



RUNNYMEDE BOROUGH COUNCIL

REVIEW BOARD

10 JULY 2003

APPENDICES

<u>APPENDIX</u>	<u>REPORT</u>	<u>PAGE NO.</u>
A	REPORT TO ECONOMIC DEVELOPMENT COMMITTEE ON 12 JUNE 2003 ON THE FUTURE DEVELOPMENT OF AIR TRANSPORT IN THE UK	1
B	MINUTE OF ECONOMIC DEVELOPMENT COMMITTEE ON 12 JUNE 2003 ON THE FUTURE DEVELOPMENT OF AIR TRANSPORT IN THE UK	To Follow
C	CALL-IN LETTER ON ECONOMIC DEVELOPMENT COMMITTEE DECISION	9
D	REPORT TO CORPORATE MANAGEMENT COMMITTEE ON 3 JULY 2003 ON FINAL ACCOUNTS 2002/03	10
E	PROGRESS REPORT ON ENFORCEMENT OF PLANNING CONTROL AS AT 30 JUNE 2003	25
F	REPORT TO CORPORATE MANAGEMENT COMMITTEE - 3 JULY 2003 - COUNCIL'S TEN PRIORITY INDICATORS OF PERFORMANCE 2002/03 OUTTURN SUMMARY	To Follow

REPORT TO ECONOMIC DEVELOPMENT COMMITTEE ON 12 JUNE 2003

THE FUTURE DEVELOPMENT OF AIR TRANSPORT IN THE UNITED KINGDOM - REVISED CONSULTATION PAPER (DTS)

(Ref: Minutes of Economic Development Committee March 2003, page 1136, para. 698)

1. Purpose of Report

- 1.1 The purpose of this report is to seek the views of the Committee on a revised consultation paper issued by the Department for Transport on 'The Future Development of Air Transport in the United Kingdom'. This report will focus on the South East and East of England.**
- 1.2 Copies of the consultation paper were placed on the Intranet in March 2003. This report was considered by the Planning Committee on 4 June. Comments are requested by 30 June 2003.**

2. Background Information

- 2.1 The Council was consulted on a document entitled 'The Future Development of Air Transport in the UK: South East' in 2002. However, in tandem with the consultation process by the Department for Transport (DfT), the High Court held that it was wrong to exclude from the South East consultation document options for the development of new runways at Gatwick. The Government has now published a revised version of the document that takes account of the decision to consult on options for Gatwick.**
- 2.2 The Consultation Paper seeks views on the future development of air transport in the South East over the next 30 years. Comments are invited on future airport capacity requirements and the location of any new airport capacity. The Government wishes to ensure that the long term development of aviation is sustainable. It considers that its policy for airports in the South East should aim both to maximise the significant social and economic benefit that growth in aviation would bring, whilst trying to minimise the environmental impact.**
- 2.3 At present Heathrow's two runways operate at capacity for most hours of the day and the Airport experiences regular delays. Gatwick's runway is full for most of the day and Stansted's is coming close to its capacity in peak hours. The Government considers that demand for air travel is still increasing and new runway capacity will be needed soon.**
- 2.4 The Planning and Economic Development Committees considered the earlier consultation paper at their respective meetings in November 2002. However, the Council, at its meeting in December, resolved to refer the merits of the comments of the Economic Development Committee and certain procedural matters to the Review Board in February. The Council, in April 2003, approved the subsequent recommendation of the Economic Development Committee, in the light of the comments of the Review Board, to maintain the original policy position on the consultation paper, which was to 'on balance favour the expansion of Heathrow, subject to proper environmental protection measures'. The consideration of the consultation paper is set out in more detail in Annex '1'.**
- 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. The report does not differ significantly from the item considered in 2002 as the same material issues remain for consideration. Additional issues are highlighted on the implications of the Gatwick option.**

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, and 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) to provide 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: | one or two new runways with new terminal development. |
| Stansted: | one to three new runways and associated terminal development. |
| Cliffe: | a new airport built on the south side of the Thames Estuary. Four/five runway airport with terminal facilities. |

3.6 Heathrow:-

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

- a new 2,000m long 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 reduced 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 2016, of 145

square kilometres. The Government proposes that a contour limit of this nature, 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 or any 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 (NO₂) and particulate matter (PM₁₀) - are particularly relevant. The modelling shows that an extra runway at Heathrow would lead to homes being exposed to levels of NO₂ that exceed EU limits. Emissions from aircraft are, in this scenario, the main (but not the only) source of NO₂. 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 NO₂ 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. These are set out in Annex '2'.
- 3.11 Heathrow features in a number of the options and the report highlights that the biggest economic benefits come from combinations which create at least one hub and a large total amount of capacity in the South East.

