

Wimbledon and Putney Commons Conservators

Confidential Report of the meeting of the Finance Sub-Committee held on
Wednesday 13 November 2013 at 10.00am in the Ranger's Office

Present: Mr David Devons (Chairman)
Mrs Jenny Evanson
Mr Derek Frampton
Mr Andrew Simon (Vice Chairman)

In attendance: Mr Gordon Vincent (Clerk and Ranger, Chief Executive)
Ms Paula Graystone (Deputy Clerk and Ranger)

[REDACTED] Anova

[REDACTED] Charlwood Leigh

[REDACTED] Charlwood Leigh

By invitation: Mr Simon Lee

1. Charlwood Leigh Ltd

Charlwood Leigh reported that all three investment funds had grown over the last twelve months and the Conservators' income from the funds had increased. All three funds had achieved first and second quartile.

The portfolio as a whole had marginally underperformed the benchmark of the FTSE 100 and FTSE All Share. This was to be expected as equities had had a good year. However, it had outperformed RPI and the UT Mixed Investments 20/60 Share benchmark, which was a fairer comparison.

Aberdeen and Henderson had achieved top quartile ranking, which justified the recommendation last year to stay with Henderson. For the first time since the Conservators' investments had been put in place Jupiter Merlin Income Fund had underperformed, sitting in third quartile. The Jupiter fund managers had admitted that they had been somewhat overweight in emerging markets and gold, and had had less exposure to the UK markets; this had caused the under-performance. This was the first time that Jupiter had not outperformed both Henderson and Aberdeen. There were still worries as far as Europe was concerned and the removal of quantitative easing in the UK and North American Markets will be a real issue.

Charlwood Leigh once again advised that, unless the Conservators wanted to alter the risk level of the funds in which they invested, which had always been "cautious" (three out of ten) they should make no alterations to the overall structure of the portfolio.

As the Conservators had a large surplus of cash, and interest rates were very low, the possibility of investing more into investment funds was discussed. As the commitment for this type of investment should be in the region of five years, it might contradict the Conservators' policy of keeping one year's turnover in hand. The matter would need to be looked into further and other alternatives considered once the Conservators had developed and introduced a Strategic Financial Plan.

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Recommendations

The existing holdings be retained. Consideration for further investment is to be considered once the Conservators' Strategic Financial Plan is in place next year.

The Deputy Clerk and Ranger was asked to ascertain if the Conservators were protected by the '£85,000 deposit holders' protection scheme'.

2. Levy

It was agreed that discussion of this item should be deferred until after salaries had been discussed. The following two paragraphs record the discussion and decision taken following discussions of 3. and 4. below.

