



Solutions for government

## STRATA - JOINT EXECUTIVE COMMITTEE

Date: Tuesday 3 February 2015

Time: 5.30 pm

Venue: Yaroslavl 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 Sarah Selway, Democratic Services Manager (Committees) Telephone 01392 265275 or email [sarah.selway@exeter.gov.uk](mailto:sarah.selway@exeter.gov.uk).

Entry to the Civic Centre can be gained through the Customer Service Centre, Paris Street.

### *Membership -*

Councillors Christophers, Divani and Edwards

Non-voting Members Nicola Bulbeck, Karime Hassan and Mark Williams

## Agenda

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

#### **1 Chair**

To elect a Chair - in accordance with procedural rules this shall be in a rotational basis with the Chair to be appointed for 12 months unless agreed otherwise by the Committee.

#### **2 Apologies**

To receive apologies for absence from Committee members.

#### **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**

It is considered that the Committee would be unlikely to exclude the press and public during consideration of any of the items on the agenda, but if it should wish to do so, the following resolution should be passed:-

**RECOMMENDED** that, under Section 100A(4) of the Local Government Act 1972, the press and public be excluded from the meeting for the consideration of the particular item(s) on the grounds that it (they) involve(s) the likely disclosure of exempt information as defined in the relevant paragraphs of Part 1, Schedule 12A of the Act.

5 **Progress Report on Strata Service Solutions Implementation Plan**

To consider the report of Chris Powell Chief Operating Officer Strata Service Solutions Ltd.

(Pages 3 - 12)

6 **Strata Business Plan with Budget - to follow**

7 **Appointment of Alternate Directors to the Strata Board**

To consider the report of Duncan Moors, Solicitor to Teignbridge District Council.

(Pages 13 - 16)

**Date of Next Meeting**

The next scheduled meeting of the Executive will be held on **Wednesday** 22 April 2015 at 5.30 pm in the Civic Centre.

**A statement of the executive decisions taken at this meeting will be produced and published on the Council website as soon as reasonably practicable.**

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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**REPORT TO Strata Joint Executive Committee**

**Date of Meeting: 3 Feb 2015**

**Report of: Chris Powell**

**Title: Progress Report on Strata Service Solutions Implementation Plan**

**Is this a Key Decision? No**

**Is this an Executive or Council Function? No**

**1. What is the report about?**

**Update on progress of Strata and a review of a technology decision making process.**

**2. Recommendations:**

**To note the progress of implementation of Strata.**

**3. Reasons for the recommendation:**

**Progress report.**

**4. What are the resource implications including non financial resources.**

**All included within the Strata business case.**

**5. What are the legal aspects?**

**None**

## 6. Report details:

### Progress Report on Strata Service Solutions Implementation Plan

#### Introduction

The three partner Councils agreed the formation of Strata Service Solutions and its associated Implementation Plan in July 2014. This report is an update on the progress and issues in achieving the plan up till early January 2015 (there will also be a short presentation at the JEC meeting).

