

Runnymede Borough Council  
ECONOMIC DEVELOPMENT COMMITTEE  
Thursday, 14 November 2002, at 7.30 p.m.  
in the Council Chamber  
at the Civic Offices, Addlestone



Members of the Committee

Councillors R.K. Habgood (Chairman), J.R. Furey (Vice-Chairman), A. Alderson, M.J. Brown, P.C. Elding, P.A. Greenwood, J.E. Haas, C. Knight, P.J. Poole and K.J.T. Walmsley

and all other Members for information

## **A G E N D A**

Notes:

- i) Any report on the Agenda involving confidential information (as defined by section 100A(3) of the Local Government Act 1972) must be discussed in private. Any report involving exempt information (as defined by Section 100I of the Local Government Act 1972), whether it appears in Part 1 or Part 2 below, may be discussed in private but only if the Committee so resolves.
- ii) The relevant 'background papers' are listed after each report in Part 1. Enquiries about any of the Agenda reports and background papers should be directed in the first instance to **Mr. G. Marson, Committee Section, Borough Secretary's and Leisure Services Department, Civic Offices, Station Road, Addlestone (Tel. Direct Line: 01932 425625).**
- iii) Agendas and Minutes are available on a subscription basis. For details, please ring Mr. B.A. Fleckney on 01932 425620.
- iv) in the unlikely event of an alarm sounding, members of the public should leave the building immediately, either using the staircase leading from the public gallery or following other instructions as appropriate.

COMMITTEE SECTION



## **LIST OF MATTERS FOR CONSIDERATION**

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(No reports to be considered under this heading)

1. NOTIFICATION OF CHANGES TO COMMITTEE MEMBERSHIP

2. MINUTES

To confirm and sign as a correct record the Minutes of the meeting of the Committee held on 12 September 2002.

3. APOLOGIES FOR ABSENCE

4. DECLARATIONS OF INTEREST

If Members have an interest in an item please record the interest on the form circulated with this Agenda and hand it to the Legal Representative or Committee Administrator at the start of the meeting. A supply of the form will also be available from the Committee Administrator at meetings.

Members who have previously declared interests which are recorded in the Minutes to be considered at this meeting need not repeat the declaration when attending the meeting. Members need take no further action unless the item in which they have an interest becomes the subject of debate, in which event the Member must leave the room if the interest is personal and prejudicial.

5. ECONOMIC STRATEGY FOR THE BOROUGH (BTSO)

1. Purpose of Report

1.1 **The purpose of this report is to seek the views of the Committee on the preparation of an Economic Strategy for the Borough.**

2. Background Information

2.1 An Economic Strategy would guide the Council's economic development activities in the Borough in a way that is responsive to the needs and aspirations of the local businesses and the local community. The Council is already engaged in economic development activity in terms of its pro-active stance in relation to business development in the Borough and through its support for the work undertaken by the Runnymede Business Partnership. However, these activities have not been formalised within the context of an economic development strategy.

2.2 It is important to prepare an Economic Strategy to ensure that resources devoted to economic development are being targeted in an effective and transparent way. It could also identify particular initiatives that would attract outside funding from Central Government or other bodies (such as the South East England Development Agency and the South East England Regional Assembly).

3. Report

3.1 It is anticipated that the development of the strategy would follow the timetable set out at Appendix 'A'. This includes the preparation of an 'Issues and Options' paper endorsed by the Council and the Runnymede Business Partnership. This would set out the issues affecting local businesses in the wider context and identify some options for tackling them. This would be subject to consultation and the subsequent draft strategy would be based on the outcome. Further consultation would be carried out on the draft strategy before it is finalised and adopted in summer 2003. The Issues and Options paper will be put before the Committee in January 2003, and the draft Economic Strategy in March 2003 for endorsement.

3.2 The Borough Council would develop the strategy with key partners in both the Business Partnership and the Local Strategic Partnership.

4. Council Policy

4.1 The justification for promoting an Economic Strategy in conjunction with the Runnymede Business Partnership is derived from:

- Community Strategy 'Exciting Futures' Task Group objective - 'to ensure that the economic prosperity of the Borough is maintained'
- Policy and Implementation Section Best Value Performance Plan Objective F – ' Prepare an Economic Development Plan for the Borough'
- Leader's Position Statement 2002 – 'The Economic Development Committee will seek to encourage economic development within the Borough, working with partners, to ensure Runnymede enhances the quality of life for its residents as measured by:
  - economic prosperity
  - environmental quality
  - social inclusion ensuring opportunities and employment for all'
- Under the provisions of the Local Government Act 2000 every local authority has powers to do anything which it considers is likely to achieve the promotion or improvement of the economic well-being of its area.

