



Veritau Tees Valley Limited

Minutes of the Meeting of the Board of Directors By Video Conference 1.00 pm - 11 February 2022

Attendees

Richard Smith (RS)
Max Thomas (MT)
Phil Winstanley (PW) - chair
Ian Wright (IW)

- 1 Apologies, preliminaries, introductions, and announcements
None
- 2 Declarations of interests
None
- 3 Minutes of the meeting held on 2 July 2021
MT noted that the accounts and corporation tax return were filed by the relevant deadlines.
- 4 Update on outstanding actions
None
- 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.

The board discussed a number of areas including:

- further details of the current and proposed PRP schemes
- sickness absence and the need to monitor any trends in relation to new hybrid working arrangements
- the benefits and impact of the new hybrid working arrangements
- progress in winning DPO work from schools in the Gateshead area.

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 The corporate objectives had not been reviewed for some time and were out of date; they have now been updated.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.

The board discussed potential impacts of LGR. It was noted that the number of member councils will reduce by 5, and there will be some need for internal changes to reflect the new client structure. VNY will cease to operate and plans are being made to wind up the company. Existing staff and assets will be transferred into Veritau Ltd, including pension fund assets. Discussions with professional advisors have commenced to start to put in place arrangements in advance of transfer. In the longer term we anticipate an overall reduction in service levels compared to those provided to the current county and district councils. Although we hope to manage any resource adjustments through natural turnover. It will be important to keep growing the overall business to maintain capacity and mitigate risks connected with reorganisation.

Other areas discussed included recruitment and retention and mechanisms for feedback on internal audit work / escalation of concerns.

It was noted that the group business plan has been approved by the VNY and Veritau boards, subject to an amendment to note that VNY will be wound up as part of LGR.

The board approved the business plan, to include an amendment relating to the wind up of VNY.

7 2022/23 budget

The budget has been prepared incrementally based on the 2021/22 budget and projected outturn, and known changes. The main area of pressure is on pay. Provision has also been made for increased NI payments from April 2022 and other inflationary pressures. To offset expected cost increases, we are proposing an increase in the

day rate for member councils. We believe this still represents good value for the members.

PW queried the level of fee increase given the overall reduction in profit. MT noted that a higher fee increase was considered but it was felt this could be difficult to get agreement on by all member clients.

- 8 Any other urgent business
None

Date of Next Meeting date TBC