

Wimbledon and Putney Commons Conservators

Confidential Report of the meeting of the Finance Sub-Committee held on Tuesday 27 November 2012 at 4.30pm in the Information Centre

Present: Mr Andrew Simon (Chairman)
Sir Ian Andrews
Mr David Devons (Vice Chairman)
Mrs Jenny Evanson
Mr Derek Frampton
Professor R Touquet

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

██████████, Anova

██████████, Charlwood Leigh
██████████, Charlwood Leigh

Apologies for lateness were received from Sir Ian Andrews.

1. Charlwood Leigh Ltd

Charlwood Leigh provided a performance report on the investments over the last 6 months, factsheets for each of the three funds, and an up-to-date portfolio valuation showing the amounts invested, the total of dividend payments and cash withdrawals to date, and the current unit holding, price and value for each investment.

They reported that Jupiter continued to outperform, and that the Aberdeen returns had achieved either first or second quartile ranking over the last three years. The Jupiter managers had worked together for many years and had together established an exceptional record.

However the Henderson fund had continued to underperform. The managers had said that the defensive nature of the portfolio during 2011 and led to an under-exposure to gilts and other fixed interest investments, which had significantly impaired the performance of the fund. However ██████████, the lead manager of the Henderson fund, had run the fund for 11 years and had established a strong record in earlier years, when his investment philosophy had worked well.

Charlwood Leigh recommended that the Conservators should continue to hold the Henderson for a further 6 months, and then, if the performance had not improved, to consider switching the Henderson Fund to an alternative multimanager fund. He did not feel that the funds invested with Henderson should be moved to Jupiter as that would concentrate two-thirds of the Conservators' investments with a single manager. He conceded that if it was his own personal money, he would do that, but could not recommend this course for charity funds.

The Sub-Committee noted that the Henderson units had continued to under-perform, despite similar advice having been given on previous occasions. They therefore doubted the wisdom of waiting a further 6 months before taking any action, and requested Charlwood Leigh to report back with alternative recommendations for either moving the

Wimbledon and Putney Commons Conservators

investment to another Henderson fund (Option 1) or to a multi-manager fund run by a different manager (Option 2). [REDACTED] confirmed agreed to report back accordingly before Christmas to enable the Conservators to take a decision early in the New Year.

The Sub-Committee proposes that the existing holdings with Jupiter and Aberdeen be retained, and that consideration be given to moving the investment with Henderson when Charlwood Leigh's report has been received.

The Deputy Clerk & Ranger was asked to produce details of the individual income payments received from each of the three funds for the Conservators' next Board Meeting.


Sir Ian Andrews joined the meeting at this point.

2. Levy

The Clerk & Ranger advised the Sub-Committee that 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 2012, the RPI had increased by 2.6%. The maximum permissible levy receipts for 2013-14 would be £1,047,170. However, it was anticipated that the three adjacent London Boroughs would respond to pressure from Central Government by once again making no increase in their council tax demands. It was agreed to **recommend that there should be no increase in the Commons Levy for 2013-14**. This would result in the levy remaining at the same level (£966,124) for 2013-14 as for the previous two years. Subject to the approval of the full Board, it was agreed that the Chairman should send a letter to the Wimbledon Guardian and the Wandsworth Guardian stating this fact, and that a press release should be produced by the Communications Sub-Committee to be displayed on the web-site and also sent to the local newspapers. **A copy of the previous year's press release would be made available at the next Board meeting for consideration by the Communications Sub-Committee.**

3. Wages and Salaries Increase – 2013-14



 The Sub-Committee acknowledged the need to maintain staff morale and agreed that if staff continued to deliver similar efficiency savings and to take on additional work **they would recommend to the Board a general increase in pay rates for 2013-14 of 3.0%.**

4. Draft Budget

The Clerk & Ranger reported on the draft budget which he had produced for 2013-14. It was based on various assumptions, including an increase in the Commons Levy in line with the increase in RPI, and a general staff salary increase of 3.5%. **The Sub-Committee recommend the budget for approval by the Board subject to (a) adjustment to reflect a nil increase in the Commons Levy for 2013-14 and a general increase in salaries of 3.0% and (b) an increase in the provision for legal costs from £25,000 to £50,000.**

GWV
27/11/12