5. Resource Implications

- 5.1 It is not possible at this stage to assess the financial implications, as the content of the strategy has not been fixed. Preparation of the strategy will not incur any additional cost to the Council, as it will be accommodated within the work programme of the Policy and Implementation Section, working in conjunction with the Runnymede Business Partnership. Any implications arising from the content of the strategy will be reported at the appropriate time.

**OFFICERS' RECOMMENDATION that –**

**an Economic Strategy for the borough be developed in accordance with the timetable set out in Appendix 'A'**

**(TO RESOLVE)**

Background Papers

None

6. ADDLESTONE MARKET (BSLSO)  
(Ref Minutes of Economic Development Committee June 2002, page 149, para 73)

1. Purpose of Report

- 1.1 **The purpose of this report is to update Members on the performance of the Addlestone Market and to seek instructions as to whether the market should continue after the end of the trial period and if so, upon what terms.**

2. Background Information

- 2.1 Following earlier consideration by Committee, the market trial commenced on 26 January 2002 for a trial period of one year.
- 2.2 The market operation is dependent upon the availability of public conveniences and a water supply to meet environmental health standards. An electrical power source is also required to provide a supply to lighting and electronic weighing scales. There is no such power source available to the market operator on this site and he is therefore obliged to make alternative arrangements (see paragraph 5.1 below).

3. Report

- 3.1 Despite initial misgivings by the market operators as to the timing of the start due to the likelihood of poor weather, the market was successfully launched and has now settled into a routine.

- 3.2 The trading area for the market has been compacted into a smaller area nearer to Garfield Road. This reflects both the reduced number of regular traders and also the need to try and reduce disturbance to local residents. This has also restored some parking facilities for visitors to the market and town alike and means that the market itself is more visible to passing pedestrians and motorists.
- 3.3 Despite fears expressed from various quarters at the time of the trial starting, there have been no undue traffic or parking problems and the Tesco car park has not been filled up by market customers. The overflow car parking arrangements provided in the Civic Offices Staff Car Park have not been extensively used.
- 3.4 In general, trade in the town does not appear to have been drawn off by the market and there is anecdotal evidence that footfall past Station Road shops improved after the market opened.
- 3.5 Problems continue with the methods of refuse collection. The market clearly generates a fair amount of refuse and it is the operator's responsibility to collect this, clean the site and arrange for the refuse to be disposed of. Performance has been patchy. The operator advises that he tries to use local personnel wherever possible but has found it extremely difficult to recruit reliable people who will undertake this work. Arrangements to clear and clean the site have improved in the last few weeks but the situation is still not ideal. There appears to be a wind tunnel effect that manifests itself in the car park resulting in much more litter blowing about than would normally be expected. The refuse containers are not emptied until Monday morning and as a consequence additional rubbish circulates. The car park is also a depository for supermarket trolleys and other rubbish. It adjoins an area of private land that is poorly maintained and which itself is often litter strewn. It may therefore be that the market is getting blamed for some of the litter problems which are not of its own making.
- 3.6 Consultations have taken place with those who had previously expressed an opinion about the market proposal or have contacted the Council in connection with it. Full details of the responses received will be provided.
- 3.7 Despite concerns that the market was gradually reducing in size and may be uneconomic to run, the operator remains optimistic. Some traders have been particularly well received by the public, particularly those selling fresh fruit and vegetables, meat, plants, confectionery and cakes, pet supplies and clothing and these are especially keen for the market to remain. The operator is keen to continue the operation but does require some certainty of the Council's plans in order to make further investment in it.

#### 4. Resource Implications

- 4.1 Essentially the Council's role in the market operation was to provide the site and a degree of peripheral support. All aspects of the market operation and issues that flow from it are the responsibility of the operator. In practice, however, and in order to retain a 'watching brief' Officers have acted as the receiving point for those who wish to make comments about the operation and have passed on those observations to the operator. In order that the market has had the support of as many as possible, efforts have also been made to ensure that the operator accommodates so far as possible the requests of adjacent residents.
- 4.2 On a number of occasions, the Council's cleansing team have been obliged to carry out cleaning operations when the site was left in an unsatisfactory condition. The operator has and will continue to be recharged for this service should his own arrangements fail.
- 4.3 The market operator has indicated that the income from the market is very much as expected and now that it is more firmly established should continue to grow. There are approximately eight traders who are very happy with the location and who have indicated that they wish to remain. These in turn will stabilise the market and gradually attract others once a regular throughput of visitors is established.
- 4.4 Whilst the Council's costs have been kept to a minimum, the use of the Garfield Road car park has meant a small reduction in car parking income. A rental fee equivalent to this lost income has been paid to the car parks budget to compensate for the loss, meaning that there is unlikely to be any significant surplus at the end of the trial period.

5 Other factors

5.1 The Council is separately considering the possible redevelopment of part of Garfield Road Car Park. As presently envisaged, this will mean the loss of the public conveniences and a reconfiguration of the remainder of the car park. Whilst the market could continue on a varied location within the car park, subject to care about its relationship to residential properties, this may not be possible if the public conveniences are not replaced.

