

The Parish Church of St Margaret, Rainham
Parochial Church Council

Extra meeting of the PCC on Monday 30th October 2023
09:30 via Zoom



Present: Hollie Allen (HA); Nigel Barfoot (NB); Janet Garnons-Williams (JGW); Nick Grief (NG); Philip Holdcroft (PH); Felicity Holton (FH); Revd Jonathan Jennings (JPJ); Davina O'Brien (DOB); David Ormiston (DO); Linda Randall (LR); Owen Smith (OS); Revd Nathan Ward (NW) - Chair

Apologies: Heather Baker (HB); Lorna Dyer (LD); Charley Whittaker (CW); Terry Whittaker (TW); Sam Holden (SH) – Treasurer

In Attendance: Jo Whittaker (JW) – Secretary

PCC MINUTES

Item	Details	Action
1.	Background and Overview:	
	<p>NW opened the meeting in prayer. He then explained the need for a discussion regarding the setting up of a trading company and accepting a contract with Medway Rainham PCN (Primary Care Network).</p> <p>The PCN was a geographical collection of local GP surgeries formed to provide services that local GP's could not offer individually e.g. physiotherapy. They currently meet in Rainham Healthy Living Centre, had five years left to run on a contract with NHS England but are struggling with both the scale of the rent being charged and the fact that they are charged a service charge which is both material and cannot be recovered from the NHS. As such they are looking for new premises from 7/12/23. NW reminded PCC that one of the key concerns of the Rainham community, highlighted in the recent surveys, was access to health care.</p> <p>NW gave an overview of the proposals including three distinct phases of the project:</p> <p>Phase 1: Refurbish old nursery room and toilets to make them office spaces; refurbish rooms 1, 2 and 3 (photocopier room) to make them clinical rooms.</p> <p>Phase 2: Install a mobile building to house three extra clinical rooms (in the old nursery garden space).</p> <p>Phase 3: Refurbish lower hall to turn into office space and clinical rooms, old nursery room into a waiting area, nursery toilets into a clinical room and rooms 1, 2, 3 and the church office into clinical / consultation rooms.</p> <p>NW advised that under the Charities Act, trade constituted 20% of turnover capped at £80k and anything over this required the set up of a trading company, so if PCC were minded to take up a contract with Medway Rainham PCN, a trading company would need to be set up as rental would exceed the £80,000 threshold.</p> <p>The PCN would have 100% use of the rooms, Monday – Friday 8am-8pm and Saturday 9am-5pm. Access to the building would be through the front of the building with disabled access only at the rear (Gatekeeper Chase).</p>	
2.	Questions raised before the meeting (TW):	
1.	<p>The solicitor talks about the need to create a company limited by shares, yet the accountant speaks of a company limited by guarantee. Which is being proposed and how does that affect the advice of the other advisor?</p> <ul style="list-style-type: none"> - NW advised he would take the legal advice, limited by shares, but would speak to the accountant later today. Shares would be 100% owned by the PCC and the Directors of the company would gift 100% of the profits to PCC at a time decided by them. - DO advised that the Charity Commission's advice was that at least one director should not be a trustee and at least one trustee should not be a director. 	
2.	Where is the money coming from?	

