

HORSPATH PARISH COUNCIL
Minutes of the Finance Sub-Committee Meeting held via Zoom
on Wednesday 23rd March 2022 at 7.30pm.

Present: Mr P Dobson, Mr J Dobson, Mrs B Oakley, Mrs H Kogel

Apologies Mr R Burgess, Mrs J Dobson
Absent:

01/22 APOLOGIES FOR ABSENCE. – Apologies were made on behalf of Mr Burgess and Mrs Dobson. (Mrs Oakley has joined the Finance Sub-Committee while Mrs Dobson is on sabbatical leave).

02/22 MINUTES FOR APPROVAL.

Minutes of the Finance Sub-Committee Meeting held on 20th December 2021. The minutes were agreed and signed by the Chairman.

03/22 BUDGET UPDATE.

Mrs Kogel circulated an up to date record of the accounts to all Councillors. The accounts are on target with income and expenditure. The money allocated to village projects is not expected to be used in full in this financial year. There was a cost saving on the hedge cutting in the burial ground.

Mrs Oakley stated that she is waiting for quotations for the bench and planters. There has been a delay with this as permission was needed from OCC before they could be installed. Mrs Oakley has asked Mr Brookes if he would be interested in installing the bench. Mrs Oakley informed Councillors that she is looking to order two metal soldiers to be placed by the war memorial, subject to receiving a HSPC grant.

Mr James Dobson asked Mrs Kogel if there are any concerns with being over budget in any area that will affect HPC's financial position next year. Mrs Kogel stated that her salary will show an over-spend for 2021/22. The increase in the Clerk's salary has been accounted for in the Precept for 2022/23. The Clerk stated that this amount is for HPC only and does not include her salary for HSPC. Mrs Kogel stated that we are also over budget for mower and tractor costs due to repairs required. Mr Peter Dobson stated that we should look at obtaining a grant from HSPC next year to replace the mower. Mr James Dobson asked if we want an asset that we are responsible for the maintenance on, or do we want to contract with a company that takes the liability. Mr James Dobson has a concern that we have raised the Precept this year by £7k and have failed to spend the money on the improvements that the residents wanted. Mr James Dobson suggested that Mrs Oakley report on this at the APM to explain why this money has not been spent. Mrs Oakley stated that she is not aware of residents requesting any particular projects, and that one of the projects was the new noticeboard, which is expected to be installed in March/April. Another project was to install a bench on the Village Green and planters by the Village Hall which are being progressed. The only comment that she has heard from residents is about the mess around the war memorial, which was tidied by Mrs Oakley and Mrs Riley. Mrs Oakley suggested that HPC needs a handyman, with a specific number of hours per week to carry out any work as required. Mrs Oakley stated that it has taken 7 weeks to repair potholes at Gidley Way. Mrs Kogel stated that in the £7k projects, £2500 was allocated for new noticeboards, £2000 to the beautification committee and £1000 for the hedges in the burial ground, leaving £1500. All of those projects are being progressed, but may not be completed in this financial year. Mr Peter Dobson stated that this is mainly due to the availability of labour and materials, and also several months of the year were affected by Covid. Mrs Oakley stated that she has found it very difficult to obtain quotations for the work. Mrs Kogel stated that there is £1000 allocated to the Conservation Area and £1300 in the Contingency Fund that are un-spent and could be allocated to another area.

Mrs Oakley has requested quotations to replace/repair some of the fencing outside of the Village Hall. Mr Peter Dobson stated that the cost of the repairs to the fencing is to be made by HVHMC as HPC paid for the

plumbing repairs in the Village Hall. Mrs Oakley and Mr Peter Dobson will look at the fencing. Mr James Dobson stated that we will need a specific meeting to look at next years' budget, as next year will be quite challenging.

04/22 CONTRACT REVIEW.

