

Wimbledon and Putney Commons Conservators

Confidential Report of the meeting of the Finance Sub-Committee held on Tuesday 22 November 2011 at 10.00am in the Ranger's Office

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

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

██████████, Anova (formerly Collards)

██████████, Charlwood Leigh

1. Charlwood Leigh Ltd

██████████ provided four short analytical reports looking at the overall performance of the Conservators holdings against the FTSE All Share, Unit Trust Cautious Managed Sector, Retail Price Index and the FTSE 100 Index. He reported that, since his report to the previous Sub-Committee meeting in May 2011, the global markets had been extremely volatile. Up to that date, markets had been rising gently during the early part of 2011. In August 2011 they fell back sharply.

██████████ also provided fact sheets for each of the three funds in which the Conservators were, showing the performance of each fund against its own benchmark.

Jupiter had underperformed during the first half of 2011. This was partly due to their over-exposure to Japan, but also to their defensive stance which had held them in good stead in August, when their relative performance had picked up, putting them in second quartile.

Henderson, although outperforming their benchmark, the IMA Cautious Sector, over the shorter term, had dropped to third quartile ranking over the most recent 2-year and 1-year periods. Again, this was primarily to do their defensive stance and it was hoped that their relative quartile ranking would move upward over the next 6 to 12 months.

Aberdeen had also underperformed their benchmark over the last year, dropping to fourth quartile ranking in the short term.

██████████ said that he had spent a great deal of time during the last six months talking to various fund managers. The general consensus was that volatility would continue until the markets were more confident that the governments in both Europe and North America were getting to grips with the financial crisis. He believed that the stance that the Conservators took initially with their investments, investing in cautious multi-managers funds, had continued to serve them well during these difficult times. He would still recommend these types of funds today. It was very difficult to judge fund managers in the current volatility. Unless the Conservators wished to adopt a different risk profile for the investments, Charlwood Leigh advised against making alterations based on quartile rankings.

In any event The Conservators were fortunate to be in a strong financial position, and not

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needing to rely on the income from these investments.

The Sub-Committee proposes that the existing holdings be retained for the time being. It will meet again in six months' time, when Charlwood Leigh will report on the performance and markets over that period.

2. Levy

The Conservators are empowered to increase the Commons Levy by an amount not exceeding the increase (if any) in the retail price index (RPI) for the 12 months up to the preceding September. In the year to September 2011 RPI increased to 5.6%, which would generate maximum levy receipts of £1,020,155 for 2012-13. However, in view of the current financial crisis, the three London Boroughs will be under strong pressure to make no increase in their council tax demands to local residents in 2012-13. Moreover the Conservators are now entitled to reclaim input VAT, amounting to approximately £50,000 per annum. It was agreed to **recommend that there should be no increase in the Commons Levy for 2012-13.** That would result in the levy remaining at the same level as in the previous year, when total levy receipts were £966,124.

3. Wages and Salaries Increase – 2011-12

[REDACTED]

The Finance Sub-Committee after discussions recommend to the Board a basic increase of 2.8%.

[REDACTED]

4. Draft Budget

[REDACTED]

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[REDACTED] The Sub-Committee recommend the budget for approval by the Board subject adjustment to reflect the absence of any levy increase for 2012-13 and a general increase in salaries of 2.8%.

**GWV
22/11/11**