



Solutions for government

STRATA JOINT SCRUTINY COMMITTEE

Date: Thursday 16 March 2017

Time: 5.30 pm

Venue: Rennes Room, Civic Centre, Paris Street, Exeter

Members are invited to attend the above meeting to consider the items of business.

If you have an enquiry regarding any items on this agenda, please contact Howard Bassett, Democratic Services Officer on 01392 265107.

Membership -

Councillors Dewhirst, Haines, Leadbetter, Lyons, Prowse, Dent, Jung, Howe and Musgrave

The Members of the Joint Scrutiny Committee may nominate a named substitute to attend a meeting of the Joint Scrutiny Committee provided that at least 24 hours notice has been given to the Proper officer of the Relevant Council together with the name of the substitute

Agenda

Part I: Items suggested for discussion with the press and public present

1 Apologies

To receive apologies for absence from Committee members.

2 Minutes

To sign the minutes of the meeting held on 16 January 2017.

(Pages 5 -
8)

3 Declarations of Interest

Councillors are reminded of the need to declare any disclosable pecuniary interests that relate to business on the agenda and which have not already been included in the register of interests, before any discussion takes place on the item. Unless the interest is sensitive, you must also disclose the nature of the interest. In accordance with the Council's Code of Conduct, you must then leave the room and must not participate in any further discussion of the item.

Councillors requiring clarification should seek the advice of the Monitoring Officer prior to the day of the meeting.

4 Local Government (Access to Information) Act 1985 - Exclusion of Press and Public

RESOLVED that, under Section 100A(4) of the Local Government Act 1972, the press and public be excluded from the meeting during consideration of items 9 and 10 on the grounds that they involve the likely disclosure of exempt information as defined in paragraphs 1, 2 and 3 of Part I, Schedule 12A of the Act.

5 Questions from the Public Under Procedural Rules

A period of up to 15 minutes will be set aside to deal with questions to the Committee from members of the public.

Each individual will be restricted to speaking for a total of 3 minutes.

Where a question does not relate to an agenda item details of questions should be notified to the Proper Officer of the Relevant Council at least two working days prior to the meeting.

6 Question from Members of the Councils under Procedure Rules

To receive questions from Members of the Councils.

Where a question does not relate to an agenda item details of questions should be notified to the Proper Officer of the Relevant Council at least two working days prior to the meeting.

7 Progress Report - To Follow

To consider the report of the Strata Board.

Part II: Items suggested for discussion with the press and public excluded

8 Business Case - New Telephone System - To Follow

To consider the report of the Strata Board

9 Member Feedback Report on Progress

To consider the report of the Chair of the Strata Joint Scrutiny Committee.

10 **Human Resources Update Report**

To consider the report of the Strata Board.

(Pages 17
- 36)

11 **Update on Discussion with Software Supplier - Verbal Report**

Date of Next Meeting

The next scheduled meeting will be held on **Thursday** 15 June 2017 at **5.30 pm** .

Find out more about Exeter City Council services by looking at our web site *http://www.exeter.gov.uk*. This will give you the dates of all future Committee meetings and tell you how you can ask a question at a Scrutiny Committee meeting. Alternatively, contact the Democratic Services Officer (Committees) on (01392) 265115 for further information.

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Agenda Item 2

STRATA JOINT SCRUTINY COMMITTEE

Monday 16 January 2017

Present:-

Councillors Dewhirst, Haines, Leadbetter, Lyons, Prowse, Jung, Howe and Sheldon

Also Present

Chief Operating Officer, The Teignbridge Strata Director, Security and Compliance Manager, Assistant Director Finance, Strategic Lead Finance (EDDC) - Strata Director, Programme & Resource Manager, Business Development Manager, Infrastructure and Support Manager, Document Centre Manager and Democratic Services Officer (Committees) (HB)

1

CHAIR

In the absence of Councillor Dent, the meeting was chaired by Councillor Howe of East Devon District Council.

2

APOLOGIES

These were received from Councillors Dent and Musgrave.

Councillor Sheldon was substituting for Councillor Musgrave.

3

MINUTES

The minutes of the meeting held on 15 September 2016 were taken as read and signed by the Chair as correct.

4

DECLARATIONS OF INTEREST

In respect of Min No 9, Councillor Jung declared an interest in that part of the report referring to DSG Retail.

5

QUESTIONS FROM THE PUBLIC UNDER PROCEDURAL RULES

None.

6

QUESTION FROM MEMBERS OF THE COUNCILS UNDER PROCEDURE RULES

None.

