

STRATA JOINT EXECUTIVE COMMITTEE STRATA JOINT SCRUTINY COMMITTEE

DATE OF MEETING: 22 JULY 2026
12 AUGUST 2026

PUBLICATION DATE: 2 JULY 2026

REPORT OF: STRATA FINANCE

SUBJECT: STRATA BUDGET MONITORING OUTTURN - 2025-26

1. PURPOSE

- 1.1 This report advises on the financial position of Strata at the end of 2025-26.

2. BACKGROUND

- 2.1 The Company has been given a total of £8.61 million to run the IT Services in 2025-26 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 2026

3.1 Savings as per Business Plan

The 2025-26 Business Plan set out a plan for the costs to be met by the Contract Payment and Other Income. Any savings generated during the year are to be distributed to the Councils at the year end.

The three Councils agreed for £683k of excess revenue savings from 2024-25 to be handed back to Strata in 2025-26 to fund the ongoing programme of transformation and transition to a Cloud based server solution. £537k of this additional income was not spent in 2025-26 and is included in the £936k Actual Revenue Savings. As approved in the 2026-27 Business Plan the 2025-26 savings of £936k will be handed back to Strata in 2026-27 as the transformation change programme continues and to fund the transition from onsite servers to a cloud based server solution.

3.2 Key Variations from Revenue Budget

As outlined in paragraph 3.1 Strata has delivered a revenue saving of £936,000 in 2025-26 (Appendix A) and has refunded £936,000 to the Councils at the year end. The key variations to the Budget are set out below:

Expenditure Type	Actual Over / (Underspend) £	Detail
Employees	(171,976)	- Underspend due to: - Graphics team budget moving back to EDDC - leavers not replaced or delay replacing - phased onboarding of project staff - Partially offset by redundancy costs from the ongoing reorganisation and staffing funded by 2024-25 handback income
Supplies & Services	(38,990)	- Underspend mainly due to new contract additions part way through the year which incur a part year cost compared with full year budgeted cost - Partially offset by additional local election costs not factored into Budget and transformation and transition to Cloud Server costs (funded by 2024-25 handback income)
Taxation on Interest	17,014	Higher Corporation Tax charge due to higher interest received on cash reserves
Income - Revenue	(684,808)	- Higher income due to: - additional income from 2024-25 handed back to Strata by the Councils - higher recharges relating to local election services - CAFReady grant income awarded during the year - Partially offset by Graphics team budget handed back to EDDC
Investment Interest	(58,471)	Interest from cash deposits higher than budgeted due to continued high Base Rate (partially offset by Corporation Tax charge)

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 audited 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 position and depreciation/amortisation. The Statutory Accounts were approved by the Board on 29 June 2026. The Audit Completion report's conclusions found:

- No evidence of fraud and management override of controls
- No evidence of fraud or material misstatement in relation to revenue recognition
- No evidence of fraud or material misstatement in relation to related party disclosures
- No deficiencies in internal controls considered to be a material weaknesses

5 RECOMMENDATIONS

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

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