Comment

Should additional air transport capacity be provided?

- 3.12 ***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 aspect of 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 paragraphs 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

- 3.13 ***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.***

- 3.14 *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.*
- 3.15 *The inclusion of Gatwick as an option brings with it the opportunity to increase the potential for higher passenger capacity in the South East than proposed in the earlier Consultation Paper. The potential expansion of Gatwick increases the options for consideration from 7 to 25 (see Annex '2).*
- 3.16 *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?

- 3.17 *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.*
- 3.18 *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.*
- 3.19 *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 previously 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. It is unclear at this stage how the inclusion of Gatwick has influenced their preference. The issue will influence the outcome of the consultation if a pragmatic solution to airport expansion is to evolve.*
- 3.20 *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 the 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.*
- 3.21 *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 highlight 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. Conclusion

- 4.1 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.
- 4.2 The agenda item 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 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 above be conveyed to the Department for Transport as this Council's response to the consultation paper entitled 'The Future Development of Air Transport in the UK: South East'.

(TO RESOLVE)

Background Papers

None

**CONSIDERATION OF CONSULTATION PAPER ON THE FUTURE DEVELOPMENT OF
AIR TRANSPORT IN THE UK: SOUTH EAST 2002**

1. Report received by Planning Committee 6th November 2002. Recommended comments to Economic Development Committee.
2. Report received by Economic Development Committee 13th November 2002. Resolved to 'on balance favour the expansion of Heathrow, subject to proper environmental protection measures'.
3. Full Council on 12th December 2002 discussed the Consultation Paper. Resolved that :-
 - i) the Economic Development Committee consider the matter and recommend appropriate policy for similar matters in the future: and
 - ii) the Review Board review and report to Committee, via the appropriate Committees, on the merits of the decision.
4. Report received by the Review Board on 11th February 2003 on the merits of the decision and the mechanism under which the decision was taken. The Board concurred with the Economic Development Committee on the response to the Consultation Paper. However, the Board referred the procedural issues to the Local Government Act Member Working Group to consider whether Standing Orders should be amended to enable Full Council to be requested to consider a particular item.
5. Report received by Economic Development Committee on 13th March 2003. It was recommended that the existing policy stance be maintained. It was resolved that the Local Government Act Member Working Group be advised that the procedure available to Members for referring matters to Full Council are already more than adequate.
6. Full Council on 24th April 2003 approved the recommendation of the Economic Development Committee (13th March 2003).

Airport development options at the main South East airports		
Options	Total South East capacity in 2030 (mppa)	Total forecast traffic in 2030 (mppa)
Base case (no development)	154	153
Maximum use of existing number of runways only	202	185
Heathrow (one – 2011)	229	215
Gatwick (one new close parallel runway – 2011)	217	201
Gatwick (one new close parallel runway – 2024)	217	205
Gatwick (one new wide-spaced runway – 2011)	238	219
Gatwick (one new wide-spaced runway – 2024)	238	220
Stansted (one new runway – 2011)	249	225
Stansted (two new runways – 2011 & 2021)	269	243
Gatwick (two new runways – 2011 & 2021)	270	243
Gatwick (two – both 2024)	270	246
Heathrow (one – 2011) & Gatwick (one – 2021)	240	221
Heathrow (one – 2011) & Gatwick (one – 2024)	240	226
Heathrow (one – 2011) & Stansted (one – 2021)	276	249
Gatwick (one – 2011) & Stansted (one – 2021)	261	243
Stansted (one – 2011) & Gatwick (one – 2024)	261	240
Heathrow (one – 2011), Gatwick (one – 2018) & Stansted (one – 2024)	291	266
Heathrow (one – 2011), Stansted (one – 2018) & Gatwick (one – 2024)	291	263
Heathrow (one – 2011) & Stansted (two – 2018/2024)	296	266
Heathrow (one – 2011) & Gatwick (two – 2018/2024)	297	264
Heathrow (one – 2011) & Gatwick (two – both 2024)	297	266
Gatwick (one – 2011) & Stansted (two – 2018/2024)	294	256
Stansted (two – 2011/2018) & Gatwick (one – 2024)	294	256
Gatwick (two – 2011/2018) & Stansted (one – 2024)	314	273
Stansted (one – 2011) & Gatwick (two – both 2024)	314	285
Stansted (three – 2011/2018/2024)	296	258
Cliffe (4 runways – 2011/2021)	315	272

Where a combination of development includes one new runway at Gatwick this is either the close parallel or wide-spaced option. However, for the purposes of the table above, where a single new Gatwick runway is included as part of a package of new runways, the close parallel option has been assumed. If the wide-spaced option were built instead, the total capacity would increase by around 20mppa. The strength of demand for Gatwick and its large catchment area mean that most of that additional capacity would be rapidly taken up.

