



improving lives, building independence

Tricuro Executive Shareholder Group held at Beech House, Poole on
27 November 2017

PRESENT - Karen Rampton (Chairman), Ray Bryan, Steve Butler, Tony Ferrari, Mike Greene, Nicola Greene, Jill Haynes, Mohan Iyengar, Ros Kayes and Jane Kelly.

OFFICERS PRESENT:

Helen Coombes (Transformation Lead, Dorset County Council)
Neil Goddard (Service Director, Bournemouth Borough Council)
Phil Hornsby (Service Unit Head - Borough of Poole)
Alison Waller (Managing Director - Tricuro)
Phil Rook (Finance Director - Tricuro)
Jane Pike (Non-Executive Director - Tricuro)

The meeting started at 2.00 pm and finished at 2.47 pm

1. APOLOGIES AND MEMBERSHIP OF THE GROUP

The Group was advised that apologies were received from Blair Crawford (Bournemouth Borough Council) and David Walsh (Dorset County Council). The Group was advised that Jane Kelly (Bournemouth Borough Council) attended as a reserve Member for Blair Crawford and Ray Bryan (Dorset County Council) attended as reserve Member for David Walsh.

2. CODE OF CONDUCT

There were no declarations of interest made at this meeting.

3. MINUTES

DECISION MADE:

That the minutes of the Executive Shareholder Group meeting held on 3 October 2017 were confirmed.

4. TRICURO'S SAVINGS AND TRANSFORMATION PROGRAMME 2018/19

The Managing Director reported that Tricuro was currently working with commissioners across its three shareholders to address the requirement to deliver savings through a reduction in the contract value. The report which had been circulated to the Group identified the level of savings required from each shareholder for Tricuro's 2018/19 contract price reduction and summarised the current and ongoing financial pressures the company faces.

The Group was advised that Tricuro had absorbed £2.3m cost pressures since it was created in July 2015, returned 1% to shareholders in 2017/18 and reduced its contract with Dorset County Council by £265k in 2017/18. The Managing Director reported on the cashable savings required in 2018/19 of £3.1m were in the context of cash standstill budget. Further savings of £0.9m in 2019/20 for Dorset County Council were also required. The Group was advised of one-off costs and the impact on the level of savings. The Managing Director reported that the level of savings would bring a high level of risk of redundancy, service reduction and service cessation. She reported that Tricuro would work with commissioners to deliver innovative and pragmatic solutions, identify opportunities to mitigate any redundancies and protect front line capacity wherever possible. The Group was asked to consider that the one-off costs of £698k is partly mitigated by the 2017/18 surplus which was forecast at £315k. The Managing Director reported on the timing for the Tribunal which had now been rescheduled to 25 June 2018 following a joint application from Tricuro and Unison to postpone. She explained that the Tribunal would involve a 4-week hearing including 1 week for summing up and receiving evidence. The Group was informed that the report before them did not take account of any financial implications from the outcome of the tribunal. The Managing Director outlined the recommendations set out in the report indicating that this was the third year of savings and highlighted the need to review the business plan and consider the ongoing strategy and viability of the company.

The Group referred to section 4 of the report which detailed a provisional budget summary for 2018/19. A Member referred to the table and in particular the one-off costs of £698k that would be incurred to implement the savings required from shareholders. These one-off costs reflect potential redundancies in each service but did not include the cost of early retirements. The Finance Director referred to Appendix 1 which detailed the identified ongoing savings, the estimated one-off costs and the net saving for 2018/19 for each service area and by each individual shareholder. In response to a question the FD expressed a level of confidence in the income figures provided which were based on current sales to private customers and the NHS. to trade. A Member referred to the expected level of loss for the year of £0.6m, the Finance Director outlined that this was due to the difference in the gross saving target of £3.1m and the identified ongoing savings of £2.6m. A Dorset County Council Member referred to the percentage of the reductions for Dorset and Bournemouth indicating that they were not on a proportionate. A Bournemouth Council Member supported the general point but highlighted that a pro-rata basis was no longer appropriate given the different financial circumstances and priorities. The Managing Director confirmed that discussions with Bournemouth Borough Council and the Borough of Poole had not yet been concluded. The Non-Executive Director reported on the difficulty in achieving the level of savings required in

2018/19 and the impact on the viability of the Company. A Member sought clarification on the timescale and the opportunity to refresh the business plan. The Non-Executive Director asked the Group what approach did it want the Company to take - consolidation, cessation of services.

