

CITY OF YORK COUNCIL SHAREHOLDER COMMITTEE

23 June 2025

Veritau Business Update

Introduction

- 1 Veritau Limited is a shared service company jointly owned by City of York Council (CYC) and North Yorkshire Council (NYC). The company was established in 2009. The company currently has one active subsidiary company, Veritau Tees Valley Limited and one dormant subsidiary company, Veritau North Yorkshire Limited.
- 2 A new company, Veritau Public Sector Limited (VPS) was established in May 2024 and started trading on 1 August 2024. The company is limited by guarantee and currently has 5 member councils, CYC, NYC, Redcar & Cleveland Borough Council, Leicester City Council and Cherwell District Council. Middlesbrough Council is expected to join VPS in the next few months. VPS is a 'not for profit' Teckal company which provides assurance related services to its member councils. The member councils maintain control of the company through the articles and members' agreement with all key business decisions listed as reserved matters.
- 3 Veritau Limited provides services on a commercial basis to multi-academy trusts and schools, housing associations, charities and other public sector organisations. The company has clients across the United Kingdom.
- 4 VPS delivers shareholder value to its member councils through:
 - economies of scale resulting in lower unit costs – the costs to each member council would be higher for an equivalent quality of service if delivered in-house or if the service was fully outsourced
 - increased efficiencies, resilience and flexibility – standard working practices ensure there is less duplication of effort and the larger workforce allows greater flexibility to manage demand
 - improved access to specialist resources (for example data analytics, risk management and counter fraud specialists) which would not otherwise be available to in-house teams or smaller shared services

- improved service continuity and less reliance on key members of staff for service delivery. The opportunities offered for career progression and development also make it easier to recruit and retain staff
 - the ability to invest in new technologies and working practices
 - greater depth of knowledge and expertise – staff have more insight due to the experience gained through working for multiple clients. We can also more easily support our staff to gain specialist qualifications and to become subject matter experts.
- 5 Once Middlesbrough Council has obtained the necessary approvals to join VPS then both of Veritau Limited's existing subsidiary companies will be wound-up.

Finance and Performance Update

- 6 Since the last meeting of the Shareholder Committee on 3 February 2025, Veritau Limited has continued to promote its services to schools and other potential clients. A number of schools, sport's governing bodies and charities have signed up for data protection officer and internal audit services in the period. A number of existing clients have also extended their current contracts.

2024/25 Financial Statements

- 7 The 2024/25 accounts are currently being audited and the results reflect the split of the business since 1 August 2024. The provisional operating results for the two companies (excluding accounting and pension adjustments) are below. Approximately £33k of costs associated with the business restructure are included in overheads.

	Veritau Limited £ (k)	VPS Limited £ (k)
Turnover	1,912	1,986
Cost of sales	(1,680)	(1,792)
Gross profit	232	194
Other income	14	5
Overheads	(214)	(179)
Net profit/(loss) before tax and dividends	32	20

Veritau Limited paid £40k in dividends to its shareholders in 2024/25.

- 8 Further accounting adjustments are possible as a result of the audit. The final results will therefore be reported to the next shareholder committee meeting.

Other developments

- 9 During the period, Veritau has signed up to the Armed Forces Covenant and our Cyber Essentials accreditation has been renewed.

Client Satisfaction Surveys

- 10 We issued our annual client satisfaction surveys in March. The first was sent to senior managers at all our clients and the second to schools who receive our DPO service. The response rates for each survey were 17.6% (2024 - 9.8%) and 3.1% (2024 - 2.7%) respectively.
- 11 The headline results from the first survey were as follows:

Overall rating for the service	Excellent	Good	Satisfactory	Poor
Internal audit	18	12	2	0
Fraud	11	4	0	0
IG	9	10	0	1
Total	38	26	2	1
%	57%	39%	3%	1%

The corresponding results in 2024 were:

Overall rating for the service	Excellent	Good	Satisfactory	Poor
Internal audit	7	8	1	0
Fraud	1	3	0	0
IG	4	6	0	0

Overall rating for the service	Excellent	Good	Satisfactory	Poor
Total	12	17	1	0
%	40%	57%	3%	0%

- 12 The headline results for the schools DPO survey were:

Overall rating	Excellent	Good	Satisfactory	Poor
Total	23	6	0	0
%	79%	21%	4%	0%

The corresponding results in 2024 were:

Overall rating	Excellent	Good	Satisfactory	Poor
Total	16	8	1	0
%	64%	32%	4%	0%

- 13 Client retention also remained strong with 99% (2024 - 99%) of clients indicating that they would continue to purchase services in 2025/26.

Staff Satisfaction Survey

- 14 We also received the results of our annual staff survey. The response rate was 59% (2024 - 56%). The headline results were:

Very satisfied	Satisfied	Neither satisfied nor dissatisfied	Dissatisfied	Very dissatisfied
18	31	4	4	2
30%	53%	7%	7%	3%

The corresponding results in 2024 were:

Very satisfied	Satisfied	Neither satisfied nor dissatisfied	Dissatisfied	Very dissatisfied
21	23	7	1	0
41%	44%	13%	2%	0%

Recommendations

- 15 That the shareholder committee:
- a) notes performance since the last business update report in February 2025

Appendices

None

Further Information

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