	<ul style="list-style-type: none"> - NW had met informally with the Church Estates Charity who had indicated they will potentially provide a loan of £120k, based on 8% flat interest rate, over two years. A formal meeting would take place next week. <ol style="list-style-type: none"> 3. The company directors need Directors & Officers insurance cover, and do we need Landlords indemnity cover in addition to our building and contents cover? If so, these need to be built into the cost. <ul style="list-style-type: none"> - Yes, and the latest spreadsheet circulated today showed this. 4. Do we currently have the skill set to book keep for the company in the way we need to, and is the cost of appropriate VAT effective software and any enhancement of staffing built into the proposal? Can we do the installation of the software and record transfers in sufficient time to meet the timeframe for the PCN start date? <ul style="list-style-type: none"> - Cost of bookkeeping had been added into the budget and would be done by the accountant, not the operations team. - QuickBooks software was recommended and built into the budget at £70 per month approx. 5. Is there continuity of employment for those being transferred into the new company? <ul style="list-style-type: none"> - Yes, this is a legal requirement. 6. What is the length of contract being offered by PCN? Is this of sufficient duration to justify the spend? <ul style="list-style-type: none"> - The proposal is for a five-year minimum contract, with a two-year break clause and one-year notice period (on both sides). This would be drawn up by the solicitors. 7. I would want the PCC to have no less say than it currently does on issues of principle and practice. So for instance, the PCC would agree the budget for the trading company and spend outside the budget would need appropriate authority. This would avoid the company deciding how much it will return to the PCC in profit. I am assuming the same eco principles will be adopted by the company? <ul style="list-style-type: none"> - By law there must be an independent body as a trading body, therefore PCC cannot be in control of the trading company as this goes against the articles. PCC will have no control over the budget but will be able to appoint and remove Directors. (Directors will be a mix of PCC members and non-PCC members, with non-PCC members outweighing the PCC members in case of a conflict of interest). 8. What is the expectation on the company directors (how will it work) and is their appointment for a fixed term. This would make sense and it would also make sense to have this out of sync with the PCC term to avoid there being a change of director and PCC membership at the same time. <ul style="list-style-type: none"> - It will not be a fixed term but the PCC could institute this if required. 9. Can the company issue rental contracts that do not attract VAT? I have no heart for increasing the cost for some of our hirers, but neither do I like a solution where the company issue some contracts and the church issue others. <ul style="list-style-type: none"> - Normal hiring of halls does not attract VAT and therefore would not affect the current hall hirers that we have. VAT would only be added for any services that would then be added, e.g. use of halls as a wedding venue. - It was noted that the company could choose to gift the time of the cleaners to the church so this would not attract VAT. - Millennium Centre accounts would be taken out of the church accounts and NW had tweaked the 2024 budget accordingly but this was still to be looked at by the Finance Committee. 10. Do we have commitments from the builders to complete all that is needed by 7th December? What effort is required from the church team and is this viable? 	
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	<ul style="list-style-type: none"> - NW had approached three different builders and only one could commit to the time frame. The contracts would need to be signed on Thursday (2nd Nov) to ensure the time frame is feasible. <p>11. Do the PCN need to start operating on 7th Dec and if so, when do they need access from?</p> <ul style="list-style-type: none"> - Access to the building will be completed on 7th Dec. - JPJ questioned whether there were consequences if this deadline was not met; there was nowhere else for the PCN to go and NW's model suggested a project management company be used to ensure this happened on time. <p>12. What are we saying to our current hirers and church users of the MC?</p> <ul style="list-style-type: none"> - There were three or four current hirers who had been identified as being affected by the changes – they would be spoken to and other options found within the MC. <p>13. Is the storage requirement for office and 252Kids incorporated into the proposals?</p> <ul style="list-style-type: none"> - 252Kids store their resources in a downstairs cupboard (and some in the upstairs hall cupboard). The office resources will move into the office itself. <p>14. What signage is being proposed by PCN and will this dwarf our own? Do we need to enhance our signage to evidence our support for the community in this way. If so, that needs to go into the costs.</p> <ul style="list-style-type: none"> - There will be limited signage and architect plans will cover this. <p>15. What of comms to the community? What is proposed and when will this happen?</p> <ul style="list-style-type: none"> - Conversations will take place after the PCC discussions. <p>16. What are we saying to the church family and when are we saying this?</p> <ul style="list-style-type: none"> - As above. <p>17. What is the stance of the Diocese, do we need a faculty for any of this?</p> <ul style="list-style-type: none"> - The PCC own the land and the building. Planning permission will be required and the Diocese have reiterated the need for legal and financial advice. 	
3.	Questions raised at the meeting:	
	<p>1. FH asked how this would impact the Putting Rainham First (PRF) plans.</p> <ul style="list-style-type: none"> - NW advised that phases 1 and 2 would be done in a way that complemented the PRF plans. The PRF phase 3 plan was to divide the lower hall and this could be revisited and expanded in due course. Thomas Ford (architect) had advised that phases 1 and 2 would not do anything fundamentally to the building that will impact the MC PRF plans if we go ahead. <p>2. NB queried sight of a draft document for the contract/lease and whether the effect of changes made over time due to the different phases had been looked at?</p> <ul style="list-style-type: none"> - No contract would be available to view until decisions had been made and solicitors appointed. All advice had been verbal so far. - There may be possible extra costs for variations to the contract, but these would be minimal and may be able to be built in now. Subject to PCC approval, NW would be meeting with the solicitors and accountants today, to have contracts ready for Thursday, 2nd Nov. <p>3. NG asked about potential Directors for the company, would a company secretary be required and would enhanced security be needed at the MC?</p> <ul style="list-style-type: none"> - NW suggested that in the first instance, three PCC members should be appointed as directors to set up the limited company and get this registered. Then, we would take advice from the solicitors going forward and set up bespoke articles. - Noted re. company secretary and advice to be taken from solicitors. 	