The Future of Air Transport in The United Kingdom
 Technical Appendix - The Options

Economic costs and benefits (present value, £billion, discounted at 6^[†] per cent in real terms)			
Principal Components	Total benefits	Costs	Net benefits
Maximum use of existing number of runways only	6.7	1.8	4.9
Heathrow (one – 2011)	12.0	4.2	7.8
Gatwick (one new close parallel runway – 2011)	8.6	2.8	5.9
Gatwick (one new close parallel runway – 2024)	8.2	2.3	5.9
Gatwick (one new wide-spaced runway – 2011)	11.1	4.1	7.0
Gatwick (one new wide-spaced runway – 2024)	9.8	3.0	6.8
Stansted (one new runway – 2011)	11.0	3.9	7.1
Stansted (two new runways – 2011 & 2021)	14.1	4.6	9.5
Gatwick (two new runways – 2011 & 2021)	16.1	4.5	11.6
Gatwick (two new runways – both 2024)	14.2	3.6	10.7
Heathrow (one new – 2011) & Gatwick (one new – 2021)	14.6	4.8	9.8
Heathrow (one new – 2011) & Gatwick (one new – 2024)	14.5	4.8	9.8
Heathrow (one new – 2011) & Stansted (one new – 2021)	17.8	5.5	12.3
Gatwick (one new – 2011) & Stansted (one new – 2021)	13.7	3.9	9.8
Stansted (one new – 2011) & Gatwick (one new – 2024)	13.8	4.0	9.8
Heathrow (one new – 2011), Gatwick (one new – 2018) & Stansted (one new – 2024)	21.0	6.1	15.0
Heathrow (one new – 2011), Stansted (one new – 2018) & Gatwick (one new – 2024)	21.3	6.2	15.1
Heathrow (one new – 2011) & Gatwick (two new – 2018/2024)	25.3	6.9	18.3
Heathrow (one new – 2011) & Gatwick (two new – both 2024)	22.6	5.9	16.6
Gatwick (one new – 2011) & Stansted (two new – both 2018/2024)	16.9	4.8	12.1
Stansted (two new – 2011 & 2018) & Gatwick (one new – 2024)	17.4	5.2	12.2
Gatwick (two new – 2011/2018) & Stansted (one new – 2024)	22.6	5.7	16.9
Stansted (one new – 2011) & Gatwick (two new – both 2024)	21.7	5.7	16.0
Stansted (three new – 2011/2018/2024)	17.8	5.2	12.6
Heathrow (one new – 2011) & Stansted (two new – both 2018/2024)	20.9	6.2	14.7
Cliffe (4 new runways – 2011/2021)	17.3	8.8	8.5



RUNNYMEDE

BOROUGH COUNCIL

Councillor P.A. Greenwood
44 Chapel Avenue
Addlestone
Surrey
KT15 1UH

01932 829334

T.N. Williams MA, FCIS
Chief Executive Officer
Runnymede Borough Council
Civic Offices, Station Road,
Addlestone Surrey KT15 2AH

Email: cldr.paul.greenwood@runnymede.gov.uk

18th June 2003

Dear Tim,

Review Board – “Call-in”

Following the Economic Development Committee [EDC] meeting on Thursday 12th June 2003 we, with other members of the Council, have concerns in respect of the decision made as a result of the Chair using his additional casting vote in respect of Agenda item 8. - The Future Development of Air Transport in the United Kingdom – Revised Consultation Paper.

Therefore it is our request under standing order 27.6 of the Constitution of the Council to “call-in” the decision of the EDC Policy committee for consideration by the Review Board for the following reasons:

- 1) The Full Council meeting 10th June 2003, after due consultation, unanimously agreed a statement as part of the consultation for the Future Development of Air Transport in the United Kingdom. The Constitution does not empower the EDC to alter, change, add or dilute the contents of that statement. Therefore the decision to append additional comments to the statement, to be forwarded as a additional response, from the EDC, to the consultation on behalf of the Authority, should be reassessed to ensure it is not contrary to the observation of the full council.
- 2) The basis of the Officer’s comments appears to be a perceived hypothesis that any expansion of business in the region brings additional prosperity to our area.
The increased regeneration of the South East since the 1990’s has resulted in pressures well beyond the strategic projected development of road networks and public transport infrastructure and has caused additional volatile costs and disruption to local businesses.
The report has not identified any factors which indicate how further expansion of Heathrow [Paragraph 3.21 of the report] would be of an economic benefit to the Borough residents or businesses, compared with the cost and practical implications of tackling environmental challenges of the area.
The Officer’s recommendation to support further development of Heathrow Airport based on social and economic benefits (Paragraph 3.12) may be challenged under Article 8 [part 1 & 2] of the Human Rights Act 1998.

