



Solutions for government

Forde House  
Newton Abbot

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20 December 2022

## STRATA - JOINT SCRUTINY COMMITTEE

Dear Councillor

You are invited to a meeting of the above Committee which will take place on **Thursday, 5th January, 2023** in the **Council Chamber, Blackdown House, Border Rd, Heathpark Industrial estate, Honiton, EX14 1EJ** at **4.00 pm**

Yours sincerely

Phil Shears  
Managing Director

Distribution:

- (1) The Members of the Strata - Joint Scrutiny Committee:
- |                                 |                               |
|---------------------------------|-------------------------------|
| Councillor Nick Hookway (Chair) | East Devon District Council   |
| Councillor Phil Twiss           | East Devon District Council   |
| Councillor Paul Millar          | East Devon District Council   |
| Councillor Paul Knott           | Exeter City Council           |
| Councillor Rob Newby            | Exeter City Council           |
| Councillor Trish Oliver         | Exeter City Council           |
| Councillor Charles Nuttall      | Teignbridge District Council  |
| Councillor John Petherick       | Teignbridge District Council  |
| Councillor Terry Tume           | Teignbridge Doistrict Council |

A link to the agenda on the Council's website is emailed FOR INFORMATION (less reports (if any) containing Exempt Information referred to in Part II of the agenda), to:

- (1) All other Members of the Council
- (2) Representatives of the Press
- (3) Requesting Town and Parish Councils

**If Councillors have any questions relating to predetermination or interests in items on this Agenda, please contact the Monitoring Officer in advance of the meeting**

# **AGENDA**

## **Part I**

1. Apologies for absence

2. Minutes (Pages 5 - 8)

To approve the minutes of the last meeting held on 6 September 2022

3. Declarations of Interest

Councillors are reminded of the need to declare any disclosable pecuniary interests that relate to business on the agenda.

4. 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.*

5. 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.*

6. Strata Performance Report - Strata IT Director to report (Pages 9 - 16)

7. Strata Finance Report, budget monitoring at Dec 2022/23 - Strata Finance Director to report (Pages 17 - 22)

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

It is not considered that the Committee would be likely to exclude the press and public during the consideration of any of the items on this agenda but, if it should wish to do so, then the following resolution should be passed: -

*That, under Section 100A (4) of the Local Government Act 1972, the press and public be excluded from the meeting for 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 I of Schedule 12A of the Act.*

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

If you would like this information in another format, please e-mail [info@teignbridge.gov.uk](mailto:info@teignbridge.gov.uk)

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## **STRATA - JOINT SCRUTINY COMMITTEE**

**TUESDAY, 6 SEPTEMBER 2022**

Present:

Councillors Twiss, Hookway, Millar, Oliver, Clarence and Nuttall

Members Attendance:

Councillors Wrigley

Apologies:

Councillors Knott, Newby and J Petherick

Officers in Attendance:

Mark Davies, Strata Director of IT & Digital Transformation

Simon Davey, Strata Board Director

Sarah Jenkins, Democratic Services Officer

### **19. ELECTION OF CHAIR 2022/23**

In accordance with the existing annual rotation for the position of Chair, Councillor Millar proposed that Councillor Hookway, representing East Devon District Council, be elected Chair for the 2022/23 Municipal Year. This was seconded by Councillor Oliver and was resolved.

RESOLVED

Councillor Hookway be elected Chair for the 2022/23 Municipal Year.

### **20. MINUTES**

The minutes of the meeting held on 12 July 2021 were approved as a correct record and signed by the chair.

### **21. DECLARATIONS OF INTEREST**

None.

### **22. QUESTIONS FROM THE PUBLIC UNDER PROCEDURAL RULES**

None.

**23. QUESTION FROM MEMBERS OF THE COUNCILS UNDER PROCEDURE RULES**

None.

**24. STRATA PERFORMANCE REPORT - STRATA IT DIRECTOR**

The Strata IT Director attended the meeting remotely via Zoom. The report had been circulated with the agenda and noted that the existing IT Director had left in April. Mark Davies had taken over as interim Director of IT and Digital Transformation and had been in post for five months.

Overall Strata had performed well during the past twelve months, with a good staff culture and level of retention. The Agilisys report had highlighted various issues, including stagnation around technology. It was noted that, due to the primary focus being on saving money, Strata had not invested in upgrading and maintaining technology. Over the past few months Strata had started to upgrade some key technology such as a new resilient storage system and new servers, although there is still much to do.

