

## Finance subcommittee

Tuesday 4<sup>TH</sup> June 2024

### Key points and actions

#### 1.0 PRESENT:

John Paul Lynch, Christine Parsons, Yuan Potts, Clive Shaw, Berni McEwan

#### 2.0 APOLOGIES:

Bola Akinwumi, Jean Davies, Ian Newson, Majda Pamic

#### 3.0 DECLARATIONS OF INTEREST:

None

#### 4.0 REVIEW OF YEAR END 2023/24 FINANCIAL PERFORMANCE

Berni McEwan presented the headline report describing the 2023/24 year-end financial performance of Leathermarket JMB based on the month 13 management accounts. This showed a predicted deficit of £3 million made up of £2 million of planned reserves expenditure on major works and a predicted operating deficit of £1.1 million, the first operating deficit since the finance manager has been in post in 2008.

Finance subcommittee members noted the report and were concerned about:

1. The £462k spend above budget on repairs contractors in 2023/24, linked to actual repairs contractor spend increasing by 200% in the last five years.
2. Attendees noted that £27k of this increase was linked to emergency lighting renewal that was not predicted when the budgets were set, so covered by the repairs contractor's budget.
3. The use of overtime by the inhouse repairs team
4. The coordination of leave within the repairs management section to try to ensure at least 3 of 5 staff involved are working from the office and able to manage contractors and the inhouse team more systematically.
5. The high cost of disrepairs
6. Whether the repairs recruitment process was working smoothly

Attendees wanted analysis of the type of jobs sent to contractors to inform the review.

The treasurer agreed to supply concerns from directors and the subcommittee to inform the report by the Head of Property Services.

**Action: By end June 24, Head of Property Services to draw up a short explanation of why the budget was overspending and come up with a timescale for a full review of the repairs function to ensure spending is kept within budget as quickly as practical.**

The meeting was very concerned about the outstanding invoices not yet paid by Southwark Council, and about the slow billing by Southwark of money owing. This was impacting on the JMB financial reporting.

**Action: report back to finance subcommittee or JMB board if money owed by Southwark remains unpaid.**

There was a discussion about the ongoing difficulty in billing residents on Joyce Newman House / Joseph Lancaster Terrace for heating and hot water usage. The new CEO has offered to help the finance section find a solution.

**Action: JMB Chair to sit with the finance manager away from the meeting to discuss how to move forwards the billing of heating and hot water usage on Joyce Newman House / Joseph Lancaster Terrace.**

Attendees were keen to see cash flow reporting as soon as the planned profile of major works was more defined.

**Action: bring cash flow report to future meeting as soon as practical**

Date of next meeting: Monday 29<sup>th</sup> July 2024