5.2 The Council is also separately considering possible improvements to the street scene in Station Road in conjunction with the highway authority. There is the potential to consider relocating part or all of the present market onto the wider 'forecourt' areas that exist along the western part of Station Road (one stretch of which is owned by the Council), or the laybys to be constructed within the highway. In many locations the frontagers own the forecourt and their consent would be needed except where the land forms part of the highway. The market operator has indicated that this location is feasible from his perspective but will mean significant consultations with both adjacent shopkeepers and the Highway Authority. This possibility has generated sharp differences of opinion when previously discussed and would need careful investigation and a further report. The Committee is asked to indicate whether it wishes such investigation to take place.

**OFFICERS' RECOMMENDATION that -**

- i) Addlestone Market be continued for the time being on terms which allow for its termination, if necessary, on suitable notice; and**
- ii) a further report be made as appropriate once redevelopment plans are clear in Garfield Road Car Park and/or the improvement scheme in Station Road is settled.**

**(TO RESOLVE)**

Background Papers

Relevant papers on BSLSO's file 64.20.

7. RUNNYMEDE SCHOOL TRAVEL INITIATIVE (BTSO)  
(Ref: Minutes of Economic Development Committee September 2001, page 304, para 244)

1. Purpose of Report

- 1.1 **The purpose of this report is to provide an update on the Runnymede School Travel Initiative (RSTI), to note future proposals and to seek endorsement of a Runnymede Business Partnership proposal to set up a charity to operate the Yellow Bus Service.**
- 1.2 **The report also sets out the link between the RSTI and the emerging Community Strategy.**

2. Background Information

- 2.1 The Committee received a report on the progress of the Runnymede School Travel Initiative (RSTI) at its meeting in September 2001. Reference was made to the involvement of the Runnymede Business Partnership (comprising representatives of local businesses, schools, colleges, Police, Surrey County Council and the Borough Council) in developing a series of schemes to reduce the need to travel to school by car. The initial scheme, in 2000/2001, comprised promoting walking buses and the provision of cycle routes and cycle shelters accommodating up to 500 cycles at 5 local schools (see Appendix 'B' for details) with funding secured from Local Transport Plan (LTP) monies. The second phase saw the introduction of yellow buses in February 2002 to serve Fullbrook and Magna Carta Schools, funded by parental contributions, business sponsorship, development related funding (Section 106 monies) and Council funding (if needed) to cover any net deficit. The purpose of this item is to provide a progress report and invite the Committee to endorse proposals for promoting and funding the RSTI.

### 3. Policy and Technical Considerations

- 3.1 With the return of the Highways Agency function back to the County Council access to LTP funding for the School Travel Initiative was made more difficult. Whilst the Runnymede Business Partnership (RBP) had developed the next phase (2002/2003) of schemes to extend cycle shelter provision to 7 schools and 1 college, the County Council resolved effectively to commence its own safe routes to school programme. Officers discussed this approach with County colleagues but the County Council wished to stamp its own identity on the projects. This resulted in limited access to LTP funding for RBP projects and involved the appointment by the County of its own Safe Routes to School staff. This created a dilemma for the RBP Initiative which was up and running and ready to be implemented.
- 3.2 It was agreed to continue with the preparatory work involving detailed discussions with 10 schools on Travel Plans and to develop, where practicable, joint working with the County Council. Fortunately Officers were able to secure a £50,000 grant from the Department of Transport for the next phase of cycle shelter provision. With match funding from Section 106 monies and the Royal Holloway College the project will involve a £100,000 investment in promoting cycling. At the time of writing the County still does not have a Safe Routes to School Officer in post and as such has had difficulties implementing many Safe Routes to School projects for the year. However, Officers are examining the opportunities to advance the later phases of the RSTI to enable some of the 2002/2003 LTP monies to be secured for projects in the Borough. A bid in the region of £30,000-£50,000 has been made for such work.
- 3.3 The evidence indicates that the cycle shelters, which can be locked, have encouraged a significant increase in cycling to school and are recognised as a success by individual schools. With regard to the Yellow Bus Service at Magna Carta and Fullbrook Schools, the Schools and Officers are encouraged by the reception amongst pupils and parents. The service offers a safe, secure and guaranteed journey from within 300m of pupils' homes to school and back at the end of the day. It has been tailored to meet the needs of the pupils and amongst the responses from parents is that they have a greater 'peace of mind' during a time when local concerns have been noted about children travelling independently to school.
- 3.4 The Bus Service provides places for about 125-135 fare-paying pupils per school (see Appendix 'C'). Initially the numbers registered for the Service were higher as it was possible for the 60-seater buses to run two journeys each morning. Problems, however, arose at the end of the day as the number of pupils looking to return home immediately after school exceeded the number of seats available. Whilst there are later buses the number did drop from the 140 per school who originally reserved places. Officers are considering if there are ways to deal with this issue. Income from fares is likely to be in the region of £45,000 per annum with a further £2,000-£3,000 generated by the day use of the bus. Grants and business sponsorship are anticipated to provide another £25,000-£30,000 per annum, with the remaining funding for the project being provided from Section 106 funding.
- 3.5 The Department for Transport is very interested in the development of the project and has commissioned a study of the Yellow Bus Initiative. Officers are participating in the Steering Group established to oversee the project. Details will be reported as they emerge, and whilst the Study will focus on the impact of the Service, Officers will raise the need for revenue funding to be made available to support such initiatives.
- 3.6 The RSTI has recently been incorporated into the Community Strategy, with responsibility for implementation remaining with the RBP. The Community Strategy has established additional targets that broaden out the Travel Initiative to consider public transport provision and the interests of those who live, work or visit the Borough.

