

Leathermarket JMB AGM held 28th October 2024 at 6pm

Venue: Bermondsey Village Hall, Kirby Grove SE1 3TD

Number of members present: 49

JMB Directors attending:

Christine Parsons	Chair, Director for Crosby, Lockyer & Hamilton TRA
John Lynch	Vice-Chair, Director for Crosby, Lockyer & Hamilton TRA
Abimbola Akinwumi	Director for Lawson Estate TRA
Jacqui Roche	Director for Lawson Estate TRA
Clive Shaw	Director for Kipling Estate TRA
Yuan Potts	Director for Kipling Estate TRA
Martin Green	Co-opted Director
Michael Adu	Co-opted Director

Apologies:

Ian Newman	Co-opted Director
Peter Baffoe	Co-opted Director

JMB Staff present:

Bob Heapy	CEO
Vicky Ball	Deputy Manager
Berni McEwan	Finance Manager
Igor Novokreshchenov	Resident Engagement & Board Support Officer
Paul Gevaux	Interim Responsive Repairs Manager
Ian Cade	Major Works Manager
Fabio Ferreira	Estates Upkeep Supervisor
Sana Pervez	Building Compliance Data Manager
Majda Pamic	Finance Team Leader
Rosemary Awere	Leasehold Officer
Bankole Ajayi / Julie Barks / Heather St Louis / Edith Gyan-Apenteng	– RSOs

Other:

Alex Heslop	TMI Monitoring & Support Officer, Southwark Council
Michael Cook	Accountant, Kreston Reeves LLP

Apologies:

Emily Hickson	Councillor, London Bridge & West Bermondsey
Juliette Taylor	Council Tenant & Homeowner Involvement Team Leader

Minute-taker: Igor Novokreshchenov.

1.	Welcome and Introductions.	
1.1	Chair formally opened the meeting at 18:10.	

<p>1.2</p>	<p>RL asked how many motions were submitted and how they will be addressed.</p> <p>CEO replied that there were several motions submitted by residents and that he will go through them at the end of the meeting. There will be no voting on them but all will be taken for consideration by the Board.</p>	
<p>2.</p> <p>2.1</p>	<p>Audited Accounts.</p> <p>Presented by Finance Manager</p> <p>2023/24 was a difficult year but the JMB has built up reserves that means we remain in a strong financial position having weathered this difficult period.</p> <p>There is a deficit of £3.1 million. £2.1 million was planned as additional spend for acceleration of Major Works Programme. Overall spend on the Programme was £4.1 million with works completed on Lawson Estate, Trinity Street, Hamilton Square and building safety works on high rise blocks.</p> <p>Pressure on the Major Works budget has increased with building safety requirements increasing for the JMB.</p> <p>There was a £1 million deficit on day-to-day operations. Largest increases of costs above budget are repairs (£460k), electricity (£153k), and gas (£148k). JMB is working hard to get expenditure within budget as quickly as possible.</p> <p>The JMB ended the year with a healthy £4.5 million in reserves, to cover future Major Works, an emergency reserve for unexpected events, and cover for operational deficits.</p> <p>98% of the JMB income comes from tenants' rents and homeowners' service charges. This year JMB has collected 98.7% of money owed from tenants and 91.2% of revenue income from homeowners. FM invited anyone who is struggling to reach out to their Resident Services Officer who may help them identify available support.</p> <p>Homeowner actual service charges for services delivered by the JMB increased by £185k of which £160k was due to increased fuel costs for district heating. Reasons partly due to rise in the cost of electricity and gas, partly due to issues with the Meakin district heating system. The latter have resulted in a credit note being issued to leaseholders in Meakin. Building insurance costs have also increased for all leaseholders.</p>	

