Strata Service Solutions Ltd.

Governance Framework

Date Issued: 30th December 2019 v1.4

Building and delivering flexible, responsive and cost effective IT solutions and services for Local Government

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Document Information

Applies To	East Devon District Council, Exeter City Council, Teignbridge District Council, Strata Service Solutions Ltd
Date of Approval	

Document Control

Title	Strata Governance Framework
Originator / Author	Laurence Whitlock
Reviewer	Strata Board
Business Area	Strata Service Solutions Ltd.

Document History

Version	Date	Changes Made	Document status
1.09	4th July 2019	Draft for Circulation	Obsolete
1.11	12th Sept 2019	Changes after authority review and prior to approval	Obsolete
1.2	28th Oct 2019	Revisions following JEC / JSC	Obsolete
1.3	28th Oct 2019	Additional revisions made after review by Sarah Selway	Obsolete
1.4	30th Dec 2019	Date review and update	Live Draft

Purpose of this Document

The purpose of this document is to propose a revision to the existing Strata Governance model, with the aim of improving the interface between Strata and the three authorities:

- Create a tighter alignment between the Strata Management Team, the Strata Board and the IT strategy of the three authorities;

- Add a more informed approach to the resource provisions of Strata based on the strategic direction and requirements of the three authorities;

- Introduce a Non-Executive Director role to provide informed yet impartial advice on the operation of Strata and on developments in IT that could benefit the three authorities;

- Gain greater shared insight into the transformational activities of each authority and using this insight to inform the Strata Business Plan.

Timetable for Governance Review

Activity	Owner	Target Date
Create of the Strata Governance Framework discussion document	Laurence Whitlock	4th April 2019
Review of the Governance Framework discussion document by the Strata Board	Laurence Whitlock	21st June 2019
Update of Governance Framework based upon comment from Strata Board members	Laurence Whitlock	1st July 2019
Sharing of the Governance Framework discussion document with 3 x Authority Leaders and 2 x Chief Exec / 1 x Managing Director	Simon Davey	14th July 2019
Meeting with Chief Execs / Leaders to discuss the proposed changes	Simon Davey	1st August 2019
Update revised Governance Framework following meeting with MD / Chief Execs and JSC	Laurence Whitlock	11th Sept 2019
Decision on the Revised Governance Framework at JEC in Sept 2019	Simon Davey	24th Sept 2019
Additional changes to the Governance framework discussion document to be incorporated	Laurence Whitlock	31st Oct 2019
Mobilisation of legal team to make the required changes to 'articles'.	Laurence Whitlock	13th Dec 2019
Revised paper to be submitted to the Leaders and MD / Chief Execs of each authority	Sarah Selway	31st Jan 2020
Discussions between JEC members to agree new governance arrangements	Simon Davey	28th Feb 2020
Introduction of new governance framework	Simon Davey	1st April 2020
Recruitment of Non-Executive Director	Strata Board and IT Steering Board	1st April 2020

Strata Governance Framework

As we complete the fifth year of Strata operation, it is felt that changes are needed to the existing Governance arrangement to ensure that the three authorities are taking advantage of the solid foundations that have been built and using the technology base to transform and adapt to citizen demands.

Most Governance meetings whether Strata Board, JEC or JSC are structured in a way so as to allow Strata managers to provide an update on progress, to cover projects, performance, financial aspects of the service. Governance meetings are not used by the authorities to brief Strata on the Strategic direction of each authority or on the challenges that they are currently facing in transforming to meet the demands of the modern citizen.