Mr James Dobson stated that this was raised by Mr Timbs in September, asking what contracts does HPC have and how are they procured. Mr Timbs asked why HPC pay the Cricket Club to cut the grass on the Recreation Ground. Mr James Dobson and Mr Peter Dobson have carried out a lot of work on this and a criteria has been set: have we got a selection process in place, what is the scope of the service, do we know what we have contracted and are we IR35 compliant as to whether it is a contractor or an employee, is the assessment formalised, have we reviewed the contract, and do we have a start/end date for the contract. Mr Peter Dobson stated that he has been through the accounts and produced a spreadsheet which identifies the questions being asked. Mr Peter Dobson stated that we don't have contracts in place for grass cutting Village Green, Recreation Ground, bus shelter, dog bins, plumbing, building repairs or professional services. The spreadsheet identifies that there are no specifications available or an end date to any of the services that we use, which puts us at risk, and we need to progress all of the contracts and ensure that the necessary requirements are in place. Mr James Dobson stated that the spreadsheet shows that we are spending a sizeable amount of money without knowing entirely what it is for. Mr Peter Dobson stated that there are emails for some work where we have emailed the works to the contractor, but they do not have an order number or any other details included. HPC has been very lucky in the fact that a lot of work has been carried out in the village without having a risk assessment in place. Mr Peter Dobson stated that when we have reviewed all of the works and requested all of the documentation set out in the criteria above, we will have three contractors that we can approach, so we will not have to go through this process every time, only when we have a new contract. If there is an issue with any works, we will have the contractors risk assessment on file. Mr James Dobson stated that Mrs Kogel has downloaded documents for him that outline what a Parish Council should do, and he has googled some of these headings with other Parish Councils, and there is a lot of information on how people invite people to tender is publicly available. A lot of Parish Councils do have systems in place for this. Mr Peter Dobson stated that the Finance Committee and HPC need to decide if they want this to be progressed. Mr James Dobson stated that we have already told HPC this picture, and a lot of work has been done on this which was the right thing to do to prove what we already knew. When the Finance Committee was formed, one of the reasons was to look at this area because we don't have any of these processes in place. Mr James Dobson stated that we have shown the problem and have now circulated part of the solution.

05/22 PROCUREMENT SYSTEM.

Mr James Dobson talked through his proposal for HPC's Procurement Approach document, which shows all of things that we want to do and be compliant with, the role of HPC and what we need to do, as well as outlining the procurements steps that we have. Any work that is required, we will have specifications, and then pre-qualify our providers, expect a quotation and public advertising, what we expect from responses from tenderers, how we enter into written contracts, how we accept and evaluate the tenders, how we sign, what we do with nominated contracts, how we maintain records, how we manage the projects, how we manage variations to scope to control costs, bonds, guarantees and insurances, and how we terminate contracts. Mr James Dobson has produced a first draft of some of the documents required to support this procurement approach. A tender pack would then be created, with a different pack for frameworks. Mr James Dobson shared the Procurement Approach Table with Councillors, which shows what we need to do when procuring professional services, projects of different sizes or frameworks, what we need to do and the form we need to do it with. To start a procurement route, approval will be required from HPC or Standing

Orders, and then we will appoint who is going to manage that procurement with clear roles and responsibilities for who is managing it, and then work our way through the specifications.

