



The Parish of Medstead and Four Marks
Minutes of the Extra-PCC Meeting
Tuesday 12th November 2024, 7.30pm
At COGS Church Hall

Present: Howard Wright (Chair), Debby Barnes, David Duffin, Peter George-Jones, Tracey George-Jones, Jeremy Griggs, Frank Maloney, Pam Maloney, Ian Trotter, Andrew Walters, Jill Williams, David Williams (Secretary)

1. Welcome and Apologies

Howard welcomed everyone to the Extra meeting of PCC, convened to discuss the latest situation regarding Parish finances. This meeting had been postponed from the planned date of 29th October because it had not been possible to prepare the necessary financial information in time.

Apologies were received from Timothy James, Jackie Jurd, John Lofthouse and Bob Meekums.

2. Worship and Prayer

Howard led us in sung worship, "Great is Thy faithfulness", and reminded us of the faithfulness of God in every situation we have faced in the past as separate parishes over centuries (St Andrew's) and decades (COGS) and do face as a united Parish and congregations. "Ebenezer ... Hitherto hath the Lord helped us" (1 Samuel 7:12)
Several members led the meeting in prayer.

3. Finance

a. Review current status and gain understanding.

i. Answers to previously submitted questions

Peter George-Jones and Bob Meekums had both submitted questions about the spreadsheet document *PM & FM - September 2024.xlsx*, distributed 7th November 2024. A revised document addressing some of their concerns was distributed on 11th November. A full text of Peter's questions, together with answers from Howard and from Tori Hewitt (bookkeeper) were sent out on the morning of the meeting. A number of questions for which additional investigation is required remain to be answered.

No 'Budget' figures for St Andrew's – 2024 appear in the spreadsheet, so those values in the document only contain data from Church of the Good Shepherd. 'Actual' figures include amounts from both churches. It was pointed out that this means the budgeted Expenditure values are likely optimistic, and that the true planned deficit of £40k may be worse by the end of the current financial year.

ii. Further questions.

1. There was discussion over the nature of the accounting systems adopted by the two historic churches. Whereas St Andrew's operated separate capital and revenue accounts, COGS had

appeared to run its finances as a single cash account, which made a proper understanding of the merged accounts after the parish reorganisation difficult.

2. Frank pointed out that there was no mention in the accounts of a refund to East Hampshire District Council of the balance of a grant for COGS services to the elderly (Holiday at Home), underspent because of COVID. Howard will ask Tori about this.
3. Members from St Andrew's were accustomed to setting an annual balanced budget, and asked why COGS had been used to setting annual deficit budgets. The question was raised by a number of members of how such practice fits with the financial responsibilities of PCC members as Trustees of the charity which covers the Parish.

Howard explained that the COGS practice was, in the Autumn of the preceding year when the income was set, that the income was based upon previous run rate and anticipated regular monthly giving and regular one-offs. There was always space for growth and one-off gifts, and so, COGS always stepped out in faith in missional activity. Giving was not regularly spoken about but following the APCM the congregation would be thanked from the front in services and usually via letter, and in the context of the future vision, a gentle reminder would be given to review or begin giving regularly. In the Autumn when the outrun was clearer there would be further thanks and encouragement to review giving and when necessary to help with any shortfall. In COGS experience the members had stepped up to bridge the gap. In 2023 COGS accounts actually showed a small end-year surplus compared with the £30,000 deficit figure budgeted at the start of the year.

COGS reserves at the end of 2023 were significantly over what the COGS Reserve Policy required, and as the money had been given for the work of God's Kingdom it should not sit idly in their account. So, at the end of 2023, COGS PCC expected that a larger than usual deficit budget could be set on the understanding that the 'excess' reserves could be drawn on to fill the extra gap. Nevertheless, some Trustees expressed their discomfort at the perceived risk posed by such an approach. Peter reminded PCC that a worst case might be insolvency, which PCC as Trustees are required to avoid.

He also pointed out that in addition to the deficit forecast of £40k in the accounts as presented, there was also a commitment to the installation of solar panels on the roof of Church of the Good Shepherd. The £12.5k already reported as being required did not appear on the accounts as presented. By the time of this meeting, nothing had been delivered but some items might begin to arrive shortly. For planning purposes until designated donations that were promise actually arrived, the notional deficit because of future commitments was greater by that amount, i.e. £52.5k.

iii. Actions going forward

1. The Parish is presently owed significant money from HMRC, because HMRC are unwilling to pay into either of the accounts run by the old parishes. So, there is urgency for opening a new account in the name of the new joint parish. Frank had drafted a Resolution (already circulated):

Suggested PCC Resolution regarding a new Bank Account.docx

After further discussion the following revised Resolution was proposed by Howard, seconded by Frank:

The PCC resolves to open an account in the name of the PCC of the Ecclesiastical Parish of Medstead and Four Marks. The Authorised signatories will be those who hold the roles of:

- *The Vicar
(currently Rev. Canon Howard Wright);*
- *The Church Wardens
(currently Mr Peter George-Jones and Mr Andrew Walters);*
- *The PCC secretary
(currently Mr David Williams).*

To aid the operation of the account the Bookkeeper will be included as a signatory/ authorised person. So:

- *The Bookkeeper
(currently Ms Victoria Hewitt).*

Should there be need for further signatories, those that hold the role of Deputy Warden would be added.