STRATA BUDGET MONITORING QUARTER III : 2016/17

The Director responsible for Finance presented the report setting out the financial progress of Strata during the first nine months of 2016/17, including a projected outturn assessment against the savings set out in the Business Plan.

The original business case for Strata had set out a savings profile over the initial 10 year period of the company. Approval to move staff to new Strata terms and conditions had meant that a revenue saving of only £26,964 was projected at the start of the financial year. The key variations were set out in the report which included additional income to finance Firmstep annual maintenance from Exeter City Council.

At the nine month stage, the Board was projecting a revenue saving for the Councils of about £70,000 for 2016/17 against the target of £254,052 in the original business case. The Councils had requested additional equipment and, at present, there were outstanding payments of £240,068 to be invoiced.

Strata Joint Scrutiny Committee noted the report.

8 LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985 - EXCLUSION OF PRESS AND PUBLIC

RESOLVED that, under Section 100A (4) of the Local Government Act 1972, the press and public be excluded from the meeting during consideration of the following items on the grounds that they involved the likely disclosure of exempt information as defined in paragraphs 1, 2, 3 and 4 of Part I, Schedule 12A of the Act.

9 UPDATE ON STRATA IMPLEMENTATION PLAN CREATING A REVISED BUSINESS PLAN 2017/18

Councillor Jung declared an interest in that part of the report referring to DSG Retail.

On Behalf of the Strata Board, the Chief Operating Officer presented the report advising of the progress that Strata had made in the Implementation Plan, seeking approval for changes to the Business Plan and to gain approval for capital expenditure.

He presented the second review against the original Business Case, the report examining the vision, finances, technology, the convergence plan and the organisation and comparing the current situation with the May 2014 Business Case. His presentation detailed progress on the three key requirements of reducing cost, reducing risk and increasing capability for change. It was delivering strongly in the first two areas and beginning to make in-roads into the latter as a result of more systems and software becoming common, or converged, across the three Councils.

The savings profile had moved as a result of the restructure costs, an extended Global Desktop rollout, and changes to the Software Convergence Plans. The revised Global Desktop rollout had required contracts and resources to be kept on for an additional year with the intention of completing the roll out by April 2017 and this had increased costs.

Taking a number of factors into account, the latest convergence plan forecasted that the original savings total would be achieved over a slightly longer period between years 12 and 13. During the ten year plan period, revenue savings of £5.3m were now forecast. Should the councils decide to remain with original convergence assumptions then savings would revert to closer to those stated in the 2014 Business Plan.

The Director (Finance Lead) advised Members of the revaluation of the Pension fund liability and that Strata had been treated as a high risk although the three Councils had given an undertaking to cover the pension liability. It was the intention to challenge the recovery of the deficit over the three years as this had implications for the three Councils.

Members discussed the implications of the revaluation and supported the intention of approaching Devon County Council for a review of the recovery of deficit in the Pensions Fund.

The Chief Operating Officer advised Members that Strata Officers had been working with the software provider to address the bugs that had occurred in the system which had caused a delay in the roll out of the Global desk top.

Strata Joint Scrutiny Committee noted the report and requested approval by three constituent Councils of:-

- (1) the Revised Business Plan for Strata;
- (2) the adoption of the revised Strata business plan which included a revised savings profile; and
- (3) the following additions to their capital programs to allow the 2017/18 convergence plan and new contact centre software to be delivered.

	% Contribution	Capital Funding
East Devon District Council	36.692%	£190,615
Exeter City Council	35.936%	£186,687
Teignbridge District Council	27.372%	£142,198
Total		£519,500

INTERNAL AUDIT OF GOVERNANCE ARRANGEMENTS

The Teignbridge Strata Director presented the internal audit report on governance and the Board's proposed actions produced by the Devon Audit Partnership.

Following an earlier report on "IT Systems" which had been judged "Good", a second report on Governance was also judged as "Good". It was noted that the draft Business Plan had highlighted some of the findings as items for review and should assist with the delivery of the company's business objectives and responsibilities. There were no significant matters arising from the audit and the recommendations made served to strengthen what were mainly reliable procedures.

“Good standard” levels of assurance had been given for each of the following areas:-

- Partnership Arrangements;
- Risk Management;
- Performance Management; and
- Governance Overview.

Strata Joint Scrutiny Committee noted the report.

(The meeting commenced at 3.00 pm and closed at 4.10 pm)

Chair

SCRUTINY WORK

The Chair invited feedback on the report of the Committee Chair on findings resulting from Members' enquires conducted with service users.

Strata Joint Scrutiny Committee agreed that the report be included on the agenda for the next Committee meeting on 16 March 2017.

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

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