

HORSPATH PARISH COUNCIL
Minutes of the Finance Sub-Committee Meeting held via Zoom
on Monday 16th May 2022 at 7.30pm.

Present: Mr J Dobson, Mrs B Oakley, Mr R Burgess, Mrs H Kogel

Apologies Mr P Dobson, Mrs J Dobson
Absent:

08/22 ELECTION OF CHAIRMAN.

Mr Burgess proposed Mrs Oakley for the position as Chairman, seconded by Mrs Kogel. Mr James Dobson abstained from voting as it is a conflict of interest. Mrs Oakley accepted the position.

09/22 APOLOGIES FOR ABSENCE. – Apologies were made on behalf of Mr Peter Dobson and Mrs Dobson.

10/22 MINUTES FOR APPROVAL.

Minutes of the Finance Sub-Committee Meeting held on 23rd March 2022. The minutes were agreed and signed by the Chairman.

11/22 HPC PROCUREMENT & TENDERS – NEXT STEPS.

Mrs Oakley proposed that this needs to go to full Council for further consideration with a view to not going ahead with it. Mr James Dobson stated that he is against that view, as the majority of Councillors voted in favour of it. Mrs Oakley stated that everything has been made so complicated, and when full information is available with regards to the HR consultant costs, Councillors may have a different opinion. The contract and specification information that is around 50 pages will not work, and has been copied from another website by Mr James Dobson, including the specification for the steps in the Conservation Area. Mrs Oakley stated that this needs to be re-visited and discussed further by full Council. Mrs Oakley stated that the village is in uproar about various things and she is not prepared to support it. Mrs Oakley stated that HPC has operated successfully for many years and because one person has raised this matter, it has resulted in a pack of 50 pages that is far too complicated. Mr Burgess stated that HPC is facing a vote of no confidence from the village. Mr Burgess stated that he has recently received complaints from residents in the village about the length of time it is taking to repair the bridge and steps in the Conservation Area. Mr James Dobson confirmed that he took the specification for the steps from an industry standard document on how to construct steps and shared the information. Mrs Oakley stated that the specification included repairing parts of the steps that do not need to be repaired. Mrs Oakley has shown the specification to six different contractors, who have all said they would not be interested in carrying out the repairs. Mr James Dobson stated that he just did the research and shared the information for comment. Mrs Oakley stated that the specification for building the steps was 16 pages long, when actually a meeting with qualified contractors to look at the repairs was all that was required. Mrs Oakley stated that she has also received several complaints about the Conservation Area. Mr James Dobson stated that we should adapt the specification. Mrs Oakley stated that the systems that Mr James Dobson is trying to put in place are unworkable. Mr James Dobson stated that they are not unworkable, HPC makes too many decisions based around lack of information, and we should work off papers which will be voted and agreed on. Mr Burgess stated that with regards to the repairs to the steps in the Conservation Area, all we need is quotations for the work and copies of the contractors public liability insurance and risk assessments, we don't need all of the rules and regulations. Mr James Dobson stated that he disagrees and there are rules and regulations that apply to HPC, and if there is a different view from Councillors he is comfortable with it. Mr James Dobson stated that we should pull together documents that will help, but if it's not helping, then leave it. Mrs Oakley stated that there are several contractors who carry out work for HPC that will not be interested in

signing a 6 page contract that is included in the pack provided by Mr James Dobson. Mr James Dobson stated that this is the tender document and not the contract. Mr James Dobson stated that the contracts have not yet been written yet. Mrs Oakley stated that it is unbearable having to explain to residents why repairs have not been carried out, and the reason being is that she cannot get a contractor to carry out the works with the specification provided. Mr James Dobson suggested that the specification is changed. Mrs Oakley stated that she is going to arrange site meetings with contractors to look at the repairs required in the Conservation Area and ask them to provide quotations, and then when we have the quotations we can request a copy of their public liability insurance before any work commences. Mr Burgess stated that we need to find a way forward so that we can have necessary repairs carried out. Mr James Dobson stated that at the last HPC meeting he gave Councillors 3 options, do nothing, go with his proposal or do something else, and the majority of Councillors voted in favour of his proposal. Mr James Dobson stated that this should be discussed again at a HPC meeting in 3 months' time. Mrs Oakley wants this to be brought out into the public domain so that we can explain to residents why there is a delay in carrying out work in the village. Mrs Oakley is hopeful that at the next HPC she will have quotations from contractors for the repairs in the Conservation Area.