It is therefore suggested that the current Governance model is changed in order to provide Strata with a more informed and strategic level of engagement, this will ensure that Strata can structure their resources and operating model so as to align with the future transformational needs and aspirations of the three authorities.
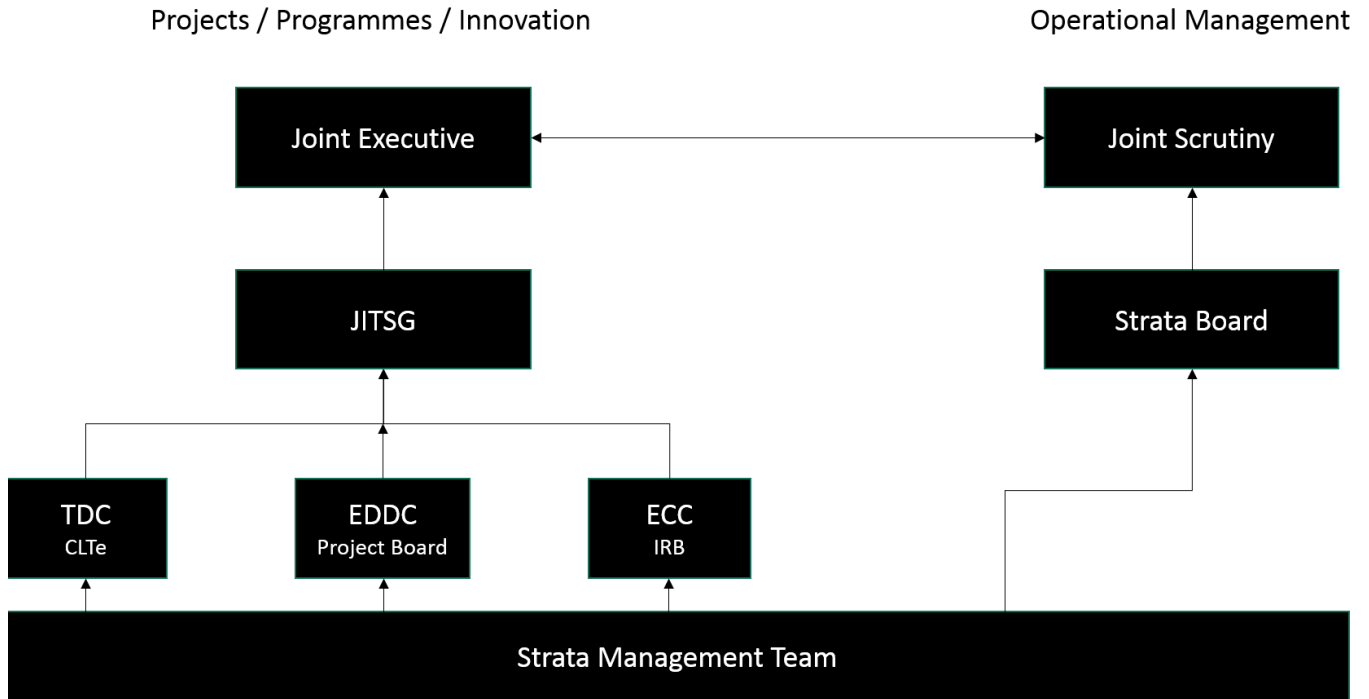
The proposed revised Governance model delivers savings in terms of resource commitments, and works to empower an IT Steering Board (ITSB) and the Strata Board to manage workload, prioritisation, the strategic direction of Strata and the operation of the business, whilst ensuring that Strata continues to deliver a high level of 'business as usual' service and support to each authority. Whilst still offering, through a half yearly Joint Executive Committee and AGM, the opportunity to review and agree the annual Business Plan and objectives and the Annual Performance report which covers both operational and financial performance. In addition, it is proposed that rather than having a specific Joint Scrutiny Committee (JSC), Strata scrutiny should be performed by the Scrutiny Committee of each authority, offering greater opportunity for Scrutiny and Challenge.

In simplifying the Governance framework, it is felt that it will enable Strata to focus efforts on moving forward in partnership with each authority, rather than in having to cover off the operational performance of the business in the quarterly JEC and JSC meetings.

In addition to proposing a revised structure, it is also recommended that a **Non-Executive Director** with extensive knowledge of the IT industry is introduced to help guide and inform the work of Strata and the three authorities. This role would add to the effectiveness of the Governance arrangements and also provide a vital, but to date a missing link, between the Strata Board and the Strategic IT management of each of the three authorities.

Current Strata Governance Framework

The current governance framework is based around four separately operating primary boards / committees, three authority based project boards and a Strata Management team. Whilst this has been necessary during the initial four year phase of Strata's development, it is now believed that this structure is not as effective as it could be.