<p>2.2</p> <p>2.3</p>	<p>FM told attendees that the JMB makes no money and does not charge management fee on fuel or buildings insurance payments.</p> <p>Presented by the Auditor from Kreeston Reeves LLP</p> <p>The deficit of £3.1 million was expected and has been discussed with the JMB Finance Team.</p> <p>Purpose of the audit is to form an independent opinion of accounts. This is done using a variety of approaches, such as risk-based approach, when the key risks are taken into consideration, and sample based approach. First – key risks are looked into, for example with revenue and expenditure. This allowed the auditor to identify whether there were discrepancies in the accounts.</p> <p>Auditor’s conclusion regarding this year’s JMB accounts: they are clean, no issues detected, with some adjustments needed to be done from last year.</p> <p>Auditor looked at systems used by the JMB to process their finances, to ensure that everything is safe and protected. There were only a few amendments, relating to Kreeston Reeves’ own adjustments from last year’s audit. Recommendations were forwarded to the JMB Finance Team.</p> <p>Discussion</p> <p><u>1. Resident leaseholder: Why the JMB issued actual charges at the end of September then had to issue a credit note a month later? Were the original calculations wrong?</u></p> <p>FM explained that Meakin leaseholders were charged the actual costs incurred by the JMB to run the district heating system. Only when the individual charges were created was it apparent that the costs were too high. FM had a discussion with the Board to agree a credit note should be issued, before the bills went out, but consumption, system losses etc. needed to be reviewed before a credit could be calculated. Leaseholders were written to regarding the situation, partly caused by the increase in fuel costs, partly due to the ongoing issues with Meakin district heating system. The costs haven’t changed, but the credit brings the charge to Meakin leaseholders down to a reasonable level.</p> <p>Michael Cook further explained that service charges are calculated on an incurred basis. There is no need to change the accounts, adjustments go through for the future year.</p>	
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	<p>2. <u>Tenant:</u> Will Meakin tenants see the increase in service charges due to the faulty heating system? Will leaseholders be expected to continue to pay higher costs?</p> <p>FM explained that there was no increase in the costs for the tenants. Tenant rents and service charges are set by the Council, based on average costs across the borough and the JMB is not involved in this process.</p> <p>The credit note means that leaseholders will not have to pay anything extra for the year 2023-24. The JMB is aiming for the Meakin heating system to be fixed in 2025-2026 as part of Major Works programme. There may be a credit for 2024/25 as leaseholders are not expected to pay for additional fuel due to inefficiencies caused by problems with the system before it is fixed.</p> <p>3. <u>Tenant:</u> JMB is missing out on the £500k of rent money paid by the residents in Marklake Court and Joseph Lancaster Terrace that are being paid to the CBS. CBS is paying less than a fifth of that amount to the JMB for servicing the new builds, with the rest of the money that the tenant feels should be due to the JMB goes into building new properties. Why is this being the case while not being reflected in the JMB accounts?</p> <p>FM: CBS is an organisation that is independent from the JMB, consequently JMB Finance Manager has no involvement with CBS accounts. There are different management arrangements between the JMB and the Council for the CBS-built properties of Joyce Newman House and Joseph Lancaster Terrace. JMB Board is monitoring those arrangements to ensure that all JMB costs for delivering services on these estate are covered. Modular Management Agreement for Marklake Court is being renegotiated. Directors firmly believe that the management agreements should cover all the costs of managing services at the new build properties and other residents should not subsidise costs on new buildings.</p> <p>4. <u>A tenant has pointed out the issues with the Meakin district heating system affect everyone on the estate, tenants and residents alike.</u></p>	
<p>3.</p> <p>3.1</p>	<p>Audit arrangements for the next year</p> <p>At previous AGM it was agreed that the JMB would be testing the auditor market after the audit. This was not done for three reasons:</p> <p>1) JMB is in the process of renewing its IT systems which will change the way it accounts for many items;</p>	