### 4. Financial Implications

- 4.1 At present the hiring of the yellow buses for the daily school run costs £145,000 p.a. Income from fares of £45,000 reduce this down to a net cost of £100,000. This deficit is currently funded by income from grants (£20,000), sponsorship (£5,500) and section 106 monies (£74,500). If the project is to continue after the two year trial period it would be necessary to secure funding from similar sources. However, as other Council services have found, generating this type of income is not easy and should the grants not be forthcoming, the Council will have to decide if it is viable for the service to continue.

## Potential Charity Status

- 4.2 The Yellow Bus project is now approximately a third of the way through the two year pilot period and officers have been examining means of achieving the long term funding referred to in paragraph 4.1. One option that could be examined is the establishment of a charity to operate the Yellow Bus service. The financial attraction of this route is twofold. Firstly, there are taxation advantages for contributions by business to charities and initial research amongst ten leading companies in the Borough revealed that six would be prepared to sponsor the service as a charity, two would not, one would offer non-financial support and two did not reply (although one already funds the bus). Secondly there are various other funding sources that would be available to charities but not to local authorities and clearly charitable status might unlock some of this funding.
- 4.3 There are a number of practical points that would need to be considered including the nomination of trustees and allocation of administration, accounting and auditing costs. Support costs of around 10% of turnover would not be uncommon, and this would represent an annual commitment of between £10-£15,000, although how much of this represented opportunity costs which are already borne by the agreed Business Partnership budget would be a matter to be determined. It is anticipated that an extra resource allocation in the region of £3,000-£5,000 would be required to support a charity in addition to the Council's current commitment. Effectively the charity would have to raise funds in excess of £5,000 p.a. to represent a positive viable financial option. On current evidence this is a realistic expectation and it is therefore recommended that further work be done on this issue to seek to establish a charity to operate the buses.

## 5. Conclusion

- 5.1 The RSTI is progressing successfully. It has grown from a small beginning focusing on walking buses at a few schools to a project embracing 10 schools and Royal Holloway University of London. Currently the project is reducing the numbers of journeys to school by car by almost a quarter of a million per annum (Yellow Bus = 120,000 and Cycling = 130,000). As the project extends to the other schools and colleges the numbers will increase.
- 5.2 The Yellow Bus Service has been a high profile part of the RSTI and has been well received by the schools, parents and pupils. It has been proposed by the RBP that a charity be established to run the Yellow Bus Service with the objective of attracting additional funding. Further information will be provided to the Committee during the formation of the charity.

## **OFFICERS' RECOMMENDATION that -**

**Officers be asked to investigate and report ;back on the proposal of the Runnymede Business Partnership to establish a charity to operate the Yellow Bus Service.**

## **(TO RESOLVE)**

### Background Papers

Project Brief for DFT Study 2002.

## 8. AIR TRANSPORT IN THE UK: SOUTH EAST - CONSULTATION (BTSO)

### 1. Purpose of Report

1.1 **The purpose of this report is to seek the views of the Committee on a consultation document issued by the Department of Transport entitled 'The Future Development of Air Transport in the UK: South East'. Comments are invited by 30 November 2002.**

1.2 Transportation planning issues are within the remit of this Committee subject to prior comment by the Planning Committee. The Planning Committee was therefore due to give consideration to the consultation paper on 6 November and its views will be reported at the meeting.

