

CITY OF YORK COUNCIL SHAREHOLDER COMMITTEE

4 MARCH 2021

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 is on track to achieve its target profit for 2020/21. The Group is also continuing to attract new clients with a number of academy schools and trusts signing up for services this year. Ad-hoc work has also been requested by a number of other clients. Client satisfaction and retention rates remain high. Staff satisfaction rates are also in line with the previous year.

All staff are set up to work from home and to deliver services remotely. The Group has created a new Information Access team to exploit a number of potential business opportunities. It is also operating 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 have 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 have included:

- implementing a new case management system for our Information Governance team
- developing a new website and client portal (to go live in April 2021)
- completing a brand refresh (to be launched in April 2021)
- 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)

2021/22 Business Plan

The business plan sets out the strategic aims of the Veritau group for the next three years to 2024, and the service priorities for 2021/22. The business plan also includes details of the Group budget for 2021/22, as follows:

| | £ (k) 2021/22 | £ (k) 2020/21 |
|-----------------------|--------------------------------|--------------------------------|
| Turnover | 2,723 | 2,682 |
| Cost of sales | 2,441 | 2,431 |
| Gross Profit | <u>282</u> | <u>251</u> |
| Overheads | 215 | 196 |
| Net Profit before tax | <u>67</u> | <u>55</u> |

Capital expenditure of £14k is planned in 2021/22. This includes further upgrades to the website client portal, producing additional e-learning courses and further investment in data analytics and IT hardware.

The key priorities for 2021/22 are to consolidate the customer base and continue to focus on developing the quality and scope of the current service offering. We also aim to transform how we operate by using technology to support more agile working. This reflects the move to Office 365 and the changes in operating practices that have occurred as a result of the Covid-19 pandemic. The specific service priorities are:

- Internal Audit – to increase data analytics / IT audit capacity, and to promote internal audit services to academy schools
- Information Governance – to continue to promote DPO and related advisory services to schools and other clients, to develop an information / cyber security advice service and to promote the new information access service
- Counter Fraud – to continue to promote fraud services to housing associations and academy schools
- Risk Management – to be seen as the provider of first choice for existing member councils and other clients, and to develop risk management products and services for academy schools

A copy of the 2021/22 business plan is attached as **appendix A**. The business plan is confidential because it contains commercially sensitive information.

Recommendations

That the shareholder committee notes the company's performance in 2020/21 to date and the 2021/22 business plan.

Appendices

Appendix A – 2021/22 Veritau Group business plan (confidential)

Further Information

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