The high level plan is illustrated by fig 1 and fig 2

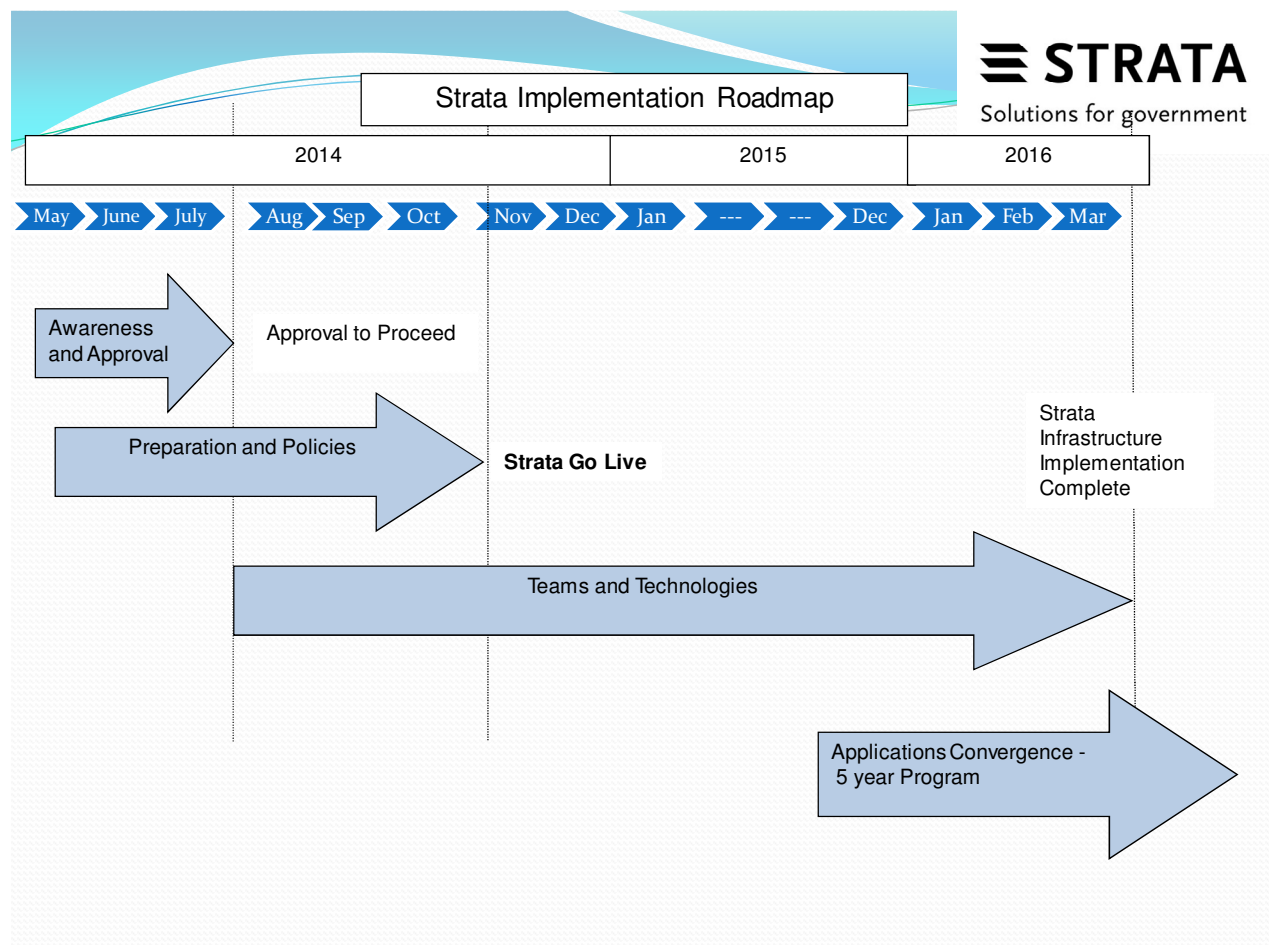


Fig 1 High level plan

#### Summary

Implementation so far has produced a few surprises and a few issues. Most of these are being dealt with but some will need JEC guidance. The highlights are:

- Strata went live on Nov 1 as planned – all staff TUPE to Strata; agreed budgets transferred.



Buy and Install new production computers						X	X	X	X	X	X											
Buy and Install DR equipment							X	X	X	X	X											
Implement Ad and Exchange design								X	X	X	X	X	X									
Order and install WAN and network in place							X	X	X	X	X	X										
Order and install Lync systems									X	X	X	X	X									
Design, buy and install security systems			X	X	X	X	X	X	X	X	X	X	X									
Implement common helpdesk system and process		X	X	X	X	X	X															
Single Telecomms contract and transfer to SIP						X	X	X	X	X	X	X	X	X	X	X	X	X				
Systems transfer to VDI																						
Virtualise and test applications						X	X	X	X	X	X	X	X	X	X	X						
develop golden VDI images										X	X	X	X	X	X							
Transfer East Devon to VDI													X	X	X	X						
Transfer Exeter to VDI														X	X	X	X					
Transfer Teignbridge to VMWare and VDI																X	X	X	X	X		x