Strata is looking to engage a technology architect in order to set a clear strategy for technology solutions and systems life-cycles. The report also highlighted the need for the three Councils to work more closely together which would enable greater savings on delivery.

Regarding staff, the role of Head of Infrastructure has now been filled, with the post holder taking up the role on 1 November. Vacancies on the Service Desk have now been filled and this is now at full complement.

The report outlined various projects which have been or are being delivered during the period. These include:

- Financial Management System replacement
- Migration to Microsoft 365
- Storage Area Network (SAN) upgrade
- Public Switched Telephone Network (PSTN – copper phone lines) in Exeter
- Street cleaning app
- St Sidwells Point leisure complex
- Trade waste system

Over the next few weeks, the project engagement and delivery process will change and Strata will be adopting a more Agile method of project delivery where that approach is suitable.

The report also highlighted the incidents and performance data since 1 January 2022 showing the work Strata has done or is doing in the Service Desk, Business Systems and Projects.

Strata now needs to go through an improvement plan and ensure that all staff operate within that governance and that everyone is aware of protocols.

In response to questions from Councillors, the following points were made:

- Mr Davies does not consider that Strata is top heavy in terms of staff or costs. Mr Davies would try to find comparable data from other authorities to ensure that Strata is delivering value for money.
- Mr Davies outlined his background in IT and advised that he is working on a consultancy basis with a contract in place to February/March 2023. The vacancy for a replacement would be advertised in the next 6 to 8 weeks.
- Regarding possible future working with other Councils' leisure services, it was noted that there is a need for more resources before looking to add value by working elsewhere.
- An example of software not allowing a certain type of parking permit was discussed. Mr Davies would look into this and follow up with Councillor Oliver.
- With regard to using different methodologies such as Agile or Waterfall as approaches to delivering projects, Mr Davies advised that the nature of working in councils is often necessarily a Waterfall approach due to the monolithic timeline based procurement process. However, within that, there could be modules where an Agile approach to delivery could be used. Changes to delivery approaches would be decided depending on the nature of the project. An Agile coach has been engaged and this would enable a common understanding of methodologies across Strata and the three councils.
- Business analysis will be needed in both the client councils and Strata and, moving forward, Strata will be looking to give 25% of its time to each client, with 25% given to work within Strata itself in order to avoid technology falling behind.

The report was accepted and noted.

**25. STRATA FINANCE REPORT, BUDGET MONITORING AT JULY 2022/23 - STRATA FINANCE DIRECTOR**

The report was presented by the Director of Finance.

There were no questions from Councillors.

The report was accepted and noted.

**26. STRATA FINANCE REPORT BUDGET MONITORING OUTTURN 2021/22 - STRATA FINANCE DIRECTOR**

The report was presented by the Director of Finance.

There were no questions from Councillors.

The report was accepted and noted.

CLLR N HOOKWAY  
Chairman

The meeting started at 4pm and finished at 5.13pm

**Teignbridge District Council  
Strata Joint Scrutiny Committee  
January 5<sup>th</sup> 2023  
Part i**

**Strata Performance Report**

**Purpose of Report**

To inform the committee of the performance, delivery and state of Strata Solutions Ltd over the period from September 2022 – December 2022.

**Recommendation(s)**

The Committee is asked to note and accept the report on the current state of Strata and its performance.

**Report Author**

Mark Davies - Strata Director of IT & Digital Transformation  
Email: [mark.davies@strata.solutions](mailto:mark.davies@strata.solutions)

## Appendix A

### 1. Introduction

This is the latest performance report from Strata Solutions which provides Business and IT services to the three Councils. This is the second report from the Interim Director and as such will report on progress in the development of Strata together with updates on some key projects and systems.

The move to Agile methodology has progressed well as has an organisational change program which is currently between phase one and two of a restructure.

There has been significant progress in the deployment of M365 and ....

### 2. Overall Performance

Strata has performed well since the last report and has seen a move to utilising Agile and Kanban as means for the initiation of projects and other work requests.

Significant work has been done on Strata's development and the staff seem to embrace the changes and are willing to learn more and develop in themselves. There is still lots to do and this report should give some insight into the journey but also the work being done and still yet to achieve.

The changes planned and those made so far have been done the support of the clients and the Strata staff.

### 3. Technology

The improvement on technology has been continuing. The migration to the new disk storage (SAN) has concluded and the old SAN is being de-commissioned at this time.

The migration to the new storage was quite a lengthy process but did allow for some old data to be removed thereby saving time and storage. Further work

should be done on removal of old data, though not this is system data and not Council business or personal data. This would contain things such as server images and backups of those images which can add up to many terabytes of data.