Projects / Programmes / Innovation   Operational Management

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│   Joint Executive   │◄──────────────────►│   Joint Scrutiny    │
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┌─────────────────────┐                    ┌─────────────────────┐
│       JITSG         │                    │    Strata Board     │
└─────────────────────┘                    └─────────────────────┘
          ▲                                           ▲
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┌──────┐ ┌──────┐ ┌──────┐                            │
│ TDC  │ │ EDDC │ │ ECC  │                            │
│ CLTe │ │Project│ │ IRB  │                            │
│      │ │ Board │ │      │                            │
└──────┘ └──────┘ └──────┘                            │
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┌──────────────────────────────────────────────────────────────┐
│                  Strata Management Team                        │
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Proposed Strata Governance Framework

It is proposed to simplify the existing Strata Governance arrangements, and to move key operational decision making to the IT Steering Board and the Strata Board.

The revised proposed Governance structure diagram is shown below. The Leader of each authority will sit on the Joint Executive Committee, along with the Chief Executive / Managing Director of each authority. This committee will meet twice a year, commonly in June and December, The July meeting with be used to review Strata performance against the Business Plan financial and operational objectives, and the January meeting will be used to provide an overview and ask for sign off of the following years Business Plan.

Member oversight of Strata will be through the presentation of an annual report, in July of each year, to each of the authorities Overview and Scrutiny functions , and also for the authorities Scrutiny committees to have the opportunity to invite Strata representation as Scrutiny committee meetings. The current Joint Scrutiny Committee will be disbanded, and responsibility for Scrutiny passed back to each authorities Scrutiny committees

The existing Joint IT Steering Board will be replaced by a more strategic IT Steering Board. The membership of this Board will comprise the authority Client Lead for IT and the Chief Exec / Managing Director and relevant members of the Strata Management Team.
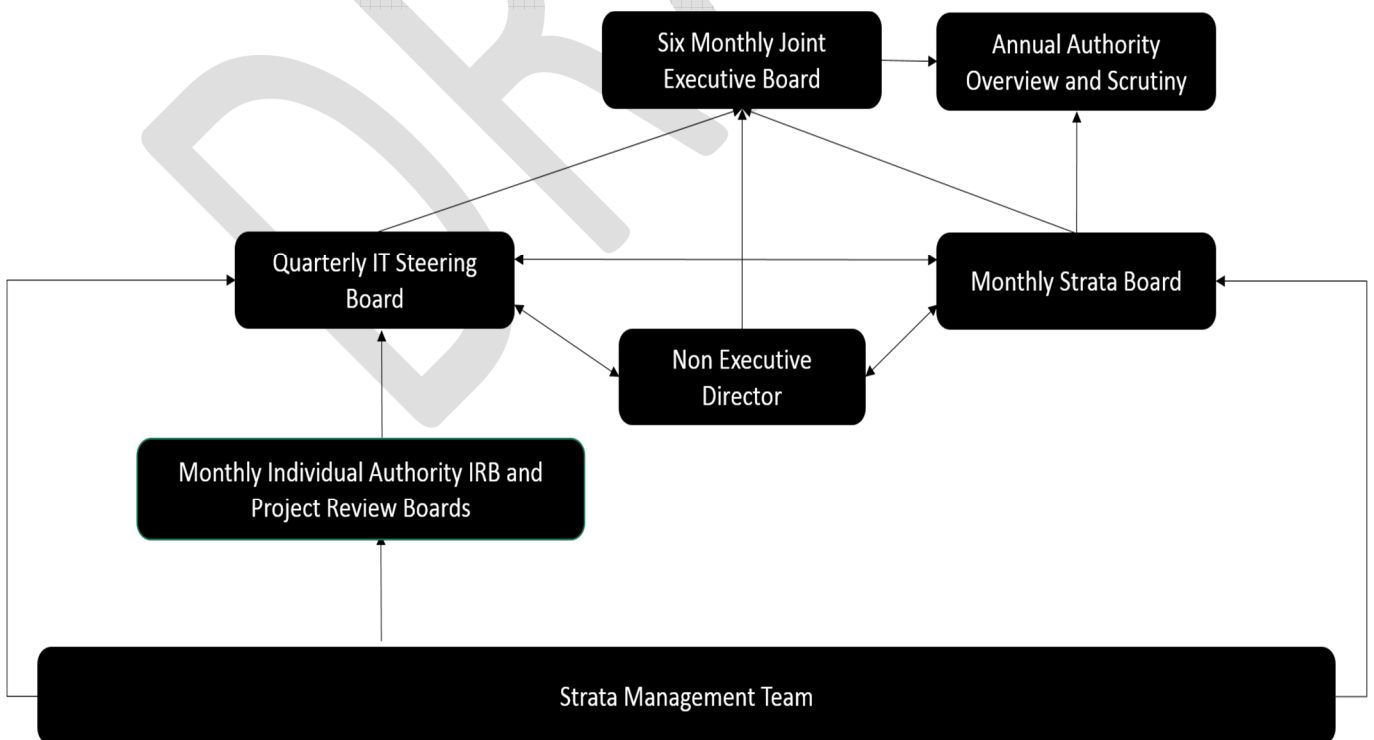
A Strata Non-Executive Director will be appointed to the Strata Board and will take responsibility for enhancing the link between the IT Steering Board and the Strata Board and to inform both authority and Strata strategy and operational matters.