<p>3.2</p> <p>3.3</p>	<p>2) Current Finance Manager is leaving the JMB in the New Year after 23 years with the company, a continuity in these circumstances would be welcome;</p> <p>3) A new Finance Manager should be the one to do the testing of the market for a new auditor.</p> <p>Finance Manager recommended keeping Kreston Reeves LLP for one more year as the JMB auditors, without retendering.</p> <p>Members are asked to vote.</p> <p>For: 32 Against: 0 Abstained: 3</p>	
<p>4.</p> <p>4.1</p>	<p>CEO Report</p> <p>CEO announced the official launch of the new JMB Corporate Strategy for the years 2024-2027. It will be published and delivered to all residents on the JMB estates.</p> <p>CEO observed that every housing business in the UK has been challenged by the financial outlook. High levels of inflation continue to impact upon the ongoing cost-of-living crises, as well as upon the operating costs within the sector. Fuel costs and service costs have both increased.</p> <p>Rents that the JMB charges are capped below inflation despite increasing service costs, leading to the operational deficit. Measures are being put in place to ensure this does not happen again.</p> <p>Last year saw a number of changes in legislation and regulation within the sector, such as the new Building Safety Act, new Consumer Regulation, and Tenant Satisfaction Metrics. Implementation of those carry costs which affects JMB funds put into front-service delivery.</p> <p>Notwithstanding the circumstances, the JMB continues to perform well comparing to its peers: rent collection remains high, and a high number of repairs were completed within this year's timeframe.</p> <p>Anti-Social Behaviour remains a key issue for many JMB residents. JMB is liaising with the Council and the police to address it.</p> <p>There are visible improvements in JMB performance around cleaning and gardening, with a space for further improvement.</p> <p>JMB will keep focused on its strategic objectives of doing the right thing and keeping its promises. JMB is committed to spending only what it can afford to spend, always having the residents in the focus, while celebrating their diversity.</p>	

4.2	<p>One of the primary targets in the new Strategy is to identify and clearly communicate what differentiates LMB from the Council in terms of service delivery and resident relations.</p> <p>JMB is equally passionate in creating a robust working environment for its staff, as well as a successful partnership with the Southwark Council.</p> <p>Discussion.</p> <p>1. <u>Tenant:</u> lived in Elim Estate since 1977, has been involved in the extensive refurbishment of the Decima TRA hall that is nowadays off-limits to the residents. Wants to have it as a base for projects such as the Wannabe Musicians which is being run at the South London Mission – but the premises there are being rented out while the Decima TRA Hall could have been used free of charge. Requests to know why the hall remains closed and when it could be made available to the residents.</p> <p>Other residents observed that, since its closure 2.5 years ago, the hall has sporadically being used by the JMB.</p> <p>It was also noted that prior to its closure the hall was allegedly mismanaged by whoever had access to its premises, with items and paperwork left around indicative of commercial activities that had nothing to do with the JMB.</p> <p>Major Works Manager replied that structural engineers are being engaged to review the hall, recommend remedial repairs, and ensure that the premises are safe to use. Once their report is available it will be shared with the residents in Decima St estates.</p> <p>2. Tenants further expressed dissatisfaction with the way AGM is being run, with questions from residents placed at the end of the agenda. JMB continues to have issues with organising the event, as well as with general communication with the residents. Not enough staff are being present in office on day-to-day basis, with a lot of them apparently leaving organisation soon after being hired – residents asked if exit interviews were being conducted to discover the reason behind high rotation of staff. There is a dissatisfaction with the way the progress with repairs/other issues is being recorded, tracked, and responded to by the staff – this area of communication requires improvement. Prompt timely responses would improve residents’ opinion of the JMB.</p> <p>Chair and CEO replied that the reported issues will be discussed by the Board. Exit interviews are being conducted. CEO further remarked that</p>
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	<p>there wasn't significant numbers of staff leaving the organisation over the past year.</p> <p>3. A Meakin resident asked if a meeting can be arranged between the residents on the estate and the JMB to discuss ongoing issues.</p> <p>Chair confirmed that the meeting will be called once the structural report is received.</p> <p>4. A resident suggested having a database for repairs set up for better monitoring of their progress.</p> <p>CEO confirmed that the JMB is in process of setting up a new IT system, with this feature included. Migration to the new system is expected to take place within coming months.</p> <p>5. Residents expressed concern with the rough-sleepers and drug-dealing in Meakin estate. Some measures need to be introduced to dissuade these activities, such as better lighting, signs warning against loitering etc.</p>	
<p>5.</p> <p>5.1</p> <p>5.2</p>	<p>Ratification of Directors</p> <p>Director nominations are as follows:</p> <p><u>For Crosby, Lockyer & Hamilton TRA:</u></p> <p>Christine Parsons and John Lynch.</p> <p><u>For Kipling TRA:</u></p> <p>Clive Shaw and Yuan Potts.</p> <p><u>For Lawson TRA:</u></p> <p>Abimbola Akinwumi and Jacqui Roche</p> <p><u>Co-opted Directors:</u></p> <p>Martin Green / Michael Adu / Peter Baffoe / Ian Newman</p> <p>No nominations accepted from BSRA and Decima St TRA as neither adopted JMB Model Constitution.</p> <p>Committee officers from BSRA and Decima St TRA protested the decision, arguing that not admitting non-resident leaseholders to governance framework of a TMO is discriminatory.</p>	