## 2. Background Information

- 2.1 Air travel today is part of the lives of many people in the UK. Air travel is important for domestic and commercial purposes. In 2001 alone almost 50% of the UK population made at least one journey by air. In London and the South East around 60% of people did so. It seems likely that, in the future, people will want to fly more, and will expect to be able to fly more, as their prosperity continues to increase.
- 2.2 It is a central economic objective of the Government to achieve high and stable levels of growth and employment so that everybody can share in higher living standards and greater job opportunities. The aviation industry directly employs over 180,000 people in the UK, and indirectly supports up to three times that many jobs. Many of these are high quality jobs, highly skilled and well paid. Aviation is itself a high productivity industry and it adds to the productivity of the wider UK economy.
- 2.3 In the White Paper, 'A New Deal for Transport: Better for Everyone', published in 1998, the Government announced that it would prepare a UK airports policy looking 30 years ahead and bring forward new policies on civil aviation. The Government intends to publish an air transport White Paper that will provide a policy framework for the long-term future of both aviation and airports in the UK. Consultation has already taken place on a range of aviation policy issues in the document entitled 'Future of Aviation' (December 2000). The current document now seeks views on how much extra airport capacity, if any, to plan for over the next 30 years, and where any new airport capacity should be located.
- 2.4 The Government wishes to ensure that the long term development of aviation is sustainable. This will mean striking a balance between the social and economic benefits of air travel and the environmental effects of any developments. The Government considers that its policy for airports in the South East should aim both to maximise the significant social and economic benefits that growth in aviation would bring, whilst trying to minimise the environmental impact. It is not clear exactly how much capacity might be needed over the next 30 years, where any new capacity should be provided, or how such developments could be made sustainable. At present Heathrow's two runways are already full for most hours of the day and the airport experiences regular delays. Gatwick's single runway is full for most of the day, and Stansted's is coming close to its capacity in peak hours. Against a background of growing demand for air travel, new runway capacity will be needed soon.
- 2.5 The remainder of the report examines the wider air transport issues, but focuses upon the implications for this area and in particular the proposals for Heathrow.

## 3. Policy and Technical Considerations

- 3.1 The consultation on South East airports seeks to address three questions :-
- Should new airport capacity be provided in the South East over the next 30 years, and, if so, how much? A particular issue is whether there is a case for having at least one major hub airport.
  - Where should any new airport capacity be located? A particular issue is whether or not Heathrow should be developed further.
  - What measures would be needed to control and mitigate the environmental impacts of any airport growth?
- 3.2 The report considers a number of options at different airports for dealing with the forecast demand for air travel. These include proposals for different amounts of new runway capacity as well as options that limit development in the South East. Striking a balance between the social and economic gains and the environmental impact is not easy, but choices have to be made. From the Government's viewpoint, doing nothing is not an option. It is necessary to decide what sort of airport capacity is needed. In particular, whether there should be at least one major hub airport in the South East. This is particularly important for the South East because of the high demand for air travel and the large population.
- 3.3 Airports with substantial capacity are able to attract considerable numbers of passengers connecting from one flight to another. This makes it viable for airlines to operate services to a wider range of destinations and a greater frequency of services than could be supported by local demand alone. This brings direct benefits to travellers. Hub airports also benefit

airlines by allowing them to organise schedules efficiently, thus minimising the transit times for connecting passengers. Typically, a hub airport needs to meet certain key requirements. Sufficient consumer demand to generate necessary levels of traffic; proximity to a large number of people who want to fly; good surface transport links; high local attractiveness to businesses and tourism; adequate airport infrastructure; and the presence of one or two airlines (or a strong alliance) providing a large proportion of capacity, frequency and destinations in a co-ordinated way.

3.4 Heathrow is a key part of the Air Transport Strategy for the South East. However, there are a range of options for airport development over the next 30 years. The proposed options for major growth are summarised below.

3.5 The options :-

Heathrow: a new runway with associated terminal development.

Gatwick: status quo maintained due to Legal Agreement.

Stansted: one to three runways and associated terminal development.

Cliffe (Kent): a new airport built on the south side of the Thames Estuary. Four/five runway airport with terminal facilities.

#### Heathrow

3.6 The proposals for Heathrow will be of particular interest to the Committee and comprise the following aspects :-

- a new (short) 2,000m runway to the north of the existing Airport;
- new terminal facilities to service the third runway;
- enhanced public transport (maybe including Airtrack);
- additional motorway road infrastructure adjacent to the Airport
- 230 hectares of agricultural land acquired and 260 residential properties demolished.

3.7 The Government's policy is to do everything practicable to improve the noise climate over time. The number of people affected by noise around Heathrow has in fact come down sharply over the last 20 years. As a condition of approval for Terminal 5, the Government set a limit on the size of the 57dBA contour to apply from the Year 2016 of 145 square kilometres. The Government proposes that a contour limit of this nature, and with the presumption that it would be of the same size, should apply if a third runway is built. This would require efforts by the industry to achieve rapid improvements in engine technology and for the fleet using Heathrow to include only the quietest available aircraft. There might also need to be specific controls on the types of aircraft allowed to use the new runway.

