



## Veritau North Yorkshire Limited

### Minutes of the Meeting of the Board of Directors By Video Conference 11.30 am - 10 February 2022

#### **Attendees**

Nick Edwards (NE)  
Karen Iveson (KI)  
Sian Moore (SM)  
Noel O'Neill (NO)  
Richard Smith (RS)  
Max Thomas (MT)

- 1 Apologies, preliminaries, introductions, and announcements
  - Apologies received from Anton Hodge
  - KI was elected chair for the meeting
  - Noel O'Neill was welcomed to the board
  
- 2 Declarations of interests

None
  
- 3 Minutes of the meeting held on 2 July 2021

Agreed
  
- 4 Update on outstanding actions

MT noted that the accounts and corporation tax return were filed by the relevant deadlines.
  
- 5 2021/22 finance and performance update report

This has been a busy period. A number of new contracts have been negotiated with new and existing clients. Whilst we have lost some bids for new work, overall services to external clients continue to grow. Recruitment is ongoing to resource new work and replace leavers; this remains challenging in the current labour market. We are currently consulting with Unison on an updated PRP scheme. Financially, we are on track to report a profit for VNY and the group as a whole.

SM asked about reasons for employees leaving and resourcing for new contracts. MT confirmed that the main area of loss is information governance; to higher paid roles – Veritau pay rates are lower than the market. It was confirmed that recruitment is ongoing, though challenging.

SM queried the level of reserves and plans for use. It was noted that reserves have been built up over the lifetime of the company, from minimal initial shareholder investment. Current levels are at a reasonable level to meet potential liabilities – in particular those resulting from pension fund movements. Although we are also looking at investment in new systems which may require use of reserves. We will continue to monitor the level of reserves and discuss with the board in the event of further increases.

NO asked whether the growth in external work presents any risk to Veritau's ability to deliver services to existing clients. MT confirmed that we don't believe the quality of existing service is at risk. Expansion helps to mitigate the risks if members withdraw from the company or reduce service levels; and helps to keep member fee rates low. However, we've adopted a prudent approach to expansion and try to balance opportunities for growth and resource constraints. Aggressive expansion would not be appropriate as we do not want to risk existing services to clients.

Following discussion the board noted the report.

#### 6 2022/23 draft business plan

The business plan is similar in format and content to previous years, although a number of changes have been made. The corporate objectives had not been reviewed for some time and were out of date; they have now been updated. The key priorities include recognition of the potential impact of LGR on the business. The risk register has been refreshed; there are no material changes in risks but the register has been brought up to date. The action plan at annex 3 has been scaled back this year to reflect expected additional work as a result of LGR.

NO queried the likely impact of LGR on the group over the three year period of the plan, and asked how the board can support the business in the run up to transfer. The board discussed LGR at length, including:

- aggregate service levels following reorganisation and the need for early discussions with the new council to establish service agreements
- whether group meetings including each of the boards should be convened
- arrangements for winding up VNY including reserves, pensions, shareholdings, and transfer to Veritau
- staff transfers.

The board asked for further information to be brought to the next meeting.

Following discussion, the board approved the business plan subject to inclusion of a further note to reflect the winding up of VNY as part of LGR.

7 2022/23 budget

The budget for VNY Ltd and the group budget was presented. For VNY a small increase in fee income is anticipated reflecting increases in IG services to two council clients. Other services are expected to be in line with the current year. The group budget includes increased income relating to new and expanded services, and a £20k reduction in service to City of York Council. To offset cost increases, an increase in the day rate for member councils is proposed.

NO asked about the process for agreeing fee rates with clients. MT confirmed that at this point, we are asking for board agreement to a rate that we believe will be acceptable to the clients but will also allow the costs of the business to be covered. For context MT highlighted likely fee rates being proposed by similar shared service organisations. The increase in fees is based on initial informal soundings of some client officers. However, we recognise that negotiation with clients is still required. NO recommended that earlier negotiation with clients is conducted in future.

The board approved the budget.

8 Any other urgent business

None

**Date of Next Meeting** TBC