5.3	<p>Other residents expressed their discomfort with the idea of non-residents taking executive decisions on their behalf, and supported the decision for their exclusion.</p> <p>Residents are voting for the nominees to be ratified as a group:</p> <p>For: 30 Against: 5 Abstained: 3</p>	
6. 6.1 6.2	<p>Resolution to continue the JMB</p> <p>As per the Modular Management Agreement with Southwark, residents have to take a vote on whether to continue the JMB at every AGM.</p> <p>Voting:</p> <p>For: 41 Against: 6 Abstained: 2</p>	
7. 7.1 7.2	<p>Adopting minutes of the previous AGM</p> <p>Comments from Mr Richard Lee:</p> <p><u>Page 5, paragraph 3</u>: Mr Lee believes that the usage of rental funds from Marklake Court and Joseph Lancaster Terrace needs to be addressed.</p> <p>Mr Lee requested that the passages in the minutes referring to him that were removed from the sets of the minutes of the meetings held in November 2022, to be removed from the 2023 AGM minutes as well.</p> <p>Residents vote for the adoption, with the requested changes:</p> <p>For: 34 Against: 1 Abstained: 8</p>	
8. 8.1	<p>Motions</p> <p>CEO informed attendees that there were several motions and questions raised by the residents prior to the AGM.</p> <p>The CEO will respond to all of them in turn.</p> <p>1. It is not clear if all motions (and pre-Questions) submitted by the deadline will be tabled or if the Board and Company Secretary will choose, selecting some motions and not others. Please can you clarify.</p> <p>Motions submitted will be replied to directly and/or discussed at the AGM, however when more than one member has proposed a similar motion or asked a similar question, these may be discussed together to avoid repetition. There will be no vote, but details will be taken away and considered by the JMB Board.</p>	

2. Motions (or Questions) have been invited for this year's AGM. It is not clear whether this is a one-off discretionary permission, or whether the Board accepts that members have the right to put forward motions/questions for the consideration of all members attending the AGM. Please can you clarify.

Motions / or pre advised questions will be invited at each AGM going forward.

3. What is the process for Chair's election and should the Chair be elected at the AGM.

The Code of Governance is silent on the process to elect the Chair; however, the Chair has to be an elected Director. Item 43 of the JMB Constitution states: "The directors shall from, time to time elect a Chairperson who shall be entitled to preside at all meetings of the directors at which he or she is to hold office, but if no such Chairperson be elected, or if at any meeting the chairperson be not present within five minutes after the time appointed for holding the meeting and willing to preside, the directors present shall choose one of their number to be chairperson of the meeting."

The Chair has been elected by the Board Directors at the meeting following the AGM.

