

STRATA JOINT EXECUTIVE COMMITTEE

DATE OF MEETING: 28 JANUARY 2025

PUBLICATION DATE: 20 JANUARY 2024

REPORT OF: STRATA FINANCE & PERFORMANCE

SUBJECT: STRATA BUDGET MONITORING AND OPERATIONAL PERFORMANCE – OCTOBER 2024-25

1. PURPOSE

- 1.1 This report advises on the financial position of Strata at the end of October 2024.

2. BACKGROUND

- 2.1 The Company has been given a total of £8.299 million to run the IT Services in 2024-25 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 2024

3.1 Savings as per Business Plan

The original ten year Business Case has met its objectives and saving profile therefore the 2024-25 Business Plan has moved away from delivering a savings profile and has shifted to a transformational focus. The programme of transformation has identified the requirement for additional resources for its delivery. The 2024-25 Business Plan sets out a plan for the costs which will be met by the Contract Payment without a planned saving to be delivered to the Councils as in previous years.

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

		Projected Revenue Savings	Actual Revenue Savings	Variance
2015-16	Year 1	(262,098)	(232,000)	30,098
2016-17	Year 2	(20,000)	(100,000) ¹	(80,000)
2017-18	Year 3	(252,836)	(565,000)	(312,164)
2018-19	Year 4	(381,961)	(620,000)	(238,039)
2019-20	Year 5	(853,888)	(1,074,000) ²	(220,112)
2020-21	Year 6	(696,167)	(1,051,000) ³	(354,833)
2021-22	Year 7	(747,804)	(1,260,111)	(512,307)
2022-23	Year 8	(702,415)	(1,079,832) ⁴	(377,417)
2023-24	Year 9	(754,254)	(952,756) ⁵	(198,502)
2024-25	Year 10	-	-	-
Total		(4,671,423)	(6,934,698)	

¹ 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.

² Strata reduced the payments for the Councils by £500,000 at the start of the year.

³ 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.

⁴ The three Councils agreed for £512k of excess revenue savings from 2021-22 to be handed back to Strata in 2022-23 to fund delayed expenditure (Capital and Revenue) from 2021-22 and a programme of organisational change which commenced during 2022-23. £125k of this additional income was not spent in 2022-23 and is included in the Actual Revenue Savings.

⁵ As in 2022-23 excess revenue savings were handed back to Strata in 2023-24 to help fund a programme of organisational change which commenced during 2022-23. £198k of this additional income was not spent in 2023-24 and is included in the Actual Revenue Savings.

3.2 Key Variations from Revenue Budget

Strata is projecting an additional surplus in 2024-25 (Appendix A). The key variations are set out below:

Expenditure Type	Projected Over / (Underspend) £	Detail
Employees	32,291	<ul style="list-style-type: none"> Higher cost due to redundancy costs offset by reductions in other areas of the budget.
Supplies & Services	(316,098)	<ul style="list-style-type: none"> Lower cost mainly related to delivery of Business Plan initiatives. Budget cost

Expenditure Type	Projected Over / (Underspend) £	Detail
		overvalued due to timings of large procurements being delivered in 2024-25
Taxation on Interest	11,036	<ul style="list-style-type: none"> Higher taxation due to higher interest received on cash reserves
Income - Revenue	(5,949)	<ul style="list-style-type: none"> Lower income due to lower than forecast Mobile Phone recharges from renegotiated tariffs, partially offset by higher recharges relating to General Election services provided by the Document Centre
Investment interest	(37,512)	<ul style="list-style-type: none"> Interest from cash deposits higher due to continued high Base Rate

The additional surplus has been accrued and planned to be allocated to fund the move to Cloud as set out in the Business Plan 2025-26.

As in the previous two financial years, in order to support Strata through a program of organisational change £198k of additional savings from the financial year 2023-24 were returned to Strata for revenue spend in addition to business as usual spend. Of the £198k additional savings received in 2024-25 £26k is projected to be spent by the year end. The remaining £172k has also been allocated to fund the move to Cloud in the Business Plan 2025-26.

3.3 Council Recharge Account

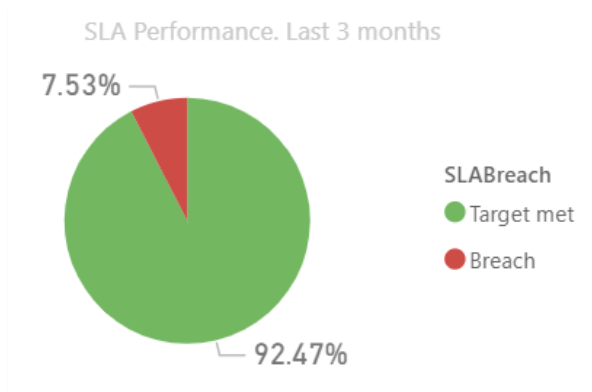
The Councils also request additional equipment for which they are subsequently invoiced. This account is brought to zero at the year end.

4. Performance

Summary

Strata monitor our Key Performance Indicators on a weekly basis. Whilst performance continues to exceed the agreed Service Level Agreement (SLA) of 85% of incidents being resolved within target, we have seen a slight decrease in performance, from a high of 96% of incidents resolved within Target in October '24 to the current level of 92.5% in January '25. This decrease was predicted by the Strata Management Team in September '24 and discussed with Client leads of the 3 authorities at that time. It can be explained by the amount of change currently being undertaken to implement new ways of working such as the new End User Computing (EUC) model, new telephony system and several other major projects. The Strata management team continue to closely monitor performance and the impact that the current projects are having, and will undertake steps to ensure it remains at an acceptable level.

4.1. Incidents

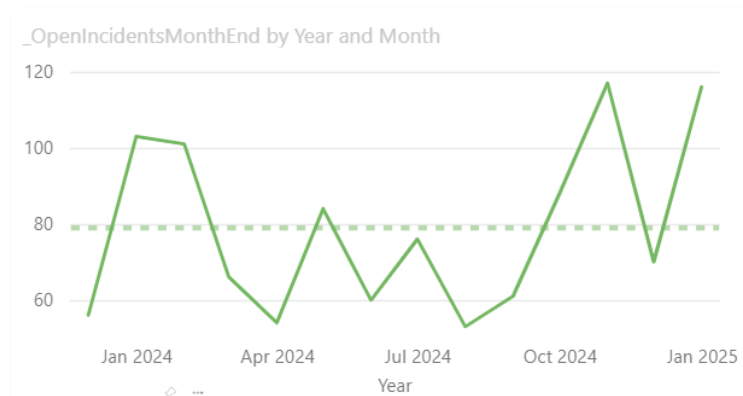


An Incident is defined as something is broken or not working as expected.

Our target Service Level Agreement (SLA) for Incident Resolution time is currently 85%. We are exceeding this with 92.47% of incidents resolved within target time, however this has dropped from a typical performance of 96% due to the number of changes being undertaken to implement the new, transformative

ways of working for the authority. Strata management continue to closely monitor this performance.

The graph on the right shows the number of incidents that are open at the end of each month. Typically this sits around 60, however since October this has been higher, at around 100. Root cause of this is similar to the slight drop in SLA performance outlined



4.2. Satisfaction

In addition to Incident resolution time we also closely monitor satisfaction with how incidents and requests are handled. This continues to be high with an overall satisfaction of **96%**

5. RECOMMENDATIONS

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

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