

Finance subcommittee

20th November 2023

KEY POINTS AND ACTIONS

1. Present: Jean Davies, John Lynch, Christine Parsons, Yuan Potts, Andrew Furtek, Majda Pamic, Berni McEwan, Igor Novokreshchenov
2. Apologies: Bola Akinwumi
3. Declarations of interest: there were no declarations of interest based on the agenda items for discussion
4. **20.11.23 finance subcommittee headline report was presented reviewing the financial position of Leathermarket JMB at the end of Quarter 2 (end Sept 23)**

Overall income was £22k below budget. Total expenditure was £415k below budget. With £311k of reserves expenditure on additional major works, the JMB is currently showing an £82k surplus overall, but it is too early in the year to bank this money. There are also significant miscoding errors, problems caused by software migration impacting the management accounts and auditor adjustments required to remove the repairs accruals report before a clearer picture can be seen.

There was concern about the cost of disrepairs, with five new cases appearing in the last two weeks. The total cost of disrepair includes the cost of the repair, legal expenses to the tenant's solicitors and any compensation. Experience shows that most of the money goes to the tenant.

Concern about the ongoing cost to the JMB of void loss (loss of rental income) and the need to turn voids around as quickly as practical.

Key audit findings were being circulated to the Board for consideration as these were written for directors only.

5. The maximising income from bank interest report was presented.

Finance subcommittee agreed to allow JMB management to investigate opening business savings accounts to maximise bank interest.

Finance subcommittee agreed to extend the finance team responsibilities to include a treasury role to maximise bank interest whilst ensuring sufficient funds are always available for emergency reserves, normal operating expenditure, a reasonable buffer and to fund major works projects are required.

6. ANY OTHER BUSINESS

- 6.1 The new CEO had removed the request for changing the repairs scheduler's authorisation limit from £500 to £3,000 to ensure management scrutiny of higher value repairs
- 6.2 Finance subcommittee recommended Yuan Potts as treasurer
- 6.3 Bank signatories were agreed as Chair, Vice Chair and Treasurer, CEO, Deputy Manager and Finance Manager
- 6.4 Finance subcommittee asked to trial starting at 6pm to see if it enabled other people to attend, but to revert to 5.30pm start if nobody else attended
- 6.5 Recommended to board the creation of a coopted director for finance to support board members in their financial obligations

Date of next meeting

Monday 5th February 2024, to review the first draft budgets