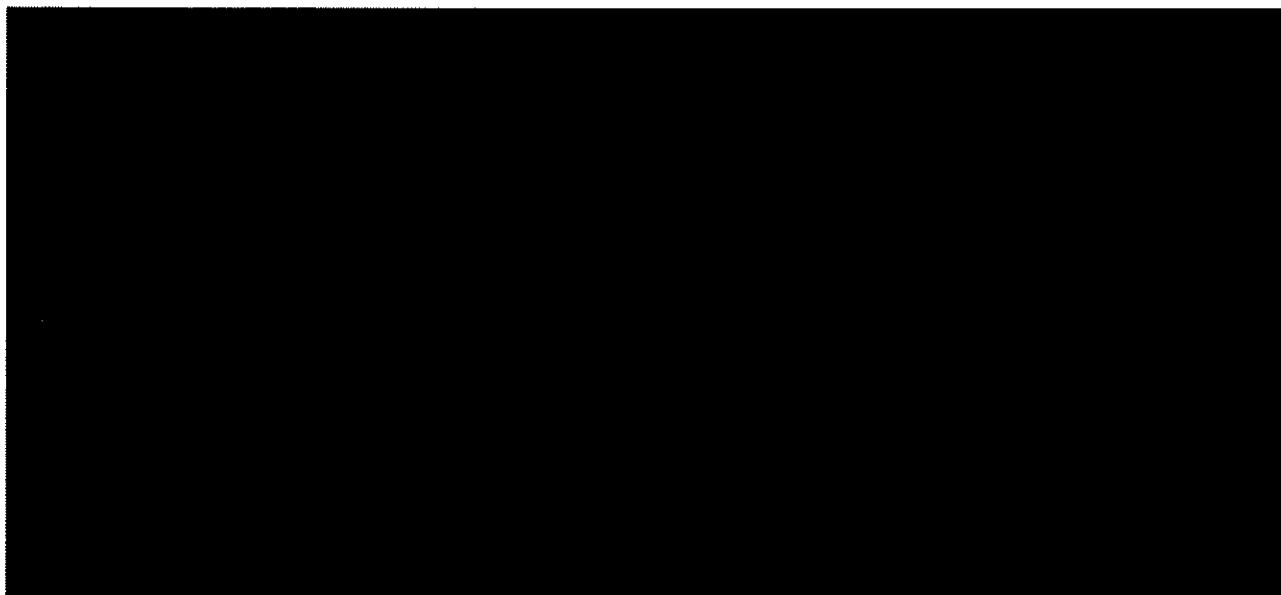
The Conservators were empowered to increase the *maximum* Levy chargeable each year by the September annual RPI. Since the Levy had not been increased for two years the Levy for 2014/15 could be increased to £1,080,189 from £966,124 (the Levy for 2010/11, 2011/12 and 2012/13), i.e. an increase of 11.8%. This is what the Clerk and Ranger recommended. However, the Sub-Committee felt this was particularly unacceptable bearing in mind the councils were restricted by central government to a Council Tax increase of no greater than 2.5%.

██████████ had found out from Wandsworth Borough Council that any increase in the Conservators' Levy could not be added to this 2.5% but would have to be deducted from Council funds. Despite this, the Sub-Committee felt there was some justification in increasing the Levy similarly by 2.5% but any firm recommendation would be deferred until a revised budget showing a salary increase of 2.5% had been prepared.


Recommendation

Subject to sight of a revised budget showing a Levy increase of 2.5% and a salary increase of ██████, the Sub-Committee provisionally recommended a Levy increase of 2.5%. This recommendation is now confirmed.

3. Wages and Salaries – 2014/15



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The Clerk and Ranger pointed out that only two thirds of the Conservators' income was publicly funded with the remaining amount being drawn from commercial activities. He did not agree that there was any real comparison with other publicly funded organisations, e.g. local councils, as WPCCC were quite unique and all staff contributed to the success of the Commons. Furthermore, there was a high degree of staff loyalty. Overtime rates (1.5) were no longer paid; days in lieu were awarded.

Unlike the local councils, WPCCC outsourced very little of its operations during the course of the year. It utilised fully the many skills possessed by its own workforce. The only contractors that had been used on the Commons had been for the cutting, baling and removal of grass from the Plain and on one occasion a tree surgeon had been used to carry out work on the roadside of Hallam Road, Putney Lower Common.

The storm damage in October had been cleared by staff in record time; two trees that had blocked Parkside had been cleared and removed on the same morning.



After some discussion the recommended increase was agreed.

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Recommendations

Staff salaries to be increased by 2.5%, [REDACTED]
[REDACTED]

NVQ Payments to be increased from £[REDACTED] to £[REDACTED] per NVQ.

Attendance Allowance to be increased from £[REDACTED] to £[REDACTED]

4. Draft Budget

The Clerk & Ranger presented the draft budget based on his recommendations to increase the Levy to the maximum i.e. by 11.8% and with a [REDACTED] pay increase.

Windmill – The Windmill is in need of major repairs. The estimate for the costs of the works has yet to be received but it was thought that there would be two options of which one would be significantly greater than the other. These would be major building works and the money could be drawn from the Mill House Fund or Special Projects Reserve Fund. More consideration would be given once the estimate was received.

The Sub-Committee would reconsider the budget once the changes had been applied. The Deputy Clerk and Ranger was asked to contact the architect working on the Windmill, [REDACTED] and ask for a figure so it could be included in the budget.

The Clerk and Ranger was asked to amend the budget to reflect an increase of staff salaries by [REDACTED] and a Levy increase of 2.5% on last year's amount.