Therefore the review board should consider whether sufficient information to support the conclusions in the report have been provided for the Members.

Cllr Paul Greenwood

Cllr. Alan Alderson

REPORT TO CORPORATE MANAGEMENT COMMITTEE ON 3 JULY 2003FINAL ACCOUNTS 2002/03 (BT)**1. Purpose of Report**

- 1.1 **To report on actual income and expenditure for the 2002/03 financial year and compare this to the budget for General Fund services, the Housing Revenue Account, trading accounts, and capital accounts;**
- 1.2 **To make various determinations relating to the 2002/03 financial year as required under Part IV of the Local Government and Housing Act 1989;**
- 1.3 **To propose changes in the method of financing various capital schemes to enable General Fund revenue reserves to be strengthened, and;**
- 1.4 **To reaffirm the purposes for which General Fund reserves are held.**

2. Background Information

- 2.1 The Budget for 2002/03 was set at the Special Council Meeting held on 14 February 2002.
- 2.2 All Committees considered revised budgets for 2002/03 in January 2003 as part of the budget setting process for 2003/04.
- 2.3 The Council's accounts for the year 2002/03 have now been completed.
- 2.4 The Council's external auditors, the District Audit Service, will be commencing the formal examination of the accounts shortly.
- 2.5 Financial Regulations allow for unspent budgets in one year to be brought forward to the next. This is an established part of the Council's financial control procedures and allows more effective use of budgets. Managers can plan to carry the budget forward rather than losing it at the year end, and are not therefore encouraged to 'spend up' their budgets in order to protect their allocation.
- 2.6 The assumption made for general price increases in 2002/03 was 2.5%. The movement in the Retail Prices Index was 3.1% over the financial year. However, local levels of cost inflation – the local pay award in July 2002 was 3.5% - seem to be much greater than the national average as a result of the acknowledged cost pressures in this part of south east England.

3. General Fund Revenue Actual 2002/03

- 3.1 Actual net General Fund expenditure on services was a reduction on both the original budget and revised projection. The General Fund Summary Revenue Account reproduced in Annex '3' gives high level detail on the service spending for the year.
- 3.2 A booklet giving service figures for 2002/03 is being distributed with this Agenda, and Members who wish to study budget variations in detail may find this useful. The booklet follows the service groupings used in 2002/03.
- 3.3 The major variations (except those caused by changes in capital charges) between the revised budget and the actual for 2002/03 total £918,300. Of this, £240,300 are planned under-spends and will be taken into 2003/04. The major variations are summarised below:

Table 1 - Major savings on service spending between the Revised Budget and Actual for 2002/03

<u>Service Area</u>	<u>Variance</u>	<u>Commentary</u>
	£	
General Fund Housing Activities	45,800	Savings in general administration costs and Supporting People grant (£7,000).

Community Services	77,000	Savings in staffing and administration expenses and general running costs
Homelessness	24,500	Reduction in Rental Deposits and the requirement for Bed and Breakfast accommodation
Abbeyfit Sports Centre	20,000	Savings on staffing and administration costs and Planned Underspends totalling £4,500 carried forward to 2003/04
Leisure & Sports Development	32,200	Planned Underspends carried forward to 2003/04 (£20,700), and general savings in staffing and administration costs
Play and Youth Activities	13,000	Reduction in staffing costs and general scheme expenditure
Public Halls	10,000	Increase in income
Parks and Open Spaces	49,600	Planned Underspends carried forward to 2003/04 (£21,700) and other savings resulting from staff absences during the year
Pollution Control	19,700	Planned Underspends carried forward to 2003/04 (£13,000) and general savings in staffing and administration costs
Refuse Collection	72,600	Anticipated contribution towards DSO Deficit not required (£50,000) and additional income from SCC for the tipping away claim (£22,600)
Recycling & Environmental Issues	63,300	Savings resulting from the delay in the start of the Recycling Contract (£29,200); Higher than anticipated recycling income (£13,700); Planned Underspends carried forward to 2003/04 (£5,800), and savings in staffing and other administration costs (£14,600)
Safer Runnymede	59,000	Reduction in the requirement for Special Works (£31,000); Lower than anticipated expenditure on supplies and services (£10,000) and an increase in income
Development Control	47,600	Increase in income from Planning Application Fees (£37,400) and general savings in staffing and administration costs
Borough Highways Functions	35,800	Planned Underspends carried forward to 2003/04 (£12,700) and general savings in staffing and administration costs
Land Drainage	17,500	Staff vacancies (£13,000) and special project costs (£4,500)
Car Parks	12,900	Recovery of VAT on Excess Charges
Corporate Properties	112,800	Additional rental income partly from new properties purchased in the year (£94,500). Reduction in net running costs (£18,300)
Civic Offices	24,600	Net reduction in running costs
Democratic Representation and Management	38,300	Planned Underspends carried forward to 2003/04 (£20,000), Members training and travelling expenses (£8,800) and other general savings.
Register of Electors	48,600	Savings on salaries and administration costs
Council Tax	14,300	General savings in staffing and administration costs
Partnership Team	10,000	General savings in staffing and administration costs
Local Land Charges	10,300	General savings in staffing and administration costs
GIS	32,200	Includes Planned Underspends carried forward to 2003/04 (£15,000) and reduction in computer maintenance costs (£10,800)
Document Management & Workflow System	72,500	Planned Underspends carried forward to 2003/04
	918,300	