We have now received new on-premise servers to replace old and unsupported systems. The work on this has progressed and this allows some breathing space to ensure a graceful move to cloud without the pressures of unsupported systems running live business applications.

In the last report there was mention of looking at the line of business applications and how we can consolidate the use of those together with mapping out a life cycle for each major application. This would avoid applications continuing past their useful life, stops unnecessary extensions of contracts, and reduces overall operating costs. It is predicated on greater collaboration across all three councils however and with more shared business processes.

#### **4. People**

Following on from the previous report it was identified that an organisational change programme be put in place and as such a restructure has been underway since October. It started as an informal, union supported, consultation process and followed by a formal consultation process. That process concluded on December 13<sup>th</sup>. Following this process, two staff, at his stage have been identified as slotting in to new roles.

The intention of the restructure was to add additional functions and skills into Strata to enable it to offer a broader, more well-defined skills base and to enable more efficient processes to be adopted.

The restructure was split into a phase one and a phase two approach, with phase one looking at the overall structure and creating new roles where gaps previously existed. The phase two process, which is yet to start but will do so at the end of January, will review the Business Systems Team and examine how that team can

provide a service which is more clearly defined and is in line with the Agile approach being developed in Strata. The Business Systems Team is almost 50% of the technical resource within Strata and so has significant opportunity for change and restructuring.

The restructure is necessary as the functional skills mapping exercise which was undertaken within Strata, shows that Strata is expecting too much diverse range of skills from some staff and is lacking some skills in other areas. This means staff are doing many things which are away from their core competency and to fully develop a streamlined delivery model we need to have highly skilled staff delivering within their area of expertise.

The best and most effective processes have staff with defined skills operating in clearly defined processes and seldom stepping outside those. It allows for less task switching, which wastes time, and it allows for ease of scalability as additional capacity can 'plug-in' to the process.

It is anticipated that the additional roles within Strata will be funded in part from movement of staff and from reduction in operating costs from contracts.

## **5. Projects**

As always Strata is continually delivering projects of varying size and complexity. The focus in the last few months has been on making all the work Strata does visible to the clients so it can be seen what work is consuming what resource. This allows the clients to prioritise the work in the order they see fit and also means projects do not sit languishing and lost from sight, as has previously happened.

The project, and in fact all work requests, are now requested through the service management tool ASM which creates a work request card on a KanBan board of all work. This is where the clients can now update, view or prioritise their work requests and gives a clear view of all that is happening.

Projects are categorised into XS, S, M, L, XL as sizing and the complexity model of Cynefin which breaks things into four levels of complexity, Clear, Complicated, Complex, Chaotic. This is a well-respected model which has been utilised internationally for over 20 years. From this approach packets of work are more easily managed, and priorities based on potential effort and time required.

Currently there are 63 projects in flight, with 73 ready to go once capacity becomes available and another 300 uncategorised behind those.

The following is an update on some of the projects currently underway or being started.

1. Financial Management System replacement. This has been ongoing for some time now and was planned to migrate TDC in April 2023. Due to some complexities, it is looking more likely this will be moved back to later in the year. The General ledger structure has been agreed and the product is being built and configured by the vendor. It is expected that the test system will be delivered in early 2023. As this project is across all three councils any does have a knock on effect to other councils. Os its imperative that this project is given the support and focus required to meet the best outcome for all.
2. M365 – Microsoft 365. This has developed over the last few months and TDC have migrated to use the majority of function within the M365 product. They have undergone training and are now working to get staff to fully embrace the new services available to them. EDDC (have done comms to staff and are planned to move soon to have cloud based email but not use of SharePoint at this stage. Exter are not yet making the move but have initiated a project with the RAMM who will plan their approach and work with a 3<sup>rd</sup> party to establish that. The adoption of Teams continues but it is still not 100% across all councils.
3. SAN Upgrade – (SAN = Storage Area Network, which are intelligent high speed disk storage on the network and not attached to any one server.) was mentioned in the previous report and has now concluded. It was possible to

remove some data and so not all had to be migrated, saving time and effort. The old SAN is in the process of being decommissioned and this will release space in the racks withing the server rooms.