Mrs Oakley asked if the guidance is for a Parish Council with 1500 people in the village, as a lot of the work carried out in the village is done on an ad-hoc basis, and if this contract was passed to some of the people who carry out work in the village, they would no longer want to carry out the work. Mrs Oakley stated that Mr James Dobson has carried out a huge amount of work on this but she is concerned about the amount of work involved and who will manage it all as the Clerk won't have the time to do this. Mr James Dobson stated that for each piece of work required in the village, we will appoint a package manager who will be clearly accountable for the project, this may be a Councillor or the Clerk for some of it, and we will give them a role. We have followed this process for the appointment of the HR Consultant, and he is aware that it has created more work for the Clerk, but he is confident that we got a better engagement and response by going through this process. Mr James Dobson asked the Clerk how much extra work this process created for her with putting out a tender for the HR Consultant. Mrs Kogel stated that there wasn't too much work involved as Mr James Dobson provided the information to be emailed to around 9 HR Companies. Mrs Kogel stated that she didn't follow the process, she just forwarded on an email and out of 9 companies approached there were 2 companies who expressed an interest. Mr James Dobson stated that it was a lot of work for him as he created the documents and the specification, and then evaluating the tenders which gives each company a score at the end. Mr James Dobson stated that he is open to other ideas on how to do this. Mr Peter Dobson stated that it is very painful and unjust to be told that you as a Councillor are in bed with a particular group of people which may be villagers or contractors, so this approach is to ensure that this doesn't happen again in the future. At the moment HPC is open to criticism by not having contracts in place and if we keep using the same contractors without a contract in place that situation will only increase. If we don't do this we need to do something different. We need to be able to contact contractors quickly to carry out work, but we need to cover the health & safety aspect. Mr James Dobson stated that the health & safety aspect is easy in the pre-qualification stage by saying that we will only accept tenders from contractors who have a recognised health & safety assessment and work with contractors who have SSIP. Mrs Kogel stated that the work done on this by Mr James Dobson is excellent, but most of the work required by HPC is small scale, and would the smaller contractors want to complete this whole process. Mrs Kogel asked who is going to project manager all of this as we struggle to get Councillors to volunteer for anything that arises, and she is already working over her 12 hours a week and doesn't have the time to take this on. Mr James Dobson stated that he doesn't disagree with the comments made by Mrs Kogel but we have a problem at the moment and having read what other Parish Councils are doing and reading public procurement regulations and NALC guidance, this seems the logical step to take. Mrs Kogel stated that she agrees that we need a process in place for work on larger projects, but she is un-sure that smaller contractors will be interested in completing the documents required, particularly when the value of the work is small scale. Mr James Dobson shared the document used by Duffield Parish Council which is a similar approach to his proposal. Mrs Kogel suggested that we could have several contractors for different areas that we can approach for a quotation. HPC does not spend a huge amount of money on any services in the village. Mr James Dobson stated an organisation should be judged by their efforts, and should it go wrong in any way, you stand with who you asked to do the work for you. If a company doesn't want to demonstrate the criteria required, do we want to be associated with those companies. The level of reputational damage could be significant. Mrs Kogel stated that there are contractors carrying out work in the village for us at a competitive rate, and if they didn't want to complete this process, we would have to approach a bigger organisation who will complete the required forms, but the cost is likely to be much higher. If we can have an agreement with a contractor in the village and ensure that the required documentation is in place, it would be better to support contractors in the village to help look after the village, at probably a much cheaper cost. Mr James Dobson stated that in that case why doesn't HPC employ them. There are contractors used by HPC who use our equipment to carry out works that could be

considered to be an employee. Mr James Dobson asked why we are sub-contracting work when we could employ a contractor to work “x” number of hours a week, and that way they are covered by our insurance and we will have to do the risk assessment and provide the equipment. This would then be our liability and not the contractors.

Mrs Oakley stated that the forms are excellent, but the majority of the jobs that we need in the village are small works, and we still need to check that the contractors have a risk assessment and public liability insurance in place. Mrs Oakley is also concerned that smaller contractors will not want to complete all of the forms. Mr James Dobson doesn't disagree with comments from Mrs Oakley, and he believes that this will result in HPC having to pay more for the administration of this process and for the contractors that are awarded the work, but he is in an uncomfortable position that every two months we are asked to demonstrate our contracts, and we can't do that. Mrs Oakley stated that it is one person making this all so difficult. Mr James Dobson stated that we can't demonstrate fair procurement as to why we have given work to a particular contractor, which is the reason that we need to do something. Mrs Oakley stated that we do need to do something but she is concerned that the smaller contractors in the village will not want to complete the forms, so we will lose those contractors. Mrs Kogel stated that HPC's biggest yearly expense is the grass cutting in the Recreation Ground which is a one off cost of £2184. Other costs vary each year, and general maintenance cost for this year is £544, which could be made up of several different jobs which shows the low level work that is carried out in the village. Mrs Kogel is concerned that smaller contractors will not complete the forms for this low level of work. Mrs Kogel suggested that an alternative would be for HPC to look at the different areas where we spend money each year and chose three preferred contractors to carry out the work. Mr Peter Dobson stated that a local tree surgeon has gone through this process to carry out work for the District Council. Mrs Kogel stated that this is likely to be for a much higher level of business. Mrs Kogel stated that if the level of work required in the village was of high value, contractors may be more interested in completing the forms.

