



Solutions for government

STRATA - JOINT EXECUTIVE COMMITTEE

Date: Monday 16 January 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 Sarah Selway, Democratic Services Manager on 01392 265275.

Membership -

Councillors Christopher (Chair), 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 Apologies

To receive apologies for absence from Committee members.

2 Minutes

To sign the minutes of the meeting held on 27 September 2016.

(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 8 and 9 on the grounds that they involve the likely disclosure of exempt information as defined in paragraphs 1,2, 3 and 4 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 Questions from Members of the Councils under Procedural 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 Strata Budget Monitoring December 2016/17

To consider the report of the Director (Finance Lead)

(Pages 9 -
14)

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

No representations have been received in respect of the following items in accordance with the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012.

8 Update on Strata Implementation Plan creating a Revised Business Plan 2017/18

To consider the report of the Chief Operating Officer, Strata and Strata Board.

(Pages 15
- 116)

9 Internal Audit of Governance Arrangements

To consider the report of the Strata Board.

(Pages
117 - 134)

Date of Next Meeting

The next scheduled meeting will be held on **Tuesday** 21 March 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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STRATA - JOINT EXECUTIVE COMMITTEE

Tuesday 27 September 2016

Present:-

Councillor Jeremy Christophers (Chair)
Councillors Wright, Sutton and Diviani,

Non-Voting Members:-

Nicola Bulbeck, Mark Parkinson and Mark Williams

Also Present

Chief Operating Officer, Assistant Director Finance, The Teignbridge Strata Director, Business Development Manager, Security and Compliance Manager, Strategic Lead Finance (EDDC) - Strata Director, Infrastructure and Support Manager, Servicedesk Team Leader and Democratic Services Manager (Committees)

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APOLOGIES

Apologies for absence were received from Councillor Edwards - Exeter City Council – Leader and Karime Hassan – Exeter City Council - Chief Executive & Growth Director.

24

MINUTES

The minutes of the meeting held on the 21 June 2016 were taken as read and signed by the Chair as correct.

25

DECLARATIONS OF INTEREST

No declarations of disclosable pecuniary interest were made.

26

GLOBAL DESK TOP DEMONSTRATION AND PRESENTATION

The Servicedesk Team Leader gave a presentation of the Global Desk Top.

Members were shown how the global desk top operated including:-

- new applications which included Microsoft office 2013;
- the new look outlook;
- instant messaging including group conversations and officers availability;
- the use of Skype as a telephone system;
- how the system keep data saved in a power cut; and
- how the remote login works.

Executive were advised that the instant messages are recorded for audit purposes in a similar way to email Members would be consulted on the options for their future IT - global desk top or office 365 in due course.

The Chief Operating Officer advised on progress with the roll-out of the Global Desktop (GD). Following initial problems with two or three software glitches at

Exeter, roll-out there had been delayed until April of this year but more major difficulties had been experienced at East Devon District Council, and as a result, the management teams had changed the priority of migration. It was now anticipated that completion would occur by April 2017. The change of plan for the roll out of the GD meant that Teignbridge would migrate to the GD by the end of year with East Devon following. 600 staff had been transferred to GD with the total number to be 1,800.

The Chief Operating Officer gave an update on the Capacity and Convergence Plan.

- the convergence plan could take up to five years to complete as identified in the original Business Case;
- assessment of timing and delivery of project planning was based on staff resources and ability of councils to manage change;
- the time lines for the projects were constantly moving for example the Bacs project had to move forward to take account of changes in regulations;
- there were 20 Analysts to deal with business change requests as well as take forward projects - basic rules and guidelines were being introduced to manage projects and time scales;
- a key element of the Business Case and Delivery team was the split between project and other work and project work was split between high and low intensity; and
- there were currently 60 projects, of which 35 were at the delivery stage, there were also 365 business change requests.

The Chief Operating Officer clarified that meetings take place with Senior Officers for them to identify their IT priorities; there was capacity to deal with projects and business requests but it would be a case of each Council also identifying their priorities.

RESOLVED that the presentations be noted.

27 **STRATA GLOBAL DESKTOP - PROGRESS REPORT INCLUDING CHANGES TO GLOBAL DESKTOP PLAN**

The Chief Operating officer presented the report advising Members on the progress of Strata and the change of plan for the roll out of the Global Desktop.

Strata Joint Scrutiny Committee considered the report at its meeting on 15 September 2016 and its comments were reported.

RESOLVED that the report be noted.

28 **STRATA BUDGET MONITORING QUARTER 1 : 2016/17**

The Director (Finance Lead) presented the report advising Members on the financial progress of Strata during the first three months of 2016-17, including a project 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, with savings of £254,000 budgeted for 2016/17. The projected saving at the beginning of 2016/17, as a result of additional costs from the transfer of staff to new Strata terms and conditions, had been £26,964. It was now anticipated that the savings would be £97,225. The final Statement of Accounts differed by only £750 from the draft accounts set out in March.