#### Noise Pollution

3.8 None of the options appraised lead to more night flights and the appraisals have assumed no increase in night flights at any existing location (but it is assumed that there would be some night flights at new airports at Cliffe or Alconbury). Night noise is a completely independent issue since the number of flights by aircraft at night is a matter of regulatory policy rather than runway capacity. However, the Government does recognise the very serious concerns people have about night noise, and the possibility of tighter night flight restrictions will be considered as part of the periodic cycle of night noise consultations undertaken by the Government.

#### Air Pollution

3.9 EU legislation has set mandatory limits in relation to various air pollutants. The UK Government will be obliged to ensure that people are not exposed to levels of pollution that exceed these limits. In the case of airports, the limits in relation to two pollutants - nitrogen dioxide (NO<sub>2</sub>) and particulate matter (PM<sub>10</sub>) - are particularly relevant. The modelling shows that an extra runway at Heathrow would lead to homes being exposed to levels of NO<sub>2</sub> that exceed EU limits. Emissions from aircraft are, in this scenario, the main (but not the only) source of NO<sub>2</sub>. There are uncertainties about modelling possible future concentrations of particular pollutants. However, it is clear that another runway at Heathrow could not be

considered unless the Government was confident that it was feasible to contain the level of NO<sub>2</sub> and, if need be, other pollutants, at and around the airport within the EU limits.

#### The Options

- 3.10 To focus attention on the key issues the document sets out a series of options for the 'major airport' development. Airport options included :-

Base case (no development)  
Maximum use of existing runways only  
Heathrow: one new runway  
Stansted: one new runway  
Stansted: two new runways  
Heathrow and Stansted: one new runway each  
Heathrow: one new runway and Stansted: two new runways  
Stansted: three new runways  
Cliffe: four runways

- 3.11 Heathrow features in a number of the options and the report highlights that the biggest economic benefits come from combinations which create two hub airports (at Heathrow and Stansted) or at least one hub at Heathrow, Stansted or Cliffe.

#### **4. Comment**

##### **Should additional air transport capacity be provided?**

- 4.1 *The first issue of principle that the Committee needs to consider is whether airport policy for the South East should aim both to maximise the social and economic benefits that growth in aviation would bring whilst trying to minimise the environmental impact. Historically the Council has adopted the view that airport expansion brings with it significant economic advantages. However, an important caveat to such support is that the environmental impact must be minimised. Officers' view is that whilst there are many economic and environmental issues to consider (see paras. 3.7-3.9), the principle of supporting airport expansion to maximise social and economic benefits should remain the view of the Council.***

##### **The Regional Picture**

- 4.2 *Whilst no new runways have been constructed in the south-east since the Second World War, airport development around London has been raised on a regular basis, both in terms of new runways and terminal capacity, but no long-term strategy has been accepted or approved by successive Governments.***
- 4.3 *At one level, a long-term solution of an entirely new hub airport at Cliffe, in Kent, is attractive in providing for projected growth whilst having perhaps the least impact environmentally on man (although greater impact on the natural environment). It can also be provided with good transportation links, and help regenerate land to the east of London. Fundamentally, however, it would need the backing of funders (presumably BAA) and a major airline or consortium (presumably BA) neither of whom appear inclined to enter into a long-term commitment for the scale of investment required.***
- 4.4 *The dismissal of Gatwick as an option on the grounds that further development in the short-term is precluded by a Legal Agreement at first seems superficial. However, the fact that probably no more than a single additional runway could be provided does mitigate against its potential for growth into the major hub airport.***
- 4.5 *If the principle of expansion of airport capacity is accepted the second issue that the Committee needs to examine is whether such expansion is appropriate at Heathrow.***

##### **Should Heathrow Airport expand?**

- 4.6 *The expansion of the airport capacity at Heathrow gives rise to the same issues that the Council considered when examining the proposals for a Fifth Terminal. In that situation the economic impact was weighed against the environmental (traffic***

generation, noise and air pollution) issues. Previously the Council considered that the economic benefits to the area were an overriding issue so long as measures were introduced ameliorating the environmental concerns.