12/22 INTERNAL AUDIT ACTION REVIEW AND PREPARATION.

Mr James Dobson stated that there are a number of actions that were raised on the internal audit last year, so we need to see where we are with closing them down, and also what do we need to do to support Mrs Kogel with this years' internal audit. Mr Burgess asked if there are any major problems. Mrs Kogel stated that having looked back at the August 2021 Minutes, one of the things raised is that we are not using the latest model of Financial Regulations and this hasn't been actioned, so is likely to be an issue this year. Mrs Kogel stated that her contract of employment will also be an issue as this has not been actioned. Mr James Dobson stated that this is in hand. Mrs Kogel will put the accounts on the website after the internal audit has been carried out. Mr Burgess stated that apart from the contract of employment being an issue, there are no major issues, just some housekeeping for Mrs Kogel to carry out. Mrs Kogel stated that although we are not using the latest model of Financial Regulations, we do have Financial Regulations in place that we adhere to. Mrs Kogel stated that there will be issues picked up on the internal audit. Mrs Kogel stated that the accounts all balance and a revised statement of accounts has been circulated to all members of the Finance Committee.

13/22 2022/23 BUDGET REVIEW TO REFLECT ADJUSTMENTS NEEDED DUE TO PROVISIONS NEEDING TO BE MADE – HOLIDAY PAY, INCREASED SALARY, COMMITTED WORK ETC.

Mrs Oakley stated that it is difficult to make any decisions on this with the HR Consultants being involved, and she would have expected by now for something to happen with the holiday pay to Mrs Kogel as it has been going on for 5-6 months, and she doesn't understand why we are making Mrs Kogel wait for it. Mr James Dobson stated that it is inappropriate to discuss this matter in this meeting, and stated that he does owe Mrs Kogel an apology, unfortunately the last couple of weeks have been hectic and the HR Committee need to meet with Mrs Kogel as a matter of priority. Mrs Oakley asked if this will be before the closed meeting planned at the end of May. Mr James Dobson stated that it will be done as soon as they can arrange a date. Mrs Oakley stated that a meeting should take place with Mrs Kogel before the closed meeting at the end of May, Mr James Dobson agreed.

Mrs Kogel stated that she is aware that this is the wrong meeting for this to be discussed so is not expecting a reply, but wanted to express her disappointment that she submitted a grievance with the HR Sub-Committee on 10th February 2022 which was acknowledged the same day by Mr James Dobson, but to date she has not received a single reply from the HR Sub-Committee in over 3 months. HPC has employed an HR Consultant who has been in place for 7-8 weeks. Mrs Kogel met with a representative from Sylo on 7th April 2022 who was going to deal with my grievance. Around two weeks later Mrs Kogel was notified that