3.4 The transfer of the Highways Agency to Surrey County Council on 1 April 2002 and the associated winding down of the Highways DSO function was a significant service, managerial and financial event for the Council. The transfer has been the subject of a number of reports to service Committees. In 2001/02, Highways Agency accounts were closed on the basis of the best information available. There are a number of residual items accounted for in the 2002/03 accounts in respect of these changes.

3.5 In accordance with the CIPFA Statement of Recommended Practice, Capital Charges allocated to services include depreciation on buildings for the first time. This has had the effect of increasing the bottom line of several services over both the Original and Probable estimates. Members may recall that the District Auditor drew attention to this requirement in his Management letter for the 2001/02 accounts.

- 3.6 The transitional transfer of £437,316 from the Housing Revenue Account (HRA) to the General Fund has been sanctioned by the ODPM.
- 3.7 Investment income of £1,465,053 was in line with the revised estimate of £1,450,000. A full report on treasury performance in 2002/03 was made to this Committee on 5 June 2003.
- 3.8 A list of the planned under-spends is published in the Service Actuals booklet. The net effect of the under-spending brought forward will be to increase General Fund expenditure in 2003/04 by £240,300 and Housing Revenue Account expenditure by £199,700.
- 3.9 Further flexibility is available to Budget Managers to allow the virement of budgets. A virement is the transfer of a budget allocation from one service head to another. A summary of virements is also given in the service actuals booklet.
- 3.10 The net General Fund expenditure in 2002/03 was £8,173,359. This is £1,082,241 less than the revised estimate. Table 2 summarises the major reasons for the variations:

Table 2 - Summary of General Fund Betterment in 2002/03: Revised Estimate to Actual	
	£
Major service budget variances (paragraph 3.3)	918,300
Provision for Position Statement Initiatives	40,000
Investment Income (paragraph 3.7)	15,053
Other variances (net)	108,888
Total Betterment:	1,082,241

- 3.11 The other variances in table 2 above are an amalgamation of the smaller savings generated by the remaining services not specifically mentioned in paragraph 3.3 (Table 1).
- 3.12 In previous years Members have commented on the scale of savings and increased income from services disclosed by the Final Accounts report. For 2002/03 this report discloses a total betterment of £1,082,241. This is a significant sum when compared to the net General Fund Expenditure revised budget of £9,255,600. However, it is more appropriate to place it in the context of the estimated gross turnover of £37.4m. The reasons for the betterment can be summarised in the following terms:
- i) **Planned Underspends (£240,300):** These are deferrals of expenditure to 2003/04. Planned Underspends are a useful tool in allowing managers to use public money wisely without the constraint of meeting in year budgetary "targets".
 - ii) **Unused Provisions:** These include Member led provisions (e.g. Position Statement), established provisions for demand led items (e.g. homelessness), and provisions for possible additional costs (e.g. Refuse DSO deficit). Establishing such provisions in the budgets in reasonable sums is normal budgetary practice and their non-use represents a state of fact rather than a quality led judgement on policy or management.
 - iii) **Increased Income:** A great deal of the Council's income derives from demand led services (e.g. planning applications) where relatively small fluctuations in usage can change the sum of income generated. Other income increases are once-off items generated from policy or management actions (e.g. property rentals, VAT recoveries).
 - iv) **Savings in Expenditure:** The culture of the Council has been to encourage Budget Managers to minimise costs where consistent with the delivery of good services. These savings are often modest at individual service level, but can produce a significant sum overall.
 - v) **Project Timescales:** For new and developing services (e.g. recycling, document management) relatively small changes in implementation timetables can create budgetary savings in the year.