4. That non-resident leaseholder and other stakeholders should not be prevented from speaking at an AGM.

This is not possible as the constitution only allow members to attend at vote at AGMs.

5. It is stated that the TRAs must adopt a model constitution in order to be recognised and funded by the JMB, and to nominate Directors to the Board. Would The JMB members at the meeting agree to take part in a mediation process with an independent organisation to attempt to resolve the issues with a TRA.

It's important to recognise that the model constitution is Southwark Council's and was consulted with and adopted by the other TMOs and TRAs. This was an open process and was not 'forced' on any TRA. In addition, the decision to relaunch Bermondsey Street TRA was one taken by the residents, the JMB will continue to support them. However, the JMB have suggested mediation with members of the BSRA at least twice and are yet to receive a response. We would be prepared to open discussions and consider a mediation process again.

6. Can you confirm there is transparency In all aspects of running the JMB, including management, finance, accounts, and Human Resources.

The JMB prides itself in being transparent and representative. The non-executive Board Directors are local residents and are appointed annually at the AGM. Minutes of the AGM, Board and committee meetings and the annual accounts are uploaded onto the website and members of the TRAs comprising the JMB can attend Board and Committee meetings. Clearly there are confidential items that are commercially sensitive or could breach GDPR if shared more widely and we are obliged to redact this information from minutes.

7. I am concerned that we demonstrate a proper auditing process of the JMB financial affairs.

The current process undertaken is a fully compliant audit. A full detailed audit of the JMB finances is completed annually by a firm of qualified accountants. This firm produce the accounts and financial statements. These accounts and financial statements are considered and signed by the Board and presented annually to the AGM. The accounts are posted on the JMB website.

8. Can the JMB demonstrate accountability to the residents? This will include an assessment of all projects for value for money.

The Board and Executive are fully accountable to the residents of the JMB and take their responsibilities in terms of value for money seriously. The Board and Executive consider all projects in regard to VFM. In addition, all contracts are procured through appropriate processes which are compliant with the public procurement act and therefore can demonstrate value for money.

9. Is there effective representation of leaseholders at Board Meetings. It is proposed that the JMB consider a professional body represent leaseholders to ensure their interests are adequately voiced. We understand that only 5% of leaseholders have joined the Leaseholders' WhatsApp Group.

The JMB positively encourage the representation of resident leaseholder in the affairs of the JMB and many take an active part either as Board members, attending committee meetings and as members of TRAs. The voice of the leaseholder is therefore heard at every level within the JMB and further representative body is unnecessary. The joining of a WhatsApp Group is a matter for individual leaseholders not the JMB.

10. How does the JMB uphold the dignity and respect of residents? And how are properties allocated to new residents?

The JMB treat all residents with dignity and respect. Staff are regularly trained and upskilled in dealing with residents with curtesy and respect and reminded of the obligations in this respect.

<p>8.2</p>	<p>The allocation of properties within the JMB area is not a matter that the JMB has direct influence over as it remains a function of the Local Authority.</p> <p>11. How is the JMB focussing on improving relations with residents ? A proposal is the introduction of an “Active Residents Status” initiative to encourage collaboration and allow residents to act as community representatives for the JMB.</p> <p>The JMB is always looking for better ways to engage with our residents. The JMB actively supports many resident groups and resident consultation events in addition to the more formal TRAs. We agree that it is important the voice of our residents is heard, and we are confident that we achieve this through Board and Committee membership, TRA membership, resident communications and consultation events and general interactions. However, we are always open to suggestions on how this could be improved which could include a full time Resident liaison officer and the relaunch of the Communications Sub Committee.</p> <p>Discussion.</p> <p>RL observed that an AGM should be an opportunity for its members to discuss the way the JMB is being run, for better democratic member control which RL does not see being implemented.</p> <p>Other residents voiced their objection to this comment, noting that the democratic control is being exercised through their vote at the AGM, with some questioning the relevance of this discussion to the meeting.</p>	
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Meeting formally ended at 19:50.