another representative from Sylo would be taking over the handling of her grievance. Mrs Kogel met with this representative at the end of April 2022 who gave assurance that he would deal with her grievance, but no further correspondence has been received. Mrs Kogel reported that she expressed her disappointment in emails to Sylo and the HR sub-committee with regards to both holiday pay and her grievance and had received an email from Sylo implying that there have been some historical delays on her behalf, which she did not appreciate. Mrs Kogel stated that Mr Peter Dobson and other Councillors have been aware of the outstanding holiday pay for well over a year but it was never actioned. Mrs Kogel then raised this in December 2021 at the Finance meeting when considering the Precept, but due to being very ill with Covid in December very little work was carried out until January 2022 when she started to catch up with the outstanding work. Mrs Kogel contacted OALC's HR Specialist in February 2022 for advice on how to work out this payment, and the information was passed to the Finance Sub-Committee in March 2022. Mrs Kogel stated that over the past few months she has felt like a criminal under investigation and it is totally unacceptable to be made to feel like this. There is no reason for it to take 3 months to deal with a grievance and 2 months to deal with her holiday pay. The calculation on the holiday pay was based on the information received from OALC's HR Specialist, and Mrs Kogel has said to Mr James Dobson on several occasions that if the calculation is wrong, why doesn't someone speak to her to discuss it and we could have reached a conclusion together. Instead of this, HPC has incurred massive charges from Sylo Beyond HR, when actually all employment templates for employment processes, hand books, grievance procedures and contracts that HPC needs to put in place are available on OALC's website free of charge for Council's to use. Mrs Kogel stated that she is really disappointed in the way she has been treated by the HR sub-committee and Sylo Beyond HR, and as a result she is looking to resign and hand all matters over to a solicitor to deal with. Mrs Kogel stated that she has tried everything to get both matters resolved. Mrs Kogel stated that she had an off the record conversation with a Councillor when she was looking to resign in January and she was told to hold on as they were looking to form an HR sub-committee to deal with this. Mrs Kogel stated HPC should have saved their money with the HR Consultant as three months later we are no further forward. Mrs Kogel stated that she does not appreciate the HR Consultant implying that the delays are due to her actions. Mrs Kogel stated that although she appreciates Mr James Dobson is busy, HPC is employing an HR Company to deal with these two matters, and they should have dealt with it, but they haven't. Mrs Kogel reported that she received an email from Sylo stating that the HR sub-committee would be in touch after their meeting on 3rd May 2022 but they didn't, she also had an email from Mr James Dobson stating that he was going to call a closed meeting after the HPC May meeting, but he didn't. Mrs Kogel stated that she hasn't heard anything from Sylo or the HR sub-committee since. Mrs Kogel stated that she is finding it all very stressful. Mr James Dobson stated that this is a Finance meeting and the Minutes are public record, so it is not fair to comment. Mr James Dobson apologised as he should have spoken with her between 3rd May and now, but it has not been possible due to work commitments, but it is his priority now. Mrs Kogel asked why the HR Consultant didn't step in and deal with it if he was too busy. Mr James Dobson stated that it is only right that Mrs Kogel's employer speaks to her about this not a third party, but this is not for discussion in a public meeting. Mrs Oakley stated that this is not a public meeting. Mr James Dobson stated that it is public meeting and the Minutes will be displayed on the noticeboard. Mrs Oakley stated that the HR Consultant will be costing HPC over £15k over 3 years. Mrs Kogel reported that Mr James Dobson has sent over four invoices from Sylo today that have been sent to an email address that up until now has not been monitored. The invoices total £2693.00, and she was not aware that HPC has to pay a monthly retainer fee. Mrs Kogel stated that in addition to this an invoice of £1140.00 and £670.00 has already been paid for additional services, and asked why HPC has employed an HR Consultant who couldn't deal with HPC issues that we then have to pay additional money to. Mrs Kogel stated that assuming that there are no additional costs incurred for Sylo for the rest of the year, the total cost for Sylo for this financial year will be just over £11k, and she is concerned that there is no provision for this cost in the Precept, and it is around 25% of the Precept and there is possibly more costs to