4. Housing Revenue Account (HRA)

- 4.1 The actual HRA for 2002/03 shows an increased surplus of £766,684 over the revised projection. The HRA working balance at 31 March 2003 is £2,031,522. The summary page for the Housing Revenue Account is produced at Annex '4'.
- 4.2 The significant variances between the revised budget and the actual are summarised below:

Table 3 – Summary of HRA Variations in 2002/03: Revised Estimate to Actual	
Housing Service Area	Variance £
General Management: Savings on staffing and other costs	60,600
Special Services: Provisions for estate improvements not utilised	102,300
Housing Repairs: Savings on demand maintenance (£66,600), planned and cyclical maintenance (£68,600), void property repairs and discretionary allowances (£97,100) and major improvement and repair works (£128,000).	368,900
Rental Income: Additional Rent Income	71,500
Other Income: Additional HRA Subsidy (£73,000) and other income (£61,100)	134,100
Other Items (net)	29,284
Total Betterment	766,684

- 4.3 The first call on the increased level of HRA balances in 2003/04 will be the planned underspends of £199,700 carried over from 2002/03. There have been a number of new improvement and major repair schemes recently approved by the Council in addition to those contained in the 2003/04 budget. These new schemes total £746,000 and will also form a call on the HRA balances. Further proposals to accelerate and/or enhance the planned improvement and repair programme, linked to the HRA Business Plan, will be submitted to the Housing and Community Services Committee in due course.

5. Financial Strategy

- 5.1 The approved revenue forecast shows the medium term impact of the tax and spending plans for the Council over the next 5 years. The forecast incorporates some demanding targets, and is based on balancing income and expenditure over the medium term by introducing appropriate stepped increases in Council Tax. In the meantime, the gap between spending and income is met from revenue reserves.
- 5.2 General Fund reserves give the financial flexibility to enable necessary budgetary measures to be introduced to protect spending levels over a period of time (thereby helping to mitigate adverse impacts) and the low tax policy of the Council. It follows that measures taken to increase the amount of General Fund reserves will assist in introducing necessary changes.
- 5.3 A measure to maximise the level of General Fund revenue balances is to finance all capital expenditure from capital receipts (instead of partly from revenue reserves).
- 5.4 The capital programme for 2002/03 assumed that certain works would be financed from specific revenue reserves. These are set out below:
- | | |
|---------------------------|----------------|
| | £ |
| Safer Runnymede Equipment | 128,574 |
| IT Renewals | <u>188,369</u> |
| Total | 316,943 |
- 5.5 Financing these works from capital receipts will preserve the level of revenue reserves. To maintain the discipline that these specific reserves employ, it is proposed that sums equal to the amount that they would have financed be transferred to the General Fund Contingency Reserve.

6. Capital Expenditure

- 6.1 Schedules of General Fund and Housing capital expenditure in 2002/03 that also show the source of financing are at Annexes '5' and '6'. Some of the variances shown in the schedules

are a result of timing differences (e.g. slippage in implementation or project re-phasing) and these capital budgets have been carried forward into 2003/04.

7. Capital Income

7.1 The table below summarises capital receipts in 2002/03:

Table 4 - Capital Receipts (net of costs) in 2002/03	
	Actual
	£000
<u>General Fund</u>	
7 High Street, Egham	253
Other sales and receipts	112
Total - General Fund capital receipts	365
<u>Housing</u>	
Sale of Council Houses	2,774
Mortgage Redemptions and Repayments	95
DIYSO - Gross Income	440
Kings Lane Garage Site	387
Other sales and receipts	136
Total - Housing capital receipts	3,832
Total Capital Income 2002/03	4,197

7.2 Capital receipts are the main source of funding for the Council's capital expenditure plans. Table 6 shows the use of capital receipts in 2002/03, including the change in financing certain items from capital receipts instead of the specific revenue reserves as proposed in section 5 of this report. The source and application of the Council's overall usable capital receipts are summarised in table 5:

Table 5 - Usable Capital Receipts in 2002/03		
		£000
Balance at 1 April 2002		13,338
Usable Receipts in 2002/03 – see Table 5		4,197
Used to finance Capital Expenditure in 2002/03		
Housing Capital Programme	1,373	
General Fund Programme:		
Pension Fund deficit payment	5,729	
Mainstream funding	2,884	
Equipment Renewals (paragraph 5)	317	
		(10,303)
Usable Capital Receipts at 31 March 2003		7,232

7.3 The largest item financed from capital receipts was for the lump sum contribution made to the Pension Fund to extinguish the deficit disclosed at April 2001. The Corporate Management Committee in September 2002 decided that there was merit in using capital receipts to make this payment and the Government subsequently gave its permission.