	<ul style="list-style-type: none"> - We already have high security with the CCTV and a security guard, provided by the PCN, would also be put in place. <p>4. It was noted that whilst Phase 1 would not affect the community impact to the building, Phase 2 would e.g. installation of a portacabin facing onto a residential area. This would jut out 1m approx. onto one of the parking spaces.</p> <ul style="list-style-type: none"> - Access / egress was to be at the front of the building and staff would apply to the council for parking permits for the Cricketers carpark. Visitors/users would be encouraged to use parking at the front of the building in the Cricketers car park (disabled access only at the back). - Delivery of supplies would be minimal and limited to medical waste collections. - The plan was to be open and transparent about all that was happening and be positive about the ability to allow a health care facility to be able to remain in the community. 	
4.	Decisions on key questions:	
	<ul style="list-style-type: none"> i. NW proposed and DO seconded the proposal that the PCC enter into and offer space to the PCN FOR: 12 AGAINST: 0 ABSTENTION: 0 Proposal agreed unanimously ii. NW proposed and JGW seconded the proposal that the name of the new trading company should be Acts-six Ltd. FOR: 11 AGAINST: 0 ABSTENTION: 1 Proposal agreed iii. NW proposed and OS seconded the proposal that the PCC set up a trading company with the name Acts-six Ltd FOR: 12 AGAINST: 0 ABSTENTION: 0 Proposal agreed unanimously iv. NW proposed that the initial directors of the company should be NB, PH, DOB and NW FOR: 12 AGAINST: 0 ABSTENTION: 0 Proposal agreed unanimously OS left the meeting. v. NW proposed and NG seconded the proposal that Anthony Collins, Solicitors and Phipps Anthony, Accountants be appointed to act on behalf of the new trading company. FOR: 11 AGAINST: 0 ABSTENTION: 0 Proposal agreed unanimously vi. NW proposed and DOB seconded the proposal that Anthony Collins set up the new limited trading company. FOR: 11 AGAINST: 0 ABSTENTION: 0 Proposal agreed unanimously vii. A vote was taken to agree principal terms of the contract with PCN based on Phases 1 (All agreed) and Phase 2 (All agreed). This would be for five years, with a two-year break clause and a one-year notice period. All in favour. It was further agreed that costs be put together for Phase 3 and this would be brought to the next PCC. viii. HA proposed and DOB seconded the proposal to make an application on behalf of the PCC for planning permission for Phase 2 of the project. FOR: 11 AGAINST: 0 ABSTENTION: 0 Proposal agreed unanimously ix. DO advised that any terms of contract for the new company would need to be agreed by the Charity Commission and should be on a commercial rent basis. NW agreed to speak to the solicitors regarding principal terms of the contract for the new company and for advice on the lease/licence. 	