4. PSTN – Public Switched Telephone Network. (Copper Phone Lines). In Exeter the phone lines are primarily provide to the council by Virgin Media who have as early adopters, decided to cease a large number of their copper telephony circuits in October 2022. This work progressed with some delays due to suppliers and Virgin did extend their date of cessation but finally all lines have been moved. This has been a good process for learning what issues can occur and make us more prepared for the national switch off of copper lines in 2025.
5. We have been looking at how to put in place more rigour and control around Data Governance. This is part of a wider data strategy approach. This will address what data is stored, where, how it should be categorised across all three councils etc. This is with the intention of making the data more accurate, understood, ready to move to the cloud and to allow easier migration to single instance of data leading to single views of customer.
6. Intelligent routing planning for Exeter waste collections is a project that has been started to give greater efficiency in routing of waste collections. This is being delivered using an agile approach and has an anticipated go live in Q2 2023.
7. The decarbonisation of Forde House. This is an ongoing project which will require a significant effort from Strata as it will in effect be like commissioning a new building and fitting it out with the necessary IT equipment on all desks, offices and meeting rooms. This has had its own delays but is getting closer to the time when Strata will have to engage several temporary staff to help deliver this in the timescales.

## **6. Incidents and Performance Data**

This report is presenting the data from September 2022 to December 20<sup>th</sup> 2022. The following shows key data indicators which show the work Strata has done or is doing in the Service Desk, Business Systems and Projects.

Type of Work	Number	Category
<b>Incidents</b>	<b>2281</b>	<b>TOTAL</b>
	7	Priority 1
	24	Priority 2
	270	Priority 3
	892	Priority 4
	1088	Priority 5
<b>Service Requests</b>	<b>957</b>	<b>TOTAL</b>
	293	ECC
	330	EDDC
	149	TDC
	185	Strata

## 7. Improvements

As was mentioned in the previous report work has been identified to improve the structure and delivery model of Strata, This has manifested as a restructure and the adoption of Agile and use of tools such as KanBan.

Much more work is needed and the Phase two of the restructure will bring additional benefits as it will allow the new roles to be filled with much needed skills and functions, functions that are missing in the current Strata model.

The Councils have given back some of the savings from 22/23 and these have been put to use on interim resources to not only fill the gaps identified until the restructure takes place but also to establish what good looks like in these roles. This has been accomplished and often praised by the clients, in the Business

Relationship Management role and with the Agile coach role. Whilst the latter is a temporary role to establish an essential core of Agile understanding the function has allowed 13 Strata staff to become trained and certified as Scrum Master or Product Owner. There has also been some coaching in the client Councils but this is slower to progress.

The benefits of having Strata and the councils trained in the same disciplines means we all speak the same language and ambiguity due to poor understanding of approach is minimised thereby increasing quality and output.

There is one more role to establish at this stage and that is the role of lead Architect. This will allow for greater planning around strategy in line of business applications together with infrastructure and the move to cloud, which is a necessary path to follow.

## **8. Conclusion**

There has been much happening within Strata and not just with the business-as-usual project delivery and day to day support but also with significant activity in the development and improvement of Strata.

As we move into the new year the progress on finding a new permanent director is getting closer to its conclusion. This does not draw and end to the changes though.

It is envisaged that the Phase 2 restructure will conclude in March and changes to the operating model and culture also need to be developed and bed in. This is work the new director will continue well into Q2 and Q3 2023. The restructure is the easy part, the changes to hearts and minds take a little longer but are the most important part to the success of building a better Strata.

**STRATA JOINT SCRUTINY COMMITTEE  
STRATA JOINT EXECUTIVE COMMITTEE**

**DATE OF MEETING:** 5 JANUARY 2023  
17 JANUARY 2023

**PUBLICATION DATE:** 8 DECEMBER 2022

**REPORT OF:** STRATA FINANCE

**SUBJECT:** STRATA BUDGET MONITORING – OCTOBER 2022-23

**1. PURPOSE**

- 1.1 This report advises on the financial position of Strata at the end of October 2022.

**2. BACKGROUND**

- 2.1 The Company has been given a total of £6.92 million to run the IT Services in 2022-23 along with funding for various capital 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 31 October 2022**

**3.1 Savings as per Business Plan**

The 2022-23 Interim Business Plan has revised the savings profile set out in the original Business Case 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 revised saving summary is set out below.