- 4.7 *Of particular interest to the Council has been the impact of adding a significant generator of traffic into an already overloaded local motorway and road network. With T5 it was considered important to develop public transport links to the south and west of the Airport and particular emphasis was placed upon the development of Airtrack (the enhanced rail link from Guildford-Woking-Runnymede-Staines-Heathrow). The Council noted with some disappointment that this did not form part of the enhanced public transport links associated with the recent Government approval of the Fifth Terminal.*
- 4.8 *It is important to note that a decision on airport policy would take several decades to materialise. If future development is directed away from Heathrow it is possible that its role would only begin to change (after the completion and operation of T5) over a 15-30 year period as the proposals for an alternative 'hub' are developed. The impact over that timescale is difficult to predict. However, two of the major parties who would be involved with airport expansion, BA and BAA, have indicated that they have a preference for concentrating future growth at Heathrow. Furthermore it is understood that they would be reluctant to endorse the proposals for the development of a 'hub' airport at Cliffe. This may influence the outcome of the consultation if a pragmatic solution to airport expansion is to evolve.*
- 4.9 *The Council, as it develops its policy position on the proposals for additional airport development, will again need to balance the economic benefits with the environmental impact of the proposals for the Airport. Officers consider that on balance the Council's position should generally remain consistent with its approach to T5 but that guarantees are sought that support for an expansion of Heathrow must be linked to enhanced public transport to the south and west of the Airport (with the Airtrack project forming the core of the improvements). In addition guarantees need to be obtained that strict controls on air and noise pollution will form a fundamental part of any planning permission. However, in view of the significance of this option the Committee will wish to consider if such an approach is still one they would endorse.*
- 4.10 *In addition there are aspects of the economic benefits of airport expansion that need to be briefly explored. There is no doubt that Heathrow plays a significant role in the local economy both directly and indirectly. Currently unemployment in the area is low (0.8% in Runnymede, August 2002) and people are drawn into the area to work and/or live. This creates pressure on the housing market and makes it difficult to recruit staff locally. This is a particular problem for some of the key public services. Expansion of the Airport may further exacerbate these issues. However, it is important to note that since the mid-nineties the South East has benefited from a prosperous local economy. If this level of economic buoyancy is not maintained or is reversed, the pressure on the local labour/housing market may ease (unemployment was 6.5% in April 1993). Whilst there is no easy way of assessing the impact of economic advantage and disadvantage of growth at the Airport, on balance maintaining the position of Heathrow would seem desirable. The Committee may wish to urge the Government to consider this issue in detail.*
- 4.11 *The Government has accepted that further growth at Gatwick is inappropriate, given the existence of a Legal Agreement restricting further development. In view of the uncertainty of future proposals, it is considered that any further development at Heathrow should be linked to a similar agreement that precludes additional runway and terminal growth, at least over a reasonable timeframe.*
- 4.12 *This would give some confidence that the short runway would not lead to pressure for it to be converted to a 4,000 metre length, with associated new terminal facilities. The Legal Agreement could also require the provision of associated transport infrastructure, and pollution and noise control measures.*

5. Conclusion

- 5.1 The Government has invited comments on the future development of air transport over the next 30 years. Hitherto policy decisions on airport expansion have taken place in an ad hoc

fashion on the basis of individual applications to develop airport facilities. The current approach attempts to examine the issues surrounding future airport growth and to set the context for identifying the options. Amongst the options are proposals for the expansion of Heathrow. This gives rise to a number of social, economic and environmental issues.

- 5.2 This report has attempted to explore the wider issues of airport growth in the South East, but focuses on the local impact with particular attention to Heathrow. The recommendation is to support future growth at Heathrow, but to recognise the environmental issues that need to be resolved. Particular emphasis is placed upon the need to implement or enhance the Guildford-Woking-Runnymede-Staines-Heathrow Rail Link (also known as Airtrack) to ease the impact of the increased traffic associated with airport growth.

**OFFICERS' RECOMMENDATION that -**

**the comments set out in this item be forwarded to the Department for Transport as the formal observations of this Council on the document entitled 'The Future Development of Air Transport in the UK: South East'.**

**(TO RESOLVE)**

Background Papers

None.

9. BEST VALUE - STRATEGIC PROPERTY MANAGEMENT SCOPING AND CHALLENGE REPORT (BSLS0)

1. Purpose of Report

- 1.1 **To review the objectives for strategic property management and consider the challenge phase of the Best Value Review.**

2. Background Information

- 2.1 The Council is required by the Office of the Deputy Prime Minister to produce an annual Asset Management Plan setting out the Council's policy in respect of strategic asset management.
- 2.2 The Committee needs to consider whether the service continues to meet the Council's aspirations, whether it needs to be provided at all, and if so, in what form.

3. Report

- 3.1 Core information about the service is given in the boxes below in Section 1. The process and future phases are detailed in the following Sections.

**Section 1. – Core Information**

**Area Subject of Service Review**

**Strategic Property Management**

Property management  
Valuation Service  
Acquisition, disposal, rent reviews  
Development Advice  
Construction, repair and maintenance facilities management

**Lead Officer**

Paul Surrey (Valuer to the Council)/Brian Mannian (Building Services Manager)

<b><u>Programme</u></b>	
Start Date	June 2002
Scoping and Challenge	September 2002
First Report to Economic Development Committee	November 2002
Compare, Consult, Compete	February 2003
Final report to Economic Development Committee	March 2003
<b><u>Scale of Activity</u></b>	
<b>Budget for 2002/03</b>	<b>£356,000</b>

**4. Section 2. – Process**

- 4.1 This Service Review commenced in June 2002 with a Challenge workshop involving the lead officers and others drawn from 11 service departments together with external contractors and DTZ Piedn consultants. The workshop produced some useful ideas and challenges which are captured in the Challenge stage recommendations shown at Appendix 'D'.
- 4.2 It follows the format for Service Reviews and reporting arrangements to Members and is consistent with the approach recommended by external consultants and detailed in the copy of the Service Review Guide, supplied to all Members. This initial report has been delayed as a result of further discussion on the challenge aspects with the consultants and the summer holiday period.
- 4.3 References to Members of the Committee take place at the Challenge stage and once again following the completion of the other three stages (Compare, Consult and Compete), where a Best Value Continuous Improvement Plan will be produced for Members' scrutiny and approval.