Fig 2 First level of plan detail

- Main elements of plan are on schedule – main exceptions are:
  - Strata time and attendance system incomplete – now likely March
  - Councils yet to be asked to begin process of file and email clean-up
- COO and most of Strata management team recruited and in post (Compliance and Security Manager post was offered, initially accepted, but later turned down. External recruitment since carried out and likely to fill post in early February).
- As expected, the organisation change is making some posts redundant. This process is continuing with due tact and consultation. However, redundancy costs are expected to be higher than anticipated but these extra costs will be met by the Technology Challenge Award grant.
- The TCA grant has allowed the two data centres to be built with additional safeguards and improved electrical efficiency.
- Data centre builds are being hit by the most surprises – concrete plinth for generator; reinforced floor for DR site; lack of electrical contactors – which may result in a delay of up to 4 weeks for this part of the project.
- The main infrastructure procurements have so far come in close to or under the Business Case budgets and are on schedule.
- Creation of a common Service Desk across the sites has produced early benefit with instances of mutual support being provided across sites to reduce risks due to absence of key staff.
- JEC and Scrutiny committee meetings set for year ahead

## **Financial Highlights**

- Strata is fully functioning from a finance perspective with the following appointments having been made:
  - Insurance – Zurich Municipal;
  - External Accountants / Audit – Francis Clark;
  - Banking & Credit Cards – Lloyds Bank;
- The Company is registered for VAT and Corporation Tax and has amended its year-end to 31 March to tie in with the year-end of its owners.
- **Budget 2014-15**
  - Appendix A sets out the Revenue and Capital expenditure to date;
  - Within Revenue, the income is made up of the Transformation Challenge Awards funds and predominantly salaries budgets transferred to the Company from the three owners. At the end of the year an analysis will be undertaken to identify any costs paid for by Strata for which a budget has not been transferred and any

costs paid for by the Councils for which a budget had been transferred. An invoice for each amount will be raised;

- Within Capital, the budget represents the initial implementation plan, which was set out in the Business Plan. The only expenditure to date is in respect of the software for the data centre although other orders have been placed.

- **Budget 2015-16**

- The budget for 2015-16 is currently being finalised and final figures are awaited from the three owner Councils, before Strata's budget can be set.

### **Main Issue requiring guidance from JEC**

One of the dependencies to achieving the Strata business case is Councils agreeing to use common technology and common business applications. Without this convergence many of the benefits will fall short of expectations, especially the objective to increase capacity for transformation through IT.

At the time of Strata going live, Exeter approved a channel shift business case which included the procurement of new technology for a "customer portal" and a "dial-by-voice" system. This technology does not currently exist amongst the three Councils. In an ideal world the three Councils would have a common strategy and Strata would create common projects to deliver the strategy. In reality each Council is in a different place at present and Strata does not want to hold up Exeter's business case. However, Strata has a duty to ensure that any new technology is suitable for use across all three Councils.

The proposal is that Strata will work with Exeter as the lead Council on the "customer portal" and "dial-by-voice" technologies. Strata will recommend the technologies that will meet the needs of the business case taking into consideration existing and planned investments across the partnership.

Whatever technology platforms emerge will be considered as the common technology platform for all

### **Main objectives for the next period**

The Strata organisation is in the early days of developing its operating processes, creating its culture and establishing relationships with the Councils. The immediate main challenges ahead are:

- Understanding each Council's current IT project and change requirements and developing Strata project plans and resource plans to deliver as much as possible
- Developing the communication processes between Strata and Councils, especially at SMT/CMT level to ensure good dialogue about performance and business issues and to ensure that projects requiring IT are discussed with Strata at the very start.
- Developing a process to enable Application Convergence decisions by the JEC. These could be:
- Developing the Strata performance measures for reporting to the various groups.



**7. What is the impact of the decision on equality and diversity; health and wellbeing; safeguarding children, young people and vulnerable adults, community safety and the environment?**

**None**

**12. Are there any other options?**

N/A

**Local Government (Access to Information) Act 1972 (as amended)**

**Background papers used in compiling this report:-**

None

Contact for enquires:  
Democratic Services (Committees)  
Room 2.3  
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**STRATA  
- SUMMARY  
as at 26 January 2015**