Mr James Dobson asked if the consensus is that we are not progressing this any further. Mrs Oakley stated that the process and the forms are excellent for high value business but not for smaller works. Mr Peter Dobson asked for the terms of reference for the contractor who is providing the noticeboards. Mrs Oakley stated that the contractor is only charging for materials for the two noticeboards and is not charging for labour. Mr James Dobson stated that this is not a tender it is a voluntary service, it is not for procuring services.

Mrs Kogel suggested that this process is put forward to all HPC Councillors to see if Councillors will support it as they will need to put themselves forward as project managers. Mr James Dobson stated that as a collective, do we know what the rules are and do we know what we need to do, as Councillors may say they are not happy to do it, but it is a legal requirement to do it. Mrs Oakley agreed that it is put forward to HPC, and the process explained to Councillors. Mr James Dobson stated that all information is in the pack, but some of the forms have not yet been created and he doesn't want to progress with this if it is not supported. Mrs Oakley suggested that it could be used for works above £1,000. Mr James Dobson stated that most of the work involved is for the package manager to take on. Mrs Oakley asked how we will get Councillors to take on the role of project manager as there is a lack of volunteers within HPC. Mr James Dobson stated that they need to volunteer to take this on, he has spent more than 60 hours on this as well as the Infrastructure Fund and the HR Committee, and he feels that he is trying to drive things forward but it is not getting anywhere. Mrs Oakley stated that she can see how much work Mr James Dobson has put in to this, but who is going to take the projects forward and ensure that the process is followed, and who will be the project managers. Mr James Dobson stated that HPC should be moving more towards accountabilities, instead of making all decisions once a month at HPC meetings, we should have individuals to manage things with delegated authority. Mr James Dobson asked how we should move this forward. Mrs Kogel suggested that it should be put before all Councillors at the May HPC meeting, so that everyone is on board and has an input in taking it forward, and find out who will be prepared to take on the role of project

manager, or consider an alternative option. Mr Peter Dobson stated that previous Minutes identify the unwillingness of some Councillors to volunteer to help with projects. Mrs Kogel stated that we have operated in the same way over the years using mainly the same contractors which is not always the best way to operate, it is always good to bring in a new contractor to provide a quotation. Mrs Kogel stated that Mr James Dobson has carried out a lot of work creating this new process and if Councillors agree to this process and agree to be project managers, and Mr James Dobson continues to create the remaining documents, and then there are no volunteers when needed, this would be a complete waste of time. It was agreed that Mr James Dobson will give a presentation to all Councillors at the May meeting. Mrs Kogel stated that we could hold a separate meeting for this presentation. Mr James Dobson stated that it is easier to share screen by holding a meeting on Zoom rather than in person, but he is conscious about how many meetings we are having at the moment which is not sustainable. Mr Peter Dobson stated that due to Covid he may not attend a face to face meeting. Mr James Dobson stated that this presentation is commercially sensitive. Mr Peter Dobson stated that if this process is approved, it will be a progressive change and not all contracts will be considered at the same time.