**5. Section 3. – Scoping & Challenge**

- 5.1 The report on the scoping and challenge associated with this service area under review is attached at Appendix 'D'. Members are asked to consider carefully the report and satisfy themselves that there has been sufficient rigour in completing this phase of the Best Value process.
- 5.2 The Lead Officer will be present to answer questions on the papers, the view reached on the challenge stage and the arrangements for future phases, as well as any general questions or concerns as to the service area under review.

**6. Section 4. – Future Phases**

- 6.1 The compare part of the process will involve taking relevant comparative service, quality and financial data and looking at similar service areas in the other four North West Surrey Authorities, who have formed a Benchmarking Group (Spelthorne, Surrey Heath, Woking and Elmbridge) and other Surrey Districts. In addition, data will be drawn from nationally published figures, where available, and other similar service providers (public or private), particularly where they are identified as appearing to provide a good quality service in the upper quartile of comparison.
- 6.2 As far as consultation is concerned, it is proposed to consult Budget Managers by means of questionnaires. The results will be reported to the Committee in March, with recommendations for the Best Value Performance Plan.

**THE COMMITTEE IS ASKED TO –**

- i) **review the objectives for strategic property management to determine whether they continue to reflect the Council's aspirations for the provision of this service;**
- ii) **endorse the proposal to examine the following matters further during the remaining stages of the Review;**

review property holdings with a view to disposal of all property which does not contribute to Council Policies paying particular regard to community users;

implement the planned maintenance programme with a view to reducing demand maintenance;

develop local Performance Indicators to measure cost effective utilisation of property. Monitor and report property performance;

develop and use benchmarking data to measure the efficiency of the service;

investigate the potential for and cost/benefit of outsourcing the whole or part of the service;

investigate arrangements for delivery of property services within other authorities with a view to establishing the most efficient and cost effective means of service delivery including the potential for joint cross border working and centralising of facilities management;

develop appropriate corporate software systems to support the Asset Management Plan;

- iii) endorse the use of tenant and user surveys as prime sources for the collection of customer satisfaction data for the consultation element of the Review;
- iv) endorse the use of the national and local performance indicators and SEACES and North West Surrey benchmarking information; and
- v) endorse the scope of this Review and Challenge Phase.

**(TO RESOLVE)**

Background Papers

None

10. URGENT ACTION - STANDING ORDER 42 (BSLSO)

The following action has been taken after consultation with the Chairman of this Committee under Standing Order 42:

<u>Officer</u>	<u>Action Taken</u>	<u>Central Index No.</u>
Borough Secretary and Leisure Services Officer	Authorisation to acquire a property in Harrow Close, Addlestone for £155,000, together with a sum of £93,000 to secure replacement premises for the occupiers. The additional sum to be secured by way of a legal charge on the replacement property.	506

**(FOR INFORMATION)**

Background Papers

Proforma dated 11 October 2002 on Assistant Borough Secretary's file

11. EXCLUSION OF PRESS AND PUBLIC

**OFFICERS' RECOMMENDATION that -**

**the press and public be excluded from the meeting during discussion of the following reports under Section 100A(4) of the Local Government Act 1972 on the grounds that the reports in question would be likely to involve disclosure of exempt information of the description specified in paragraphs 7 and 9 of Part I of Schedule 12A of the Act.**

**(TO RESOLVE)**

**PART II**

**Matters involving Exempt or Confidential Information in respect of which reports have not been made available for public inspection.**

a)	<u>Exempt Information</u>	<u>paras</u>
12.	ABBEY RANGERS FOOTBALL CLUB - LEASE RENEWAL	7 and 9
13.	GOGMORE FARM PARK PAVILION - USE BY YOUTH SERVICE	9
14.	EGHAM TOWN FOOTBALL CLUB - LEASE	7 and 9
15.	TULK FIELD, CHERTSEY - ACQUISITION OF PART	9
16.	147 - 149 STATION ROAD, ADDLESTONE - POTENTIAL ACQUISITION	9
17	VACANT AND UNFIT PROPERTIES – COMPULSORY PURCHASE	9
b)	<u>Confidential Information</u>	
	(No reports to be considered under this heading)	