

Tricuro Executive Shareholder Group

Minutes of the meeting held at Beech House, Poole,
BH15 2BU on Tuesday, 5 February 2019

Present:

Jill Haynes (Chairman), Steve Butler, Blair Crawford, Tony Ferrari, Mike Greene, Nicola Greene, David Harris, Mohan Iyengar, Karen Rampton and David Walsh.

Officers Attending:

Helen Coombes (Transformation Programme Lead for the Adult and Community Forward Together Programme), Colin Dennis (Chairman - Tricuro), Jane Portman (Managing Director - Bournemouth), Phil Rook (Finance Director - Tricuro), Jan Thurgood (Strategic Director - People Theme - Poole), Alison Waller (Managing Director - Tricuro) and Liz Eaton (Democratic Services Officer).

Apologies

1 There were no apologies for absence.

Code of Conduct

2 There were no declarations by members of any disclosable pecuniary interests.

Minutes

3 The minutes of the meeting held on 20 December 2018 were confirmed and signed subject to the following amendments:

Minute 6 - Tricuro: Shareholder Viability Assessment Report

That the recommendation be deleted

That an additional resolution be added:-

"That the two future shareholders confirm their commitment to Tricuro and commit to supporting the commissioners to develop their strategic vision."

Matters Arising

Minute 6 - Tricuro: Shareholder Viability Assessment Report

It was proposed by Cllr Mike Green and seconded by Cllr Karen Rampton:-

"That ESG believes a strategic review of Tricuro and the wider subject of efficient Adult Social Care delivery in Dorset is desirable and requested officers of the constituent councils to consider the scope and objectives of this review and to present a proposal to a further ESG meeting by June 2019 for decision on instructing this review."

This was agreed.

Resolved

That ESG believes a strategic review of Tricuro and the wider subject of efficient Adult Social Care delivery in Dorset is desirable and requested officers of the constituent councils to consider the scope and objectives of this review and to present a proposal to a further ESG meeting by June 2019 for decision on instructing this review.

Finance and Performance Update and Budget 2019/20

4 The Group considered a report by the Finance Director which set out the forecast outturn for 2018/19 based on December 2018 data. The current forecast predicted an underspend of £38k.

The Finance Director informed since the last meeting that Dorset commissioners have communicated the financial position for 2019/20 which is that Tricuro will receive ongoing funding for the 2019/20 pay award and the savings target in Dorset's MTFP has been reduced from £1M to £500k.

He updated the group final movements in the contract price from Dorset to BCP as part of the disaggregation process for Local Government Reorganisation. The transfer of the services is £5.610M based on 2019/20 prices and is shown in the table in 5.2 of his report. This had been agreed by LGR Delivery Boards. The percentage share in the company would be 56% Dorset Council and 44% BCP.

The Finance Director outlined the progress since the last meeting on the progress for 2019/20 budget and explained there was a budget gap in 2019/20 of up to £414k which was mainly due to the 1% contract rebate (£337k) included in the budget strategy for both shareholders and Tricuro and the impact to assimilate existing employees to the new NJC spine from 1 April 2019.

The Finance Director highlighted the 3 options to close the budget gap:

- i) Shareholders increase the contract value to meet the gap in 2019/20.
- ii) Further reductions in services to realise savings to meet the gap.
- iii) Use a proportion of uncommitted retained earnings to meet the gap and first call on savings in 2020/21 will rectify the base budget.

The use of uncommitted retained earnings would be the preferred option to balance the 2019/20 Budget given the timing of Local Government Reorganisation and the shareholders own financial positions which are extremely challenging. This would enable the shareholders and the company explore the scope and strategy to be developed jointly options to be taken back to the new ESG in June. The Finance Director had discussed this approach with the company's external auditors.

The Managing Director informed the Group they were working closely with shareholders and would produce plans to meet budget shortfall, however these were not available yet.

The Executive Shareholder Group agreed the recommendations in the report.

Resolved

That the Executive Shareholder's Group:

1. That the forecast position for 2018/19 at the end of December be noted.
2. That the risks associated with and impacting upon the current financial year and future financial years be noted.
3. That the 2019/20 Budget for Tricuro be agreed.
4. That the use of retained earnings to support the 2019/20 Budget be agreed.
5. That the approach adopted to assimilate existing employees to the new NJC pay spine on 1 April 2019 para 5.14 be agreed.

Business Growth and Development Opportunities

- 5 The Managing Director gave a verbal update on Business Growth and Development Opportunities. She explained there was an opportunity for Tricuro to enter into a partnership with Morgan Ashley providing care and support to a 70 bedded care home and financial modelling for this had been reviewed and now provided a more viable option, however there was still further due diligence required to satisfy both the Tricuro Board and ultimately the ESG.

The Executive Shareholder Group were asked to approve negotiations without legal or contractual obligations and the commercial modelling would be reported to a meeting in June 2019.

Members discussed the proposed partnership in detail regarding potential profit, risks involved, timing of decisions, the Board's views, and staff recruitment. Having considered this, members supported the proposal being explored further.

Resolved

That Tricuro continue to explore the proposal and report their findings to the next meeting of the Executive Shareholder Group in June 2019.

Any Other Business

6 No items were discussed.

Date of Future Meetings

7 The Chairman confirmed she would ask the Clerk to arrange and confirm the date of the next meeting as soon as possible post LGR and felt this would possibly be later in June 2019.

Meeting Duration: 10.10 am - 12.05 pm

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