8. Capital Financing

Capital Financing - Contributions and Grants

8.1 A number of matters must be determined formally by the Council under Part IV of the Local Government and Housing Act 1989. The determinations relate principally to the financing of capital expenditure. The Officers' recommendation is written in the language of the Act to ensure that their effect takes legal force.

8.2 The first determination requires the Council to formally approve that grants or contributions received from third parties are used for financing capital expenditure. These form an increasingly important part in funding new capital initiatives and the scale of receipts in 2002/03 reflects the increasing success in attracting Government and other third party support. The table below lists the grants and contributions so used in 2002/03:

Table 6 - Capital Grants and Contributions Received in 2002/03		
Scheme	£	Details
Purchase of a new Dial-a-Ride vehicle	62,981	Entirely funded by the Countryside Agency

House Renovation Grants	125,862	Government Subsidy for 60% of Disabled Facilities Grants made
Kerbside Recycling Initiative	220,000	Government Grant (£120,000); SITA Environmental Trust (£100,000)
Speed Reduction Initiative	14,932	Funded from Surrey County Council's Local Transport Plan allocation
The Hythe Centre	475	Small contributions towards the opening ceremony
Heathvale Skating Facility	36,098	Government Grant
Purchase of a new Graffiti Team vehicle	12,281	Government Grant
Various Computer Schemes	200,000	Government (IEG) Grant
Total	672,629	

8.3 Revenue Grants and Contributions

The amount of third party support for revenue expenditure is also becoming a feature of the Council's operations. The table below lists the significant contributions in the 2002/03 accounts.

Scheme	£	Details
<u>Travel Initiative</u>		Contributions from Schools Sponsorship (£48,841) from Countryside Agency (£20,000), Procter and Gamble (£5,000) and other companies (£350)
Yellow Bus Scheme	74,191	
Cycle Shelters	114,855	Department of Transport (£50,000), Royal Holloway College (£19,855), Surrey CC (£45,000)
<u>Runnymede Business Partnership</u>	31,225	Sponsorship (in kind) from various sources towards this initiative.
<u>Recycling Initiatives</u>	23,000	DEFRA Contribution to new Recycling Service
<u>Safer Runnymede Partnership Development Fund</u>	9,187	Home Office funding (see footnote).
Communities Against Drugs	93,018	Home Office funding (see footnote).
Crime and Disorder	26,734	Tripartite funding from Surrey CC and Surrey Police Sponsorship.
Junior Citizen Initiative	1,333	Surrey Police funding.
Monitoring Centre costs	20,000	
<u>Chertsey Museum</u>	34,829	Olive Matthews Trust contributions.
<u>Play and Youth Activities</u>	5,570	Procter and Gamble sponsorship
<u>Home Improvement Service</u>	28,900	Government Grant
<u>Community Services</u>		
Dial-a Ride Scheme	24,833	Surrey CC Transport Unit contribution.
	26,000	Surrey CC Social Services contribution.
	28,845	Joint Finance.
	6,000	St Peters Hospital
Total	548,520	

The Home Office contributions for the Safer Runnymede schemes formally come to the tripartite partnership (Runnymede, Surrey County Council, and Surrey Police), for which Runnymede acts as the lead partner.

8.4 Grants and contributions are of course welcome in that they ease the burden on the Council and ultimately the local taxpayer on paying for services. However, there are some policy

issues about the dependency on this sort of income that need to be recognised. The Council may be influenced towards providing services because of the availability of grant income rather than explicit local need or policy direction. Furthermore, grant income can be insecure and providers may taper out grants (either deliberately or through less than inflation increases) or stop providing grant support altogether. This leaves the Council with the ultimate service and financial risks. These important risks need to be carefully considered given the financial challenges the Council faces over the following years.

- 8.5 A great deal of Officer time can also be spent on generating third party funding. Government funding often involves making bids in competition (known as "challenge funding") with other public sector organisations. Unsuccessful bids can be especially frustrating given the resources used in compiling applications. Successful applications can also mean accepting time consuming and onerous audit and reporting regimes.