		<b>Projected Revenue Savings</b>	<b>Actual Revenue Savings</b>	<b>Variance</b>
2015-16	Year 1	(262,098)	(232,000)	<b>30,098</b>
2016-17	Year 2	(20,000)	(100,000)*	<b>(80,000)</b>
2017-18	Year 3	(252,836)	(565,000)	<b>(312,164)</b>
2018-19	Year 4	(381,961)	(620,000)	<b>(238,039)</b>
2019-20	Year 5	(853,888)	(1,074,000)**	<b>(219,641)</b>
2020-21	Year 6	(696,167)	(1,051,000)***	<b>(355,258)</b>
2021-22	Year 7	(747,804)	(1,260,000)	<b>(512,196)</b>
2022-23	Year 8	(702,415)****		<b>702,415</b>
2023-24	Year 9	(851,074)		<b>851,074</b>
2024-25	Year 10	(905,398)		<b>905,398</b>
<b>Total</b>		<b>(5,673,641)</b>	<b>(4,902,000)</b>	

\* Although savings of £310,000 were delivered, Strata asked for £210,000 to be used for specific service improvements. This was agreed by the three Councils.

\*\* Strata reduced the payments for the Councils by £500,000 at the start of the year.

\*\*\* In response to the challenges the Councils faced as a result of the restrictions imposed in response to Covid-19 Strata identified an additional c£340,000 of one off savings on top of the £696,167. The outturn position was broadly in line with that projection.

\*\*\*\* It was identified that an additional cost for PowerBI Premium approved in addition to the original budget in the 2022-23 Business Plan was not reflected in previous reporting of the 2022-23 projected savings. The Projected Revenue Savings figure has been amended in the table above and in Appendix A accordingly.

### 3.2 Key Variations from Revenue Budget

In order to support Strata through a program of organisational change £469k of additional savings from the financial year 2021-22 were returned to Strata for revenue spend along with £44k for capital items. Strata is projecting a small additional surplus for the year (Appendix A). The key variations are set out below:

Expenditure Type	Projected Over / (Underspend) £	Detail
Employees	559,786	<ul style="list-style-type: none"> <li>• Overspend due to: <ul style="list-style-type: none"> <li>○ Director of IT consultancy costs (partially funded by 2021-22 additional savings hand back)</li> <li>○ organisational change consultancy costs (funded by 2021-22 additional savings hand back) and</li> <li>○ 2022-23 pay award</li> </ul> </li> </ul>
Supplies & Services	(78,319)	<ul style="list-style-type: none"> <li>• Lower spend than budgeted on key Microsoft products, WAN &amp; Telephony contracts</li> <li>• Refund for overbilling on Telephony contract in 2021-22</li> <li>• Partially offset by some higher than budgeted contract renewal increases and spend funded by 2021-22 additional savings hand back</li> </ul>
Transport	(24,536)	<ul style="list-style-type: none"> <li>• Significantly lower transport costs</li> </ul>
Income - Revenue	439,926	<ul style="list-style-type: none"> <li>• Additional income from 2021-22 additional savings hand back, partially offset by Teignbridge District Council Hardware Supplies budget hand back</li> </ul>
Investment Income	(19,726)	<ul style="list-style-type: none"> <li>• Higher interest income on cash balances than Budgeted</li> </ul>

### 3.3 Council Recharge Account

The Councils also request additional equipment for which they are subsequently invoiced. This account is brought to zero at the year end.

## RECOMMENDATIONS

### 4.1 That the Joint Scrutiny Committee and Joint Executive Committee note the contents of the report.

<p><b>Suzanne Edwards</b> Finance Manager – Commercial</p>	<p>Contact details Tel: 01392 265150 E-mail: <a href="mailto:suzanne.edwards@exeter.gov.uk">suzanne.edwards@exeter.gov.uk</a></p>
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BUDGET MONITORING  
31 October 2022



STRATA SERVICE SOLUTIONS - REVENUE BUDGET

	REVENUE BUDGET	ACTUAL & COMMITMENTS to 31 OCTOBER 2022	PROJECTED 2022-23 OUTTURN	OUTTURN VARIANCE TO BUDGET
	£	£	£	£
EMPLOYEES	3,166,579	1,910,441	3,726,365	559,786
SUPPLIES & SERVICES	3,645,013	2,577,657	3,566,694	(78,319)
TRANSPORT	29,250	2,588	4,714	(24,536)
SUPPORT SERVICES	60,000	60,000	60,000	0
TAX ON INTEREST	0	2,699	4,627	4,627
INCOME - REVENUE	(7,103,257)	(5,753,050)	(7,543,183)	(439,926)
INVESTMENT INTEREST	0	(14,206)	(24,353)	(24,353)
<b>Net (Income)/Expense</b>	<b>(202,415)</b>	<b>(1,213,871)</b>	<b>(205,135)</b>	<b>(2,721)</b>

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