

AGENDA SUPPLEMENT

Shareholder Committee

- To:** Councillors Widdowson (Chair) and D'Agorne
- Date:** Monday, 6 September 2021
- Time:** 4.30 pm
- Venue:** The Snow Room - Ground Floor, West Offices (G035)

The Agenda for the above meeting was published on 26 August 2021. The attached additional documents are now available for the following agenda item:

- 8. Veritau Limited Business Update** (Pages 1 - 4)
To receive Veritau Group's Annual Report for 2020/21 and performance to date in 2021/22. This is the cover report to accompany the Annual Report.

This agenda supplement was published on 27 August 2021.

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Shareholder Committee**6th September 2021**

Report of the Director of Governance

Veritau Limited Business Update**Introduction**

Veritau Limited is a local authority shared service company jointly owned by the City of York Council and North Yorkshire County Council. The company was established in 2009. The company has two subsidiary companies, Veritau North Yorkshire Limited and Veritau Tees Valley Limited, which are part owned by other councils. Together the companies form the Veritau Group.

The wider Veritau Group has 9 member councils but also provides services to a large number of multi-academy trusts and schools, housing associations and other public sector organisations. The group employs approximately 70 professional staff and offers a range of assurance services, including internal audit, counter fraud, risk management, and information governance. The majority of these services are delivered to organisations in the Yorkshire region although the group has clients across the United Kingdom.

Veritau delivers shareholder value to its member councils through:

- Economies of scale resulting in lower unit costs
- Increased efficiencies and flexibility – standard working practices ensure there is less duplication of effort and best practice is more easily shared
- Improved access to specialist resources (for example data analytics, risk management and counter fraud specialists) that would otherwise not be available to a small in-house team
- Increased resilience and the ability to accommodate changes in workload because of the larger pool of staff available

- Improved service continuity and less reliance on key members of staff for service delivery
- The ability to invest in new technologies and working practices

2020/21 Finance and Performance

Despite the challenges caused by the Covid-19 pandemic, Veritau achieved the majority of its business objectives. The Group continued to attract new clients with a number of academy schools and trusts signing up for services this year. Ad-hoc work was also requested by a number of other clients. Client satisfaction and retention rates remained high. Staff satisfaction rates were also in line with the previous year.

The Group reported a loss before tax and pension adjustments of £17.7k. The loss was largely attributable to an increase in work in progress at the year-end of £41k and the inclusion of a holiday pay accrual of £50k. Both are considered to be one-off adjustments.

All staff were set up to work from home and to deliver services remotely. The Group also created a new Information Access team to exploit a number of potential business opportunities, and a multi-disciplinary Covid-19 Response Team to help coordinate the fraud prevention support provided to its clients.

The Veritau Limited, Veritau North Yorkshire Limited and Veritau Tees Valley Limited boards of directors each met twice during the year.

Debbie Mitchell replaced Ian Floyd as a director of Veritau Limited in November 2020.

Other service developments and achievements during the year included:

- implementing a new case management system for our Information Governance team
- developing a new website and client portal (which went live in March 2021)
- completing a brand refresh
- developing a new counter fraud offer to schools and re-designing the existing Data Protection Officer service offer
- extending the aspiring manager programme to our Information Governance and Corporate Fraud teams

- being shortlisted for the Tackling Economic Crime awards (TECA)

A copy of the annual report is attached as **appendix 1**. The report is confidential because it contains commercially sensitive information.

2021/22 Performance Update

The Group is on track to achieve its target profit for 2021/22. There are also no significant variances compared to the approved budget at this stage in the year.

Redcar & Cleveland Borough Council has appointed Veritau to act as the council's Data Protection Officer (DPO) from 1 July 2021. This will be for an initial 12 month period to allow the council to assess the new outsourced arrangement. A number of academy schools and MATs have also signed up to receive internal audit and DPO services in the current financial year.

A copy of the 2021/22 Group management accounts (to 31/7/21) is attached as **appendix 2**. The management accounts are confidential because they contain commercially sensitive information.

Cllr Andrew Waller has replaced Cllr Nigel Ayre as a director of Veritau Limited.

Implications

Financial - As detailed within the report

Human Resources (HR) – as detailed within the report

Equalities – not applicable to this report

Legal - as detailed within the report

Crime and Disorder, Information Technology and Property - not applicable to this report

Recommendations

That the Shareholder Committee notes the Group's annual report for 2020/21 and performance to date in 2021/22.

Appendices (Confidential)

Appendix 1 – 2020/21 Veritau Group Annual Report

Appendix 2 – 2021/22 Veritau Group management accounts (to 31/7/21)

Background Papers: None

Further Information

Author & Chief Officer responsible for the report: Janie Berry, Director of Governance

Report Approved **Date** 27/08/2021

Specialist Implications Officer(s):

Wards Affected: *List wards or tick box to indicate all* **All**

For further information please contact the author of the report

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