Strata Joint Scrutiny Committee considered the report at its meeting on 15 September 2016 and its comments were reported.

RESOLVED that the report be noted.

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HUMAN RESOURCES PROGRESS REPORT 19 AUGUST 2016

The report of the Strata Human Resource Lead was submitted outlining progress update on key Human Resource work and in particular the completion of the restructures within Strata.

In response to a question from the Leader of East Devon District Council regarding the need for a structure chart, the Chief Operating Officer clarified that a Strata Intranet for all three authorities would be available by the end of October and this would include a structure chart for the organisation.

Strata Joint Scrutiny Committee considered the report at its meeting on 15 September 2016 and its comments were reported.

RESOLVED that the report on progress with Strata restructure and the people data as in the circulated report be noted.

30

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 item on the grounds that it involves the likely disclosure of exempt information as defined in paragraphs 1, 2, 3 and 4 of Part I, Schedule 12A of the Act.

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INTERNAL AUDIT REPORT ON STRATA'S SYSTEMS

The Director (Finance Lead) presented the Strata Internal Audit Report 2015/16 produced by the Devon Audit Partnership following its successful tender bid for a three year contract.

The Audit opinion was that the systems and controls generally mitigated the risk identified but a few weaknesses had been identified and/or mitigating controls had not been fully applied. 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 covered during the audit:-

- ICT Strategy;
- Change Management;
- Incident and Problem solving; and
- Key operational functions.

In response to Members' questions, the Director (Finance Lead) clarified the position with regards to the contract with Devon Audit Partnership and that the next area to be audited would be Governance. This report would be brought to Members in December.

Members discussed the definitions and what was required by Strata Solutions to meet the measure of high standards and priorities.

Strata Joint Scrutiny Committee considered the report at its meeting on 15 September 2016 and its comments were reported.

RESOLVED that the report be noted.

(The meeting commenced at 5.30 pm and closed at 6.25 pm)

Chair

STRATA JOINT SCRUTINY COMMITTEE STRATA JOINT EXECUTIVE COMMITTEE

DATE OF MEETING: 16 JANUARY 2016

PUBLICATION DATE: 4 JANUARY 2016

REPORT OF: STRATA BOARD

SUBJECT: STRATA BUDGET MONITORING DECEMBER - 2016/17

1. PURPOSE

- 1.1 This report advises on the financial progress of Strata during the first nine months of 2016-17, including a project outturn assessment against the savings agreed in the budget.

2. BACKGROUND

- 2.1 The Company has been given a total of £5.933 million to run the IT Services in 2016/17 along with funding for various capital projects. Additionally a number of items are being directly funded by the owners to deliver Council specific projects. The Company also maintains an account for additional purchases throughout the year, which is invoiced to each Council based on actual purchases made.

3. MAIN IMPLICATIONS

Strata Budget Monitoring to 30 December 2016

3.1 Savings as per Business Plan

The original Business Case for Strata set out a savings profile over the initial ten year period of the Company. The savings were split into cashable revenue savings and savings to the Councils from not having to implement specific capital projects individually.

A breakdown of the saving summary is set out below.

| | | Capital Expenditure Savings | Revenue Savings | Total |
|---------|---------|--|----------------------------|--------------------|
| 2015-16 | Year 1 | (443,932) | (262,098) | (706,030) |
| 2016-17 | Year 2 | (272,522) | (254,052) | (526,574) |
| 2017-18 | Year 3 | (319,822) | (482,836) | (802,658) |
| 2018-19 | Year 4 | (259,609) | (627,961) | (887,570) |
| 2019-20 | Year 5 | (129,300) | (769,653) | (898,953) |
| 2020-21 | Year 6 | 867,962 | (858,293) | 9,669 |
| 2021-22 | Year 7 | (138,000) | (933,626) | (1,071,626) |
| 2022-23 | Year 8 | (9,884) | (927,313) | (937,197) |
| 2023-24 | Year 9 | (196,902) | (949,680) | (1,146,582) |
| 2024-25 | Year 10 | (374,300) | (984,040) | (1,358,340) |
| Total | | (1,276,309) | (7,049,550) | (8,325,859) |

However, approval to move staff to new Strata Terms and conditions meant that a revenue saving of only £26,964 was projected at the start of the financial year.