It is proposed that that Strata Board will introduce a formal annual Strata report for distribution and presentation to key stakeholders potentially at an Annual General Meeting.

The structure and remit of the Strata Board will remain as it is currently, with monthly Board meetings with the IT Director and bi-monthly meetings to include members of the Strata Management team.

The Strata Management team will be enhanced by the appointment of a new member of the team who will have the responsibility for delivery of IT projects, IT training and Supplier Management as well as ensuing that the new Strata Project process is adhered too by all parties.

Proposed Governance Framework Matrix

Governance Layer	Involvement	Regularity	Purpose
Strata Management Team	Strata	Weekly Conference Call / Monthly Meeting	
Individual Authority IRB and IT Project Review Boards	TDC / EDDC / ECC	Monthly	To agree individual authority Project and BCR priorities and to discuss Strata Performance Indicators report.
Strata Management Board	Part 1 – Strata Management Team and Strata Board Directors Part 2 – Strata Board Directors	Meet every month and have bi-monthly meetings with the Strata Management team.	To manage the health of the Company and be accountable for financial, risk, resourcing and legal aspects of the Company. Ensure the Company is delivering the Business Plan and achieving set performance standards and indicators.
IT Steering Board	Client Leads, Chief Execs / Managing Director and Strata Management Team	Quarterly	To review key projects and business change requests, service levels and issues arising. To discuss the Strategic direction of each authority, to discuss innovations and areas for joint working.
Strata Half Year – Interim Report & Presentation of Business Plan	Joint Executive Committee	Annual – January	Half year report on Strata Performance and Following Years Business Plan to be circulated to Overview and Scrutiny for each Council, Service Leads, Client Leads and Chief Executives / Managing Director This report will be presented formally at a Joint Executive Committee meeting.
Strata End of Year – Annual Report	Joint Executive Committee	Annual – July	Full year report on Strata to include Out Turn Report, to be circulated to Overview and Scrutiny, Service Leads, Client Leads and Chief Executives / Managing Director This report will be presented formally at a Joint Executive Committee meeting.
Strategy / Transformation / Innovation forum	All	Annually	This forum would bring together Strata Managers and the leaders /relevant portfolio holders and senior managers of the three authorities to discuss innovation and new emerging technologies.

Governance Recommendations

- Change the regularity of the JEC meeting to once every six months to coincide with the presentation of the 12 month business plan and the review of financial and business objectives.

- As part of the JEC meeting, a challenge should be set for the following period, these challenges could task members and Strata with looking at, for example, other innovations in the Public Sector and how they could be relevant to EDDC, ECC and TDC.

- Create an IT Steering Board to include Client Leads and Chief Executives / Managing Director to replace the JEC, JSC and the Joint IT Steering Board.

- Continue to provide a monthly Strata Service Indicators and Performance report for circulation, but provide links to real time stats through the use of PowerBI

- Recruit a Non-Executive Director with a strong background in IT to sit on the Strata Board and to information and guide the IT Steering Board, the Strata Board, Strata Management Team and the Joint Executive Committee

- For the Strata Board to produce an interim report on an annual basis for circulation to Chief Execs, Client Leads, Service Leads and Overview and Scrutiny functions for each Council.

