

**Minutes of the Finance Sub Committee held on Tuesday 13th May 2014 2pm
Information Centre - London SW19 5NR.**

Conservators Present:

Mr D Devons (Chairman)
Mr A Simon (Vice Chairman)
Mr D Frampton

Officers Present:

Mr S Lee (Chief Executive)
Ms P Graystone (Deputy Clerk & Ranger)

Auditors Present:

██████████ (ANOVA)
██████████ (ANOVA)

1. Apologies

- 1.1. Apologies were received from ██████████ (Conservator) and ██████████, Charlwood Leigh Ltd.

2. Charlwood Leigh Ltd – Investment Fund

- 2.1. The Chief Executive advised that because the date of the Finance Sub-Committee had changed, no representative from Charlwood Leigh was able to attend. Concern was raised that without a representative of Charlwood Leigh being present, it was difficult to consider any of their papers in detail since there was no one to answer questions.
- 2.2. ██████████ advised that the performance of the funds was adequate and that this rightly reflected the cautious approach the Conservators had adopted as a result of the difficult and uncertain economic climate of previous years. The Conservators would not be advised to undertake investments without having taken proper and competent professional advice.
- 2.3. Charlwood Leigh had presented papers recommending that the Conservators move to a “platform account” managed by Skandia Investment Solutions (SIS). This would provide a simplified approach to fund management. Without a representative from Charlwood Leigh being present it was difficult to proceed with any proposal to change the current arrangements for fund management.
- 2.4. ██████████ advised that from the papers produced it appeared that there might be a £3500 saving to Conservators in pursuing this approach through SIS. ██████████ had wanted to ask a representative from Charlwood Leigh’s what Trail Commission was proposed.
- 2.5. ██████████ advised that it was difficult from the papers to ascertain exactly what saving might be achieved, as the tables presented in the paper on different band charges could be interpreted as having to be applied on a cumulative basis.

2.6. The relative merit of SIS providing the “platform approach” was discussed. It was recognised that they were a multi-national company.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]


Draft Annual Accounts and Financial Statements

2.13. The majority of this part of the meeting was spent considering the draft annual accounts and financial statements, prepared by our Auditors ANOVA, on a page by page basis, ensuring information provided was succinct and accurate and there was a consistency of grammar.

2.14. In terms of the section on “Investment policy and performance” it was agreed that a Policy should be introduced stating:

Funds are invested to protect capital against inflation, whilst at least meeting the income streams previously delivered by the Mill House rent.

- 2.15. There was considerable discussion around the Conservators' Reserves Policy. This was instigated as a result of the draft budgets showing a transfer of £[REDACTED] from the designated (Special Projects Reserve) to the General Conservancy Fund. This was necessary to try and maintain the Conservators' policy of having an accessible reserve of twelve months' expenditure. Even after this transfer the fund fell short of the necessary reserve.
- 2.16. It was agreed that there would be merit in merging the Special Projects Reserve Fund and the General Conservancy Fund as this would bring all funds, except the Mill House and the Election Sinking Fund, into one fund. It was also acknowledged that it was difficult to convey to the public why £[REDACTED] was being transferred between funds. [REDACTED] advised that the Special Projects Reserve Fund had been an important fund to have in place when resources had been particularly tight, but this was no longer so relevant.
- 2.17. In the future, the Chief Executive advised that it would be his intention to set a budget for each Department and that this would be monitored to ensure that managers were adhering to agreed budget profiles. With regards special one-off projects for property, infrastructure and drainage works associated with the overall asset, it would be his intention to submit these to the Conservators' as part of the budget-making process so that there would be clarity about these resources and where they would be allocated in terms of the General or Mill House Fund.
- 2.18. A debate also took place about the purposes of the Mill House Fund and its use for major capital projects. During the discussion it was generally agreed that where works related to restoration and enhancement of the asset, there was a case that these works ought to be funded from the Mill House Fund. This would include funding for projects such as the new Studio Flat at REMPf and Springwell Cottage.
- 2.19. It was conceded that works to the tower and roof at the Windmill were really associated with maintenance, rather than restoration of the asset.
- 2.20. It was also agreed that once works were undertaken to restore the condition of the asset, such as footpaths, then revenue budgets must be utilised to maintain those standards. The point was made that, at present, the level of funding for on-going property maintenance might need to be reviewed.
- 2.21. [REDACTED] recommended that a separate meeting be held to review the 2014/15 revenue budgets for the Commons.
- 2.22. Discussion took place around the generous legacy left by [REDACTED], and [REDACTED] advised that the Conservators might consider a project to promote legacies as a way of helping to draw in additional funding to support project work.

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- 2.24. There were a number of items identified during the meeting where there was distinct variation between 2012/13 and 2013/14 budgets. These were examined and members present were satisfied that expenditure had been necessary.

The meeting closed at 16.45hrs