3.2 Key Variations from Revenue Budget

The Strata budget is on track to deliver around £70,000 of revenue savings for the Councils in 2016-17. The key variations are set out on the next page:

| Expenditure Type | Projected Over / (Underspend) | Detail |
|------------------|-------------------------------|--|
| Employees | (44,731) | <ul style="list-style-type: none"> The planned redundancies are lower than estimated in the Budget. |

| Expenditure Type | Projected Over / (Underspend) | Detail |
|---------------------------|-------------------------------|---|
| Supplies & Services | 249,756 | <ul style="list-style-type: none"> A number of contracts, which were planned to end have had to be extended as a result of the delay in the global desktop. Additional maintenance directly funded by the Councils. |
| Income - Revenue | (266,490) | <ul style="list-style-type: none"> Additional income to finance Firmstep annual maintenance from ECC. Additional income to cover other items directly funded by the Councils. |
| Transport | 11,300 | <ul style="list-style-type: none"> Based on current trends transport costs will be above budget. |
| Investment interest / Tax | 6,800 net | <ul style="list-style-type: none"> Cash in the company is reducing along with expectations for interest rates moving forward. |

At the nine month stage the Board is projecting a revenue saving of £70,329 against the target of £254,052 in the original business case.

3.3 Key Variations from Capital Budget

The capital project to deliver the data centre and other implementation projects is progressing. Some additional expenditure on the data centre has been incurred without funding identified. Some additional grant requires billing to the owners.

3.4 Council Recharge Account

The Councils also request additional equipment for which they are subsequently invoiced. At present there are outstanding payments of £240,068 to be invoiced.

RECOMMENDATIONS

That the Joint Scrutiny and Joint Executive Committees note the contents of the report.

| | |
|---|--|
| Dave Hodgson Director (Finance Lead) | Contact details Tel: 01392 265292 E-mail: david.hodgson@exeter.gov.uk |
|---|--|

**BUDGET MONITORING
31 DECEMBER 2016**

STRATA SERVICE SOLUTIONS - REVENUE BUDGET

| | REVENUE BUDGET | ACTUAL & COMMITMENTS | PROJECTED OUTTURN | VARIANCE |
|---------------------|---------------------------|-------------------------------------|------------------------------|-----------------|
| | £ | £ | £ | £ |
| EMPLOYEES | 2,636,490 | 1,946,759 | 2,591,759 | (44,731) |
| SUPPLIES & SERVICES | 3,231,356 | 2,794,245 | 3,481,112 | 249,756 |
| TRANSPORT | 33,700 | 33,117 | 45,000 | 11,300 |
| SUPPORT SERVICES | 15,000 | 15,000 | 15,000 | 0 |
| TAX ON INTEREST | 2,500 | 0 | 800 | (1,700) |
| INCOME - REVENUE | (5,933,510) | (6,148,356) | (6,200,000) | (266,490) |
| INVESTMENT INTEREST | (12,500) | (3,065) | (4,000) | 8,500 |
| Net Income | (26,964) | (1,362,300) | (70,329) | (43,365) |

CAPITAL PROJECTS

| | CAPITAL BUDGET | ACTUAL & COMMITMENTS | PROJECTED OUTTURN | BUDGET REMAINING |
|---|---------------------------|-------------------------------------|------------------------------|-----------------------------|
| | £ | £ | £ | £ |
| DATA CENTRE / DR - INFRASTRUCTURE including: | 813,023 | 899,263 | 895,092 | 82,069 |
| WAN | | | | 0 |
| AD & EXCHANGE | | | | 0 |
| DATA CENTRE - HARDWARE | 113,200 | 86,132 | 86,132 | (27,068) |
| DATA CENTRE - SOFTWARE | 860,000 | 905,774 | 905,774 | 45,774 |
| SERVICE DESK | 2,000 | 799 | 799 | (1,201) |
| Telecoms | 182,623 | 59,781 | 182,623 | 0 |
| SECURITY | 87,150 | 56,850 | 56,850 | (30,300) |
| Voice Activated Directory | 42,812 | 42,812 | 42,812 | 0 |
| IDOX | 69,042 | 123,834 | 69,042 | 0 |
| Public-I TDC AV Equipment | 104,424 | 104,424 | 104,424 | 0 |
| BARTEC | 5,251 | 77,175 | 5,251 | 0 |
| Guildhall Wi-fi | 17,000 | 13,871 | 14,000 | (3,000) |
| E-Fin upgrade | 60,000 | 21,035 | 60,000 | 0 |
| Firmstep | 118,000 | 40,475 | 118,000 | 0 |
| iTrent | 186,000 | 20,396 | 186,000 | 0 |
| EDDC Housing Management System | 20,894 | 20,894 | 20,894 | 0 |
| Revs & Bens - EDDC | 6,023 | 6,023 | 6,023 | 0 |
| LLPG | 25,000 | 14,721 | 25,000 | 0 |
| Revs & Bens - TDC | 51,600 | 51,600 | 51,600 | 0 |
| Capital Funds | (2,581,064) | (2,258,640) | (2,581,064) | 0 |
| Net Expenditure | 182,978 | 287,218 | 249,252 | 66,274 |

COUNCIL RECHARGE

| | ACTUAL TO DATE |
|------------------------------------|---------------------------|
| | £ |
| EMPLOYEES | 0 |
| SUPPLIES & SERVICES | 311,159 |
| INCOME | (71,091) |
| TO BE RECHARGED TO COUNCILS | 240,068 |

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