Mrs Kogel asked, if this process is approved and the smaller contractors decide against completing the required forms, we would then have to choose three new contractors. If the new contractors are more expensive than the original contractor, where is the extra money coming from as we haven't increased the Precept in services to account for this. Mr James Dobson stated that we would have to shrink the service and then increase the Precept next year to cover the cost of the increase in service. Mr James Dobson is seeking advice from the HR Consultants with regards to contractors who could be classed as employees. Mr James Dobson stated that it would be helpful if someone could give an update at the April meeting and let them know that a meeting has taken place and a commercially sensitive meeting will take place before May. It was agreed that a HPC Closed meeting will take place via Zoom on Wednesday 13th April 2022 at 7.30pm.

06/22 APPROVAL OF BACK PAY OF HOLIDAY ENTITLEMENT TO THE CLERK.

Mr James Dobson explained to Councillors that HPC has not been paying any holiday entitlement contributions to the Clerk since the time she has been employed. In January 2022, the Finance Committee took the decision to make a budget in the Precept against this initial cost. The Clerk circulated a calculation cost based on the information provided by OALC's HR Specialist, Chris Moses.

Mrs Kogel stated that she was not aware that she was entitled to holiday entitlement, so contacted OALC for advice.

Mr James Dobson stated that this should be dealt with in two parts. Although he is conscious of how long this has taken to resolve, we need to deal with this tonight as a Finance Committee and then next week we will be appointing an HR Consultant and work with them to validate this information. We need to take the valuation and understand what this means for our 22/23 budget, as we have previously made an allowance for this but not at the value that has been shared this evening. Mrs Kogel stated that we allowed £3k in 2021/22 budget and £3k in 22/23 budget. Mrs Peter Dobson stated that we also need to know the value that will be covered by HSPC. Mrs Kogel stated that the claim for HSPC is completely separate to the claim from HPC. The initial advice sought from OALC's HR specialist was for HPC only, and further advice was sought for HSPC as the two positions are separate. Mr James Dobson stated that we need to calculate the amount for both organisations, and then make an accrual for the whole sum and look at what that means for our Precept for 2022/23, taking into account the increase. Mrs Kogel stated that HPC finances will be clearer at the end of the month when the end of year accounts have been prepared. Mr Peter Dobson stated that the amount to be paid is £8591 for HPC, so there may be a need for some re-adjustments to the accounts to be made. Mr James Dobson stated that he would like the new HR Consultants appointed by HPC to review this claim and then make a recommendation to HPC. Mrs James Dobson asked if we have enough money to pay for it, and then stated that we need to validate the information and assumptions that

have been made, and understand the amount that HSPC needs to be pay so that we can raise an invoice for that amount. There are a few things that we need to do to formalise how we get resource from HPC into HSPC. Mr James Dobson stated that the Clerk may need to complete a timesheet for hours worked in the future for both HPC & HSPC, and then look at the total employment costs, for HPC to invoice HSPC for a contribution of those hours. Mrs Kogel stated that if the HR Consultant is going to be appointed next week, this matter could be sorted straight away, as she would like it to be resolved as quickly as possible. Mr James Dobson stated that they have a clear priority list and this is one of the priorities. Mr James Dobson stated that the HR Consultant has stated that they want to work with us on the two key priorities, one of which is the holiday entitlement payment and the other is to ensure that the Clerk is protected with a contract in place.

