



Veritau Limited

Minutes of the Meeting of the Board of Directors By Video Conference 1.00 pm - 16 December 2022

Attendees

Cllr Gareth Dadd
Gary Fielding
Debbie Mitchell (chair)
Richard Smith
Max Thomas

Observers

Cllr Katie Lomas (CYC)

- 1 Apologies, preliminaries, introductions and announcements
Apologies received from Andrew Waller and Cliff Lunn
- 2 Declarations of interests
RS and MT declared an interest in item 6 (professional subscriptions).
- 3 Minutes of the meeting held on 28 July 2022
Agreed
- 4 Update on outstanding actions
MT noted that the 2021/22 accounts have now been filed with Companies House.
- 5 2022/23 finance and performance update report
The report presented the regular update on finance (accounts to the end of November 2022), staffing, and operations.

Finance: income has increased significantly due to additional external work (for internal audit and information governance); it also reflects the transfer of IG services from Scarborough BC to Veritau for the remainder of 2022/23. Cost of sales has also increased. This includes costs associated with the TUPE transfer of one employee from SBC. Although the principal reason for increases is the pay award. This was higher than budgeted for. The final award was in line with the overall local government pay offer. Overall, the group expects to make a small profit for the year.

Staffing: It was confirmed that the final agreed pay award was in line with the national NJC agreement. Sickness is down on last year and in line with expectations. Veritau has recently retained its Investors in People accreditation.

Operations: Veritau has gained Good Business Charter accreditation. The group has been successful in winning new business in recent months. We continue to target schools and academies for internal audit and DPO work. Veritau has agreed to manage the internal audit service for Harrogate Borough Council up until 31 March 2023. We are currently in discussion with two other local authorities who may be interested in joining the Veritau group as members.

GF felt the continued increase in work is a positive reflection on the model established, and to be encouraged. However, he noted the need to maintain the quality and level of services for existing members; and to ensure expansion is balanced so that it continues to enhance and strengthen the business as a whole.

GD noted the positive impact of external work on helping to contain the cost of services for shareholders. He asked whether LGR will result in a fall in core income, whether this will generate additional capacity for external work, and whether the recruitment market remains constrained. MT noted that the situation is complex. Veritau does not currently provide services to all the North Yorkshire councils. There is therefore the potential for demand for work to increase in the short term when services are aggregated under NYC. Our expectation is that this will reduce over time, as NYC services become fully integrated. This will then free up capacity for additional external work. It was confirmed that the job market remains extremely tight this year.

GD queried whether employees of NY district councils will transfer to Veritau because of LGR. It was confirmed that TUPE will apply and that it is expected that this will result in transfers to Veritau.

KL noted the need to provide support and reassurance to anyone transferring to Veritau; the changes in arrangements and processes are likely to be challenging for some people. It was confirmed that we will seek to quickly develop good communications, and support mechanisms, for new employees. We have been engaging directly with some of the affected staff for many months. Given the recruitment market, the transfer of experienced staff will be of significant benefit to Veritau and will provide those transferring with variety and opportunities.

The board noted the report.

6 Professional subscriptions

Veritau is a group of companies registered in England and Wales. Registered office: West Offices, Station Rise, York, YO1 6GA.

Veritau Limited (06794890) is jointly owned by North Yorkshire County Council and City of York Council. Veritau North Yorkshire Limited (07931990) is jointly owned by Ryedale District Council, Selby District Council, Richmondshire District Council, Hambleton District Council and Scarborough Borough Council. Veritau Tees Valley Limited (123636343) is jointly owned by Middlesbrough Council and Redcar & Cleveland Borough Council. For enquiries contact enquiries@veritau.co.uk

Veritau is becoming increasingly out of step with some of its member councils who currently pay (or intend to pay) professional subscriptions for employees. Veritau pays subscriptions for professional trainees, or second subscriptions where these are important for the business. However, most employees pay their own subscriptions. This principally affects people working in internal audit. Several current employees have noted the approach being taken by other organisations. They have challenged us to explain why we do not pay subscriptions where we expect employees to maintain membership of a professional body.

To help mitigate recruitment and retention issues, it is proposed that Veritau start to pay professional subscriptions for all employees where this is an essential requirement for the role. The expected cost is in the region of £4k to £5k. There is scope to offset the additional cost by joining a group membership scheme offered by the Institute of Internal Auditors.

It was noted that the Veritau North Yorkshire and Veritau Tees Valley Boards have already approved the recommendation to start paying professional subscriptions.

Following introduction of the report, MT and RS left the meeting.

Following discussion, the Board agreed to the proposal to pay professional membership subscriptions as outlined in the paper presented and to therefore begin paying professional fees for all employees where a formal qualification and membership of the relevant institute is a requirement for their role. The Board stated that they expect that this payment to be recognised as an increase in benefits for employees, as part of any discussions of the 2023/24 pay award.

- 7 Any other urgent business
None

Date of Next Meeting – TBC