The resolution was **agreed nem com**.

There followed discussion about whether two signatures should be required for every cheque, or if one would be sufficient. The Church of England guidance for Treasurers advises dual authorisation of payments, one of the signatories always being the Treasurer. Some members wondered if two signatories might be unworkable in practice. It was therefore suggested that the priority was to open the new account. The number of signatories might be arranged later.

2. Immediate response/s to deficit

At present, from the figures presented, the monthly shortfall in giving is between £2,000 and £3,000 per month. The shortfall was reported by Claire in her final statement in July. This is clearly unsustainable in the long term.

Howard said that he would bring the issue to COGS congregation at the following Sunday morning service and would look for guidance to the Medstead based PCC members for how and when such a similar message might be made at St. Andrew's. Peter said that he could not

support the sharing of that message with Medstead, at least until we are sure that we have all the figures derived from the individual church accounts.

Tracey also expressed concern about the kind of pressure that individuals might feel themselves under to give beyond their means. Howard pointed out that giving is a privilege and Kingdom opportunity but that every member of the parish is responsible before God for their own giving. Some may be able to respond by giving more. Others may find that because of their individual circumstances they must reduce how much they can contribute, or just maintain their current level. There should be no such pressure, and he said he would ensure that any statement about giving would include that assurance.

Howard acknowledged that expenditure at COGS is responsible for most of the deficit, particularly because it has paid out of its resources the employment of three staff members whose ministry is increasing across the whole Parish of Medstead and Four Marks. That growth would only come through continued investment at both ends of the parish. There is a significant opportunity to restart family/children's ministry/mission in Medstead. This kind of ministry prepares the way for growing the next generations of the church. Without that development a church can barely survive in the long term.

3. Peter said that he thought PCC should consider how costs could be reduced to bring the budget at least closer to balance. Other members agreed, reminding PCC of the responsibility of any Trustee to safeguard the charity that it manages, and in particular to minimise any risk of the charity becoming insolvent.

Is it possible to rein in expenditure? Two areas were considered, either reducing our contribution to the Common Mission Fund (CMF) or reducing our employee costs.

For reasons set out above regarding the need to support outreach ministry of the Parish to future generations, Howard advised that we should want to continue to support both our Family worker and our Youth and Children's minister.

But there is also a moral imperative to support CMF as far as possible, because it in turn supports church growth and development in less advantaged areas of the Diocese. Their ministry could suffer if we withheld our support.

Peter also expressed a view that asking to reduce our CMF contribution would send a wrong message to the Diocese and others about how we manage our finances.

4. Howard reminded PCC of the help available from the Diocese with Stewardship. He would ask how we could receive advice about the issues around the unifying of our disparate accounting practices. He would also enquire about reducing our CMF contribution for (say) one year, on the expectation that we could restore our CMF giving in the following year.

b. Budget considerations – in prep for ‘decision’ on 3rd Dec

We urgently need a full set of figures covering both congregations as soon as possible in order to have a basis for setting a budget for 2025. In the absence of data for a 2024 budget from St Andrew’s, Frank offered to use the data from 2023 from both congregations as a guide to draw up a preliminary draft budget. This could act as a placeholder and indicator of how a 2025 budget might be developed.

c. The post of Treasurer

The person who had been considering whether to take the responsibility of Treasurer has decided that their circumstances do not allow them the opportunity to take on that role for the Parish. It is not appropriate for Tori to be asked to take on more than the Bookkeeping responsibility, even if she had the time and space to do so (which she does not).

When Howard speaks on our behalf to the Stewardship Team at the Diocese, in addition to the issues raised above (item 3/a/iii/4) about the difficulty we face in appointing a Treasurer, he will ask about alternative ways we could explore to fill the job. One possibility suggested could be the appointment of a Project Manager for a limited period of time with the specific task of managing the orderly consolidation of finances. We would probably have to pay for such expertise.

4. Required items

a. Safeguarding

- i. An issue which was raised but not recorded in the minutes of the meeting of 15th October, about an outstanding DBS check on a staff member, will be added as a correction to those minutes already circulated, at the next full meeting of PCC and before formal approval of that record is sought.
- ii. Tracey reported that she has spoken herself to the Head Teacher of Medstead CofE Primary School. He was unaware that the DBS check had not been done. He has undertaken to see that it is completed. Howard thanked Tracey for keeping us informed.

b. GDPR

- i. Use of “Bcc” in PCC correspondence
We will continue the practice of circulating PCC-wide documents through email by ‘Blind-copying’.

c. Health and Safety

- i. Doc: *24.11.12 H&S Rpt.docx* was received and noted

5. Date of Next Meeting

PCC: Tuesday 3rd December 2024, at COGS Church Hall

