – have a long and outstanding heritage of providing acute healthcare services to the people of Dublin and many other parts of the country.

The origins of SVHG go back to the founding of St. Vincent's Hospital in 1834 by Mary Aikenhead, Foundress of the Religious Sisters of Charity (RSC). The nature of the Sisters' involvement in their healthcare operations has altered significantly in recent decades, from predominantly unsalaried healthcare professionals to the situation today where they have no direct involvement in the provision of healthcare.

Consequently, the Sisters have for many years been engaged in an on-going strategic review of their healthcare facilities, especially SVHG. This has involved finding the way forward that best perpetuates the vision and values of Mary Aikenhead, which are dignity, compassion, justice, quality and advocacy. That process has accelerated over the past two years and has also involved consideration of these issues by the Board of SVHG over the same period.

The outcome of the process is that the Religious Sisters of Charity believe the future continued success of SVHG, and perpetuating the vision and values of Mary Aikenhead, can best be ensured by relinquishing their shareholding in SVHG, and transferring ownership of the group to a newly formed company with charitable status to be called "St. Vincent's".

The Sisters wish to make the following changes;

- St. Vincent's will replace the Sisters of Charity as the shareholders in SVHG and, consistent with the transfer of ownership, the Sisters will no longer have the right to appoint Directors to the Board of SVHG. The Congregation's two representatives on the current Board will resign with immediate effect.
- Upon completion of this transaction, the current requirement, set out in the SVHG Constitution, "to conduct and maintain the SVHG facilities in accordance with our (RSC) current ethical code" will be amended to reflect compliance with national and international best practice guidelines on medical ethics, and the laws of the Republic of Ireland.
- The shares in SVHG will be transferred to St. Vincent's for a nominal/"peppercorn" consideration in return.

In addition, ownership of the specific piece of land at the Elm Park campus, the site of the former St. Vincent's Private Hospital, which is currently subject to a rental agreement, will be sold to SVHG at commercial terms to be agreed, and the rental agreement will cease.

The Chairperson of SVHG, Mr. James Menton, said: "These are major developments, and reflect the wonderful legacy to Irish healthcare of the Sisters of Charity. The Sisters have always held the highest ambitions for the provision of world class healthcare services in Ireland and have successfully achieved and sustained this. They also see the need for the proposed development of the new National Maternity Hospital integrated within the Elm Park campus and want to do everything possible to ensure this vital facility for mothers and babies is developed as quickly as possible.

"The Board, management and 4,000 staff of SVHG are also absolutely committed to upholding the vision and values of Mary Aikenhead - namely dignity, compassion, justice, quality and advocacy -which result in the best possible outcomes for our patients and their families", he added.

Mr. Menton also said that the Board remains steadfast in upholding the vision for SVHG as follows:

- SVHG is an independent, voluntary organisation with charitable status. It invests all of its funds in treatment and care for patients, both public and private. No funds are diverted to those who own or govern the organisation.
- SVHG is a valuable part of an integrated Irish healthcare system, that seeks to achieve best outcomes for patients and their families, through expert, caring teams that work efficiently and innovatively to put patients first.
- SVHG is known for the highest standards of patient care, clinical excellence, medical research and staff education. The Elm Park hospitals have internationally-recognised JCI accreditation, and all hospitals treat patients with warmth, empathy and understanding, and with respect for their concerns, feelings and expectations.
- SVHG will always be true to the values of its Foundress, recognising the right of everyone to access the care and treatment they need to achieve the best possible health care outcomes, regardless of race, ethnicity, religion, gender or personal means.

St. Vincent's will initially have a "Transition Board" for a limited period (maximum one year) and its first members will include James Menton (Chairperson of SVHG), Sharen McCabe, John Compton and Frank O'Riordan, Directors of SVHG. Given the proposed company limited by guarantee legal structure for St. Vincent's under the Companies Act 2014 these Directors (upon incorporation the first members) will effectively act as shareholders during their tenure as Directors (as will be the case for all Directors in the future). During this period a full Board of

Directors will be appointed and as indicated elsewhere will have required skill sets in law, finance, healthcare and social care. They will be committed to upholding the vision and values of Mary Aikenhead. Upon completion of this process the four members of the “Transition Board” will resign from the Board of St. Vincent’s.

These proposals are subject to implementation of all necessary legal, financial and regulatory matters.

**29<sup>th</sup> May 2017**