Capital Financing – Use of Capital Receipts

- 8.6 The second determination relates to the use of capital receipts to finance capital expenditure. Annexes '5 and '6' list the 2002/03 capital schemes and the necessary use of capital receipts in detail. The total for General Fund schemes is £8,930,199 comprising £8,613,257 of mainstream funding from capital receipts and £316,942 that was to be financed from specific revenue reserves.

9 Direct Service Organisation Accounts

- 9.1 The Council maintains separate Direct Service Organisation (DSO) trading accounts as a management discipline and accounting control tool. The accounts for 2002/03 have been maintained on a similar basis to previous years.
- 9.2 In the 2002/03 financial year the Depot based DSO took action to manage the significant operational and staffing changes consequent on the dissolution of the Highways DSO in March 2002. However, the DSO continues to operate the Winter Maintenance schedule on behalf of Surrey County Council.
- 9.3 The DSO has suffered from severe cost pressures over a number of years. Increases in local labour rates and other costs have often been greater than allowed for in the original tender prices bid by the DSO. The Council has previously recognised these in approving extra sums for fuel costs and wages for the Refuse Collection DSO. However, the DSO accounts have otherwise had to bear the brunt of these cost pressures.
- 9.4 The statement below summarises the performance of the Council's Direct Service Organisation trading accounts in 2002/03.

2001/02 Surplus (Deficit)	Activity	2002/03		
		Income	Expenditure	Surplus (Deficit)
£		£	£	£
13,280	Highways and Street Lighting	282,856	272,143	10,713
(16,350)	Street Cleansing and Gullies	467,476	480,438	(12,962)
(24,001)	Refuse Collection	1,040,053	1,074,746	(34,693)
20,503	Car Parks	96,300	84,692	11,608
(6,568)	Total - Depot Based DSO's	1,886,685	1,912,019	(25,334)
	Other DSO's			
22,402	Egham Sports Centre	942,575	959,051	(16,476)
14,478	Totals for the year	2,829,260	2,871,070	(41,810)

- 9.5 DSO expenditure includes relevant capital charges for the use of assets (charged at 6% in 2002/03) and, in the case of the Egham Sports Centre, the 'contractual' payment to the Client side account of £232,400.
- 9.6 The following statement shows the movement in general DSO Reserves:

2001/02		2002/03
£		£
325,131	At the beginning of the year	194,025
678	Surplus / (Deficit) for the year	(41,810)

(63,969)	Transfer to General Fund of Revenue Services Surplus	0
(22,198)	Additional transfer to Sports Centre Equipment Reserve	0
(45,617)	Utilised to purchase vehicles and equipment	0
194,025	At the end of the year	152,215

9.7 These balances represent accumulated surpluses on the Egham Sports Centre trading account of £66,355, and on the Depot based DSO's of £85,860.

10. General Fund Reserves

10.1 The Committee received a report on the disposition of the Council's revenue reserves with the budget report for 2003/04. The table below shows the actual movements in revenue reserves in 2002/03:

	Balance 1 April 2002	Increase (Decrease) 2002/03	Additional Transfers 2002/03	Balance 31 March 2003
	£000s	£000s	£000s	£000s
General Fund Contingency	3,170	0	317	3,487
General Fund Working Balance	5,635	(1,192)	0	4,443
IT Renewals Reserve	1,062	100	(188)	974
Direct Service Organisations	194	(42)	0	152
Egham Sports Centre Equipment Reserve	49	0	0	49
Car Park Machines Replacement Reserve	64	12	0	76
Community Transport Reserve	37	(5)	0	32
Safer Runnymede Reserve	50	129	(129)	50
Museum Purchases Fund	19	0	0	19
Maintenance of Graves	2	0	0	2
Total General Fund Revenue Reserves	10,282	(998)	0	9,284

10.2 The forecast reserves and balances statement presented to the Council in February (with the Budget for 2003/04) estimated that revenue balances would be £8.240m at 31 March 2003. The increased level of balances is primarily the result of the General Fund planned under-spends, increased income, and cost savings explained earlier in this report. The additional flexibility that this increase affords the Council is very welcome given the challenges to be faced over the next few years.

10.3 The Council currently has substantial revenue balances. However, the approved General Fund budget for 2003/04 alone estimates the use of £2.497m of these balances to support service spending and the current low level of Council Tax. The Council's medium term financial strategy forecasts that revenue reserves available to finance service spending and taxation plans will have reduced to the minimum level approved by Council by 2006. It should also be noted that this forecast is based on additional savings on £1m a year being identified for implementation from 2004/05 and a stepped increase in Council Tax in each year.

11. Conclusion

11.1 The 2002/03 accounts disclose a number of favourable trends and show that Budget Managers have accommodated Council Policy within