

CITY OF YORK COUNCIL SHAREHOLDER COMMITTEE

13 October 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 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.

Finance and Performance Update

- 5 Since the last meeting of the Shareholder Committee on 23 June 2025, Middlesbrough Council has obtained the necessary approvals to join VPS. Leicester City Council has also transferred its counter fraud function to VPS. The service was previously delivered by an in-house team. Six members of staff were subject to a TUPE transfer from the Council because of this change.
- 6 Veritau Limited has continued to promote its services to schools and other public sector organisations. A number of schools have signed up for data protection officer services in the period. Bids have also been submitted to provide internal audit services to a number of academy trusts and other potential clients. A number of existing clients have also extended their current contracts.

2024/25 Financial Statements / Annual Report

- 7 The 2024/25 accounts of Veritau Limited, VPS Limited and Veritau Tees Valley Limited have been audited. The auditors, BHP LLP are expected to provide unmodified opinions for all three companies.
- 8 A copy of the annual report for 2024/25 is attached as **appendix 1**. The report provides further details about the restructure and the admission to VPS of Leicester City Council and Cherwell District Council as new member councils. The report also summarises the operating results of the 3 trading companies and provides details of staffing, client satisfaction and retention, business development and other service achievements during the year. The annual report has been published on the Veritau website.

2025/26 Management accounts

- 9 The management accounts for the 5 months to 31 August 2025 show that Veritau Limited and VPS Limited are both on target to achieve their budgeted profit, as follows:

Veritau Limited

	2025/26 YTD actual £ (k)	2025/26 Forecast £ (k)
Turnover	642	1,145
Cost of sales	(312)	(1,034)
Gross profit	330	111
Other income	2	6
Overheads	(38)	(100)
Net profit/(loss) before tax	294	17

**Veritau Public Sector
Limited**

	2025/26 YTD actual £ (k)	2025/26 Forecast £ (k)
Turnover	1,523	3,452
Cost of sales	(1,465)	(3,147)
Gross profit	58	305
Other income	6	16
Overheads	(143)	(286)
Net profit/(loss) before tax	(79)	35

- 10 There have been no exceptional items to date.

Other service developments

- 11 During the period, we have retained our Investors in People (IIP) accreditation and been accredited as a Living Pension Employer. Veritau is the first local authority connected organisation to gain this accreditation.

Recommendations

- 12 That the shareholder committee:
- a) notes the Veritau annual report for 2024/25
 - b) notes performance since the last business update report in June 2025

Appendices

Appendix 1 – 2024/25 Veritau annual report

Further Information

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