A Member asked about the transformation of hospital care. The Managing Director reported that the Company was working with Commissioners to ensure that pathways and services were correct for clients. She explained that there was a clear understanding of referrals to reablement to ensure that there was no inappropriate use of the service and discussions were ongoing with Dorset County Council.

The Chairman asked if there were any other options to those detailed in the report. The Managing Director referred to the application of savings and if there were any opportunities for the Local Authorities to contribute to the one-off costs as Tricuro could not fully meet these. A Member explained that the climate was different now compared to when the Company was established. She highlighted the opportunity to make the Company fit for purpose. The Group discussed the opportunity to refresh the business plan and identify a viable business model which needed to progress quickly. The Managing Director outlined the work that the Company was undertaking in identifying the key pressures in the market place, the provision of good quality care, the community offer and bringing this together by early next year. A Member suggested that it was opportune to align work being undertaken by the Joint Committees on Local Government Reorganisation.

DECISION MADE:

That the recommendations in the report be noted and further discussions be undertaken early in the new year. It was noted that the 2017/18 surplus could partly mitigate the significant one-off costs incurred to deliver the reduction in contract funding.

5. FINANCE AND PERFORMANCE UPDATE

The Group considered a report from the Finance Director which set out the forecast outturn and performance for the Company for 2017/18 based on September data.

The Group was advised that Tricuro's current forecast predicts an underspend of £315k. The Finance Director reported that despite the current financial situation and challenges, Tricuro was maintaining the high quality of the services which the Company provide. The Finance Director reminded that Group that Tricuro's staging date for auto enrolment of staff in the Pension Scheme was 1 October 2017. He reported that the forecast costs for the 6 months in 2017/18 was estimated to be £80k and for 2018/19 £150k.

The Finance Director reported that since the last report Tricuro's Reablement Service in Dorset has been the subject of a Care Quality Commission inspection. He explained that the draft report had been received and the result was very positive.

The Group was advised of the latest income levels. The Finance Director reported that the budget for 2017/18 had agreed a target of £395k but as at the end of September the forecast income was £781k. He indicated that this rising target would mitigate some of the ongoing pressures which had been already taken account in the provisional 2018/19 budget. The Group was also updated on the latest position relating to Sidney Gale House.

The Transformation Lead for Dorset County Council referred to the sickness rate for the Company. The Group was reminded that a target rate of 8 days lost per FTE had been determined but current figures show this was rising to 9.8 days. She highlighted the cost implications and suggested that it would be useful to include the breakdown of the sickness rates and the associated costs. The Transformation Lead also referred to the delivery of income targets, the 1% dividend to shareholders, costs reductions and the Company's trading position which had been achieved since the Company was established and was a very positive record. The Finance Director confirmed the achievement of this positive performance by the company since its inception.

A Member referred to the missing targets relating to the reablement service. The Managing Director reported on the differences between Dorset and Bournemouth in particular that hours in Dorset were taken up with long term care packages. She confirmed that work was ongoing on this issue, however the responsibility of referrals into the service and moving clients out of the service was clearly with local commissioners.

A Member referred to the risk register and the cost implications associated with the Tribunal.

The Chairman reported that care satisfaction was high. The Managing Director referred to the shareholders Newsletter which included real experiences and a recognition of the services provided by the Company.

DECISION MADE:

1. That the 2017/18 forecast position as at the end of September be noted
2. That the current performance be noted taking account of the above comments.