- For the Strata Board to produce a full and half year annual report for circulation to Chief Execs, Client Leads, Service Leads and Overview and Scrutiny committees.

- Introduce an annual Strata / Chief Executive / Service Leads forum to discuss innovation and emerging technology.

Reporting Timetable

Strata Half Year Report - January

In January of each year, the Strata Board will compile and circulate a report to provide the following information for key stakeholders:

- Chairman's Statement
- IT Directors Half Year Report
- Finance Directors Half Year Report
- Proposed Business Plan Highlights for the Following Year

There will be a Joint Executive Committee meeting to coincide with the Half Yearly Report and the presentation of the Strata Business Plan.

Strata Annual Report – July

In July of each year, the Strata Board will compile and circulate a report to provide the following information for key stakeholders:

- Chairman's Statement
- IT Directors Annual Report
- Finance Directors Annual Report
- Devon Audit Partnership Report
- Financial Auditors Report
- Performance Against Business Plan Objectives

There will be a Joint Executive Committee meeting to coincide with the Full Year Report and the presentation of Strata's performance against Business Objectives.

Strategy / Innovation Forum

On an annual basis, Strata will organise and host a Strategy and Innovation forum. .

The aim of this event will be to enable the authority service leads, SMT, Executives and Client Leads to update all attendees on their individual strategies and requirements for the new 12 months.

The event will also enable key stakeholders to discuss technology and innovation requirements in an open and facilitated manner.

It may also provide an opportunity to brief key partners of programmes of work for the following 12 months.

It is proposed that this event would comprise of:

- IT Strategy presentations by Chief Executives / Managing Director
- 'Art of the Possible' discussions
- Emerging Technologies being used by other authorities
- IT Trends and Futures

Non-Executive Director

It is suggested that a Non-Executive Director is recruited to support the work of the Strata Board and the IT Steering Board. The Non-Executive Director would play an important part in assisting the existing Board to fulfil their role by regularly and rigorously assessing the effectiveness of the board's processes and activities. Given the Non-Executive Directors outside perspective to the day to operation of the three authorities and Strata, they would be well placed to ensure that the board focuses its energies effectively on meeting the demands of the three authorities and the Strata staff.

Each board of directors is faced with unique problems and circumstances that must be addressed for the company to be truly successful. Legally speaking, there is no distinction between an executive and non-executive director. They share exactly the same individual and collective duties and responsibilities. Yet there is inescapably a sense in which the NED's role can be seen as both **balancing** and **challenging** that of the executive director, so as to ensure the board, as a whole, functions effectively.

Where the Executive Directors has an intimate knowledge of the operation of Strata, the Non-Executive Director would be expected to have a **wider perspective** of the IT world at large. Where the Executive Directors may be better equipped to provide an entrepreneurial spur to the company, the Non-Executive Director would need to have more say on informing the Strategic direction in terms of IT strategy and IT relevance.

Whilst each individual board member may have a distinct contribution to make to the operation of the Strata business, it would be the collective responsibility of the board to ensure Strata's' continued successful operation.
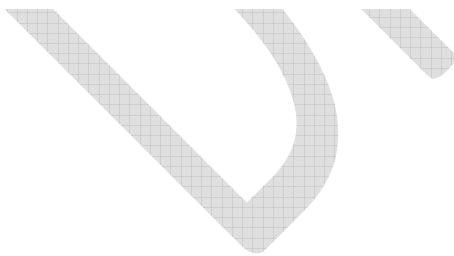
Benefits of the New Governance Framework

There are a number of benefits which can be derived from the introduction of the new governance framework. These benefits include:

- Resource / Effort savings
- Simplification of reporting, more focussed on the operational and transformational needs of the three authorities
- Greater empathises on the authorities working in partnership and with Strata to deliver 'real value' solutions to address organisational needs
- More focussed on the needs of the three authorities
- Greater opportunity for sharing knowledge and best practice
- More informed partners and suppliers on authority IT and Business strategy
- Half year and full year reports
- Greater level of scrutiny via authority Overview and Scrutiny committees