Mrs Oakley asked if the HR Sub-Committee is going to appoint the HR Consultant without approval from HPC. Mr James Dobson stated that he wasn't planning on taking this to HPC. Mrs Oakley stated that most sub-committees need approval from HPC before making any decisions. Mrs Oakley stated that she is concerned about the letter of complaint submitted by the Clerk on 6th February 2022, and she wants to make sure that we retain the Clerk, and HPC and the HR Sub-Committee should show support for the Clerk. Mr Peter Dobson stated that HPC has supported the Clerk, and have increased her working hours and have discussed a contract in the last twelve months. Mr James Dobson stated that the Finance Sub-Committee has been made aware of associated employment costs, back dating 11 years, and as a Finance Committee we need to understand the implications of that cost. Mr James Dobson stated that the HR Sub-Committee will be appointing an HR Consultant, which is what they were asked to do by HPC in January when we formed a sub-committee, and his view is that the sub-committee is trusted to take the actions needed to resolve the employment issues. The HR Consultant will be a significant cost, but it is an example of why we need processes and procedures to get things done. Mr James Dobson was asked by the HR Sub-Committee to lead this and the HR Sub-Committee was given the authority to procure the services that were needed. Mr James Dobson stated that it is important to get the issues resolved. Mr Peter Dobson stated that it is also important for the Clerk and as important for the future. Mrs Kogel asked that this matter is resolved in the next couple of weeks, as all of the information from an HR Specialist is available, so she sees no reason for it to be delayed. Mrs Kogel stated that she has no objection to this matter being reviewed by the new HR Consultant if necessary, but she expects that the advice is likely to be the same. Mr James Dobson stated that OALC's HR Specialist has given information on behalf of the Clerk, and for transparency reasons he would like someone else to look at this and value it accordingly and make a recommendation to HPC. Mrs Kogel stated that OALC has not acted on her behalf, they have just passed her information on to an HR Specialist, who has given his advice. Mr James Dobson stated that we are also dealing with recent changes to the rules from January, and although he doesn't want to delay this, it is critical to HPC because it will mean locking away a sizeable amount of the Precept. Mr James Dobson stated that HPC need to understand the implications of this with our plans for 22/23, as this will mean cancelling a number of projects, and we need to make people aware of this quickly. Mrs Kogel stated that the additional cost also applies to the appointment of the HR Consultant. Mr James Dobson stated that these costs will have to be taken in to account.

Mrs Oakley stated that she understands the Clerks concerns about this payment being delayed, it needs to be sorted as soon as possible as she is entitled to this payment. Mrs Oakley stated that the new HR Consultant needs to review this in the next two weeks. Mr James Dobson stated that from a Finance Sub-Committee prospective we have to ratify and make a recommendation to HPC to pay a percentage of the Precept, and although it is probably owed, we need to make sure of that. Mrs Oakley asked Mr James Dobson if this will be discussed at the April HPC meeting, or will the HR Sub-Committee wait until they have heard back from the HR Consultant. Mr James Dobson stated that this is his plan, but the tender process has been delayed by one week, and they hope to appoint an HR Consultant next week.

Mr Peter Dobson stated that the Clerk circulated the information about the holiday entitlement on 18th March 2022, there hasn't been a delay it is being dealt with. Mr James Dobson stated that this was initially discussed in December 2021, and money was set aside for it, but the information on the value was only available on 18th March 2022. Mr James Dobson stated that the next step is to check the valuation and then make a recommendation to HPC. Mrs Kogel stated that she emailed OALC for advice in February 2022. Mrs Kogel stated that the information from the HR Specialist has been circulated and she understands if the Finance Sub-Committee want to have it checked by the new HR Consultant, but asked that this issue is not delayed, and requested that this matter is made a priority when instructing the new HR Consultant. Mr James Dobson stated that there are other priorities as well, be this will be one of them. Mrs Kogel asked if this will go on the HPC April Agenda. Mr Peter Dobson stated that this is commercially sensitive and will be part of a separate meeting and we want it resolved as soon as possible. Mr James Dobson stated that this needs to be dealt with in a confidential meeting as we are too transparent about the Clerks personal costs, and it opens up for a line item challenge and this information shouldn't be published. Mr James Dobson will obtain more information about this. Mrs Oakley asked if other Councillors should be made aware of this issue at the closed meeting on 13th April 2022. Mr James Dobson stated that in January 2022, we did inform Councillors about a historical cost that we need to make an accrual against. Mr James Dobson stated that we need to have the recommendation from the HR Consultant, and once engaged we can ask them for a time frame and report it back. Mr Peter Dobson stated that the Finance Sub-Committee should advise Mrs Kogel of the time frame.

7. AOB. – None.

Signed.....

Date.....