come. Mrs Kogel asked if Councillors are aware of these costs. Mrs Oakley stated that HPC has to pay a retainer fee of £463 per month and we are tied into the contract for 3 years. Mrs Oakley stated that in the first two months it has cost HPC around £3500.00, and she does not recall being informed of these costs. Mr James Dobson stated that in January 2022 it was agreed to form an HR sub-committee, and for it to do whatever is needed. Mrs Oakley stated that it wasn't formally accepted by HPC that we would have to pay £463.00 as a monthly retainer for an HR Company who have had two months to sort out the issues. Mr James Dobson stated that they have had to move things forward. Mrs Oakley stated that she has checked through previous Minutes and cannot see where Councillors have agreed these costs. Mr Burgess stated that he agrees with Mrs Kogel it is a lot of money, he had no idea of these costs and he has no idea how HPC will fund that. Mrs Oakley stated that it will be at least £5k a year for the next three years just for the retainer costs, and the additional invoice for £1250.00 which is 50% of the total bill for giving information to the HR sub-committee. Mr Burgess stated that this is a ridiculous amount of money to pay for something that hasn't been achieved. Mr James Dobson stated that it is work in progress and a lot of work has been achieved. Mr James Dobson stated that there has been a delay since 3rd May 2022 on his behalf, and Sylo have done their scope and have done so with a lot of professionalism. Mr James Dobson stated that as the sponsor of this work he is very comfortable with how Sylo have performed to date, and they have fulfilled the scope of work that has been asked. Mrs Kogel stated that in her opinion Sylo have not performed well. Mr Burgess stated that Sylo have delayed the contract and suggested that the contract is cancelled. Mrs Oakley stated that Mrs Kogel sent an email to herself and Mr James Dobson regarding payment of the invoices and Mr James Dobson authorised the payments before being considered by full Council, and Mr James Dobson agreed that the invoices should be paid when no sub-committee is allowed to make that decision. Mr James Dobson stated that the HR sub-committee has the authority to spend money. Mrs Oakley stated that all financial decisions must be ratified by full Council. Mr James Dobson stated that he believes that authority has been given to the HR sub-committee to spend money. Mrs Oakley stated that Mrs Kogel is the best Clerk and the thought that she has been put in this position because of one persons' harassment, when he could of apologised, could of saved HPC £15k+. Mrs Oakley stated that the Clerk is considering resigning as HPC has not protected her as the employee. Mr James Dobson stated that it is not appropriate to discuss this in a public meeting. Mrs Oakley stated that she does not want to be party to this, and for transparency, this information should be made public. Mrs Kogel asked what she should do with the payment of the Sylo invoices as they are due for payment. Mrs Oakley stated that the Clerk should contact Sylo and inform them that all invoices need to be approved by full Council in June 2022. Mr Burgess stated that signing of any contract should have been done by full Council. Mr James Dobson stated that HPC do not have any procedures for doing contracts, therefore if procedures were in place we might be better off. Mr James Dobson stated that a contract can be sealed by a sub-committee if it is against a resolution, and this was against a resolution in January, therefore it is within the authority of the sub-committee. Mrs Oakley stated that she disagrees, it is in standing orders that sub-committees cannot make that decision. Mr James Dobson stated that he is confident along with other members of the HR sub-committee that this was within their authority.

As Financial Officer, Mrs Kogel asked about the payments to Sylo as she is not aware of any of the costs that have been committed with Sylo and this information is required for managing HPC's finances. Mr James Dobson stated that he has a schedule of payments that are due to Sylo that he will forward to her. Mr Burgess stated that he is unsure how HPC will meet these costs. Mrs Oakley stated that these costs cannot be covered by HSPC. Mr James Dobson stated that the cost to HPC for Sylo Beyond HR services will be £5534.00 for this financial year. Mr James Dobson stated that this is the problem when contracts are not in place, and if it is not done right, when it goes wrong we end up with a big bill. Mr Burgess stated that this is not the case as Mr James Dobson has already signed the contract with Sylo. Mrs Oakley stated that the Minutes state that no decisions will be made at the sub-committee meetings, just recommendations to the full Council. Mr James Dobson stated that this relates to the Finance sub-committee and not the HR

sub-committee. Mrs Oakley stated that the HR Consultant is costing too much money and HPC do not have the funds for this and the HR Consultant has not dealt with the two matters. Mr James Dobson stated that he disagrees and it is not appropriate to be discussing an individual in this meeting, and it is not fair on HPC or Mrs Kogel.

Mrs Kogel questioned Mr James Dobson's calculation of £5534 for this financial year, as her calculations to date, including what has already been paid and with the outstanding invoices takes the amount spent to £4043. Mr James Dobson stated that we can reclaim the vat so this shouldn't be included, and as Mrs Kogel works for HSPC there is a proportion of this cost to be shared out. Mr James Dobson stated that the work covered by Sylo is front end loaded so we are paying two payments of £1125.00 for the creation of an employment manual, along with a monthly retainer, and there are two more payments of £950.00 against a specific scope of work, that is not be discussed in this meeting. Mrs Kogel stated that although vat can be reclaimed, we do have to take it into account when paying an invoice and we do not reclaim the vat until the end of the year. Mrs Kogel stated that the retainer fee alone is £5558.00 for the year, plus the additional invoices gives a total of £11,165.00. Mr James Dobson stated that his calculations are based on minus the vat. Mrs Kogel stated that even with the vat deducted, the total cost is not £5534. Mrs Kogel stated that she has the right for the issues to be resolved. Mr James Dobson agreed and stated that HPC has under-invested in this area for a long time, and we had an opportunity in November to bring in new Councillors with HR experience to manage this and we chose not to, so we have to buy in services. Mrs Kogel stated that she has never had a problem in the last 22 years until now. Mrs Oakley stated that we didn't need to buy in HR services, the reason that the HR sub-committee had a problem was because Mrs Kogel submitted a grievance, which could have been resolved by making an apology. Mrs Oakley is concerned that Mrs Kogel feels that she doesn't have the support of Councillors. Mrs Kogel stated that she is entitled to some respect, understanding of how stressful this has been and certainly a reply to her emails from the HR sub-committee and Sylo. Mrs Kogel stated that since submitting her grievance things have been made very difficult, and awkward. Mr James Dobson apologised and stated that when a process starts it has to be followed and that is what has been done. Mrs Kogel stated that communication is the key, and there has been very little communication from the HR sub-committee and Sylo, and she has found it all extremely stressful.

