

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

**DATE OF MEETING:** 12 JULY 2021  
19 JULY 2021

**PUBLICATION DATE:** 2 JULY 2021

**REPORT OF:** STRATA FINANCE

**SUBJECT:** STRATA BUDGET MONITORING OUTTURN - 2020/21

**1. PURPOSE**

1.1 This report advises on the financial position of Strata at the end of 2020-21.

**2. BACKGROUND**

2.1 The Company has been given a total of £6.60 million to run the IT Services in 2020/21 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 March 2021**

**3.1 Savings as per Business Plan**

The 2018-19 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. Although the Business Plan has not been fully agreed, the Joint Executive Committee approved the spending plans and budget therein.

A breakdown of the revised saving summary is set out below.

		<b>Capital Expenditure Savings</b>	<b>Projected Revenue Savings</b>	<b>Actual Revenue Savings</b>	<b>Variance</b>
2015-16	Year 1	(443,932)	(262,098)	(232,000)	<b>30,098</b>
2016-17	Year 2	(312,522)	(20,000)	(100,000)*	<b>(80,000)</b>
2017-18	Year 3	(358,222)	(252,836)	(565,000)	<b>(312,164)</b>
2018-19	Year 4	(459,609)	(381,961)	(620,000)	<b>(238,039)</b>
2019-20	Year 5	(129,300)	(853,888)	(1,074,000)**	<b>(219,641)</b>
2020-21	Year 6	867,962	(696,167)	(1,051,425)***	<b>(355,258)</b>
2021-22	Year 7	(138,000)	(662,091)		<b>662,091</b>
2022-23	Year 8	(9,884)	(701,005)		<b>701,005</b>
2023-24	Year 9	(196,902)	(825,202)		<b>825,202</b>
2024-25	Year 10	(374,300)	(908,996)		<b>908,996</b>
<b>Total</b>		<b>(1,554,709)</b>	<b>(5,564,244)</b>	<b>(2,591,000)</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.

### **3.2 Key Variations from Revenue Budget**

In order to support the Councils during this difficult year, Strata has identified a further £340,000 of in year reductions through temporarily keeping posts vacant, reduced travel and better contract management. The key variations are set out below:

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Expenditure Type	Actual Over / (Underspend) £	Detail
Employees	(72,927)	<ul style="list-style-type: none"> <li>• Additional capacity brought in to support the Helpdesk;</li> <li>• Offset by lower overtime costs, holding vacancies and capitalisation of some staff;</li> </ul>
Supplies & Services	(37,365)	<ul style="list-style-type: none"> <li>• Savings in key contracts e.g. Broadband.</li> <li>•</li> </ul>
Transport	(11,251)	<ul style="list-style-type: none"> <li>• Significantly lower transport costs.</li> </ul>
Income - Revenue	109,500	<ul style="list-style-type: none"> <li>• Reduced Document Centre recharges;</li> <li>• Income from capitalised staff not shown in revenue account.</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.

### 3.4 Statement of Accounts

The Statement of Accounts are shown at Appendix B. These Statutory Accounts show the true financial position of the Company and are affected by items not included in the management accounts such as the Pension Fund deficit and depreciation. The Accounts were approved by the Board on 28 May 2021.

## RECOMMENDATIONS

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



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