<b>STRATA SERVICE SOLUTIONS</b>			
	<b>REVENUE BUDGET</b>	<b>ACTUAL SPENT TO DATE</b>	<b>BUDGET REMAINING</b>
	£	£	£
EMPLOYEES	856,500	513,900	(342,600)
SUPPLIES & SERVICES	1,117,616	124,729	(992,887)
INCOME - REVENUE	(1,003,234)	(1,003,234)	0
INCOME - TCA FUNDS	(970,882)	(970,882)	0
<b>Net Expenditure</b>	<b>0</b>	<b>(1,335,487)</b>	<b>(1,335,487)</b>
	<b>CAPITAL BUDGET</b>	<b>ACTUAL SPENT TO DATE</b>	<b>BUDGET REMAINING</b>
	£	£	£
TOTAL CAPITAL BUDGET	1,712,703		(1,712,703)
DATA CENTRE - INFRASTRUCTURE			0
DATA CENTRE - HARDWARE			0
DATA CENTRE - SOFTWARE		109,822	109,822
			0
			0
<b>Net Expenditure</b>	<b>1,712,703</b>	<b>109,822</b>	<b>(1,602,881)</b>

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## STRATA – JOINT EXECUTIVE COMMITTEE

**DATE:** 3 February 2015

**REPORT OF:** Duncan Moors, Solicitor to Teignbridge District Council

**SUBJECT:** Appointment of Alternate Directors to the Strata Board

### PART I

#### RECOMMENDATIONS

The Joint Executive Committee (JEC) is recommended to note this report regarding the appointment of alternate directors and request that the Chief Executives of each of the Councils appoint an alternate director.

#### 1. PURPOSE

To advise the JEC of the need for the shareholding councils to appoint alternate directors to the Strata Board and to request that the Chief Executives of each of the Councils appoint an alternate director in line with the proposals set out in section 3 below.

#### 2. BACKGROUND

2.1 Strata commenced operations on 1 November 2014. The Board of directors comprises three directors, each appointed by their respective Council.

2.2 The directors are:

- David Hodgson – Assistant Director Finance (and Section 151 Officer), Exeter;
- Simon Davey – Head of Finance (and Section 151 Officer), East Devon; and
- Stephen Hodder – Business Lead Corporate Services and Transformation, Teignbridge.

2.3 Strata's Articles of Association provide that the Councils can nominate alternate directors, who will act in place of a director, if the latter is absent from a meeting.

2.4 The Articles do not require meetings of the Board to be face-to-face. However the directors have agreed that all meetings should be face-to-face whilst

Strata finds its feet. It is likely that the need for face-to-face meetings of the Board will reduce over time especially where the volume of business decreases.

- 2.5 Appointing an alternate does not relieve the director making the appointment of his responsibilities as a director. An alternate director is personally responsible for all his actions as a director while performing the functions of his appointor.
- 2.6 Directors and alternate directors must comply with the following duties set out in the Companies Act 2006:
  - Act within powers (section 171);
  - Promote the success of the company (section 172);
  - Exercise independent judgement (section 173);
  - Exercise reasonable skill, care and diligence (section 174);
  - Avoid conflicts of interest (section 175);
  - Not accept benefits from third parties (section 176); and
  - Declare interest in a proposed transaction or arrangement with the company (section 177).
- 2.7 The appointment of alternate directors is not a JEC function; it is for the Councils, as shareholders. The appointment of directors was delegated to the Chief Executives and the appointment of alternates falls within that delegation.
- 2.8 Alternates will have the same voting rights as the appointed directors and count towards the required quorum. It is important to note that for a meeting of the Board to be quorate, a director from each of the Councils must be present and that all decisions of the Board must be unanimous.

### **3. PROPOSAL**

- 3.1 The Board has proposed that the following officers are appointed as alternate directors:
  - East Devon District Council – Karen Jenkins, Strategic Lead - Organisational Development and Transformation
  - Exeter City Council – Mark Parkinson, Deputy Chief Executive
  - Teignbridge District Council – Duncan Moors, Solicitor to the Council

### **4. GROUPS CONSULTED**

Consultation on the choice of alternate director is a matter for each Council.

### **5. TIME-SCALE**

Once an alternate is selected by each Council, that appointment is to have immediate effect.

**6. JUSTIFICATION**

The appointment of alternate directors will provide flexibility and enable decision making to take place if the appointed directors are unable to attend a Board meeting.

**7. DATE OF IMPLEMENTATION (CONFIRMATION OF DECISION SUBJECT TO CALL-IN)**

10.00 a.m. on 10 February 2015.

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