Mr Burgess stated that he is shocked on the amount of money that has been spent with Sylo that Councillors weren't aware of. Mr James Dobson suggested that this is taken up with the HR sub-committee as a whole as he cannot act as an individual. Mrs Oakley asked Mrs Kogel to explain the situation to Sylo about the payment of the invoices. Mr James Dobson asked Mrs Oakley to think through the consequences of delaying the payment of the invoices to Sylo as it may delay some of the discussions with Mrs Kogel further, and as Chairman of the HR sub-committee he would resist this action as it is important to pay the invoices and allow the outcome of that work to be moved forward to bring some closure to this. Mr James Dobson stated that Sylo have completed their scope of work and it has been handed to the HR sub-committee, but he has failed to deal with the action in a timely manner, but we do need Sylo's support to move it forward. Mr Burgess stated that if a company does not perform the invoices should not be paid. Mr James Dobson stated that he does sympathise with Mrs Kogel but this has been giving him sleepless nights as it is a complicated situation and has taken a lot of time.

14/22 RESERVES REVIEW.

Mrs Oakley asked Mrs Kogel for her comments. Mrs Kogel stated that she does not think HPC will have any reserves in this financial year with the current situation, and until HPC has full information on the financial situation, including the outcome of her holiday pay claim, and full details of the HR Consultants cost, without this information we cannot consider it. Mrs Kogel recommended that HPC does not incur any additional expenditure for the foreseeable future until we have a clear picture of the finances. Mrs Kogel reported that HPC has recently renewed the annual insurance policy and BHIB has stated that there was a calculation glitch on renewals which resulted in an overcharge of £173.00, so this will be refunded.

Mrs Kogel asked Mr James Dobson what is the plan with these costs coming in that have not been accounted for. Mr James Dobson stated that there are some savings to be made, one of which is on M365 where the costs could be halved as we are now in May, and we also agreed to bring in financial consultancy support and if we are not going ahead with contracts this would also be a saving. Mr James Dobson stated that this cost would be a saving of £2000.00 which will include the saving on M365. Mrs Kogel stated that there may be a saving during the year on general maintenance costs, but even if HSPC pay half of the HR costs we still need to find a saving of around £5k. Mrs Kogel stated that Clerk's salary will increase this year due to additional meetings and there has also been additional costs for Councillors attending training courses. Mrs Kogel stated that two months into the financial year we have spent £8600.00 and if Sylo's invoices are included, with normal expected monthly expenditure, our costs in two months will be around £12k. Mrs Oakley stated that HPC needs to try and make savings wherever possible. Mrs Kogel suggested that until full details of HPC's financial situation is available, all expenditure should be put on hold unless considered to be urgent. Mrs Oakley agreed with Mrs Kogel on expenditure. Mr Burgess also agreed and asked if Mrs Kogel's holiday back pay will be substantial amount. Mr James Dobson stated that HPC should be making a reserve of £10k for the holiday pay claim. Mrs Kogel stated that HPC has never before been in this high risk financial position within the first two month of the financial year.

15/22 ANNUAL FINANCIAL RISK ANALYSIS – HOW WILL WE APPROACH THIS?

Mrs Oakley stated that all expenditure should be put on hold for the time being.

16/22 AOB

Mr Burgess suggested that a grant is submitted to HSPC at the next meeting in June to cover the cost of the repairs to the lorry damage on the Village Green, and also for the repair to the steps in the Conservation Area. Mr Burgess stated that HPC has to move forward with the repairs. Mrs Oakley will arrange site visits with contractors to look at the repairs in the Conservation Area. Mr James Dobson passed thanks to Mrs Kogel for her support during his time as Chairman of this sub-committee as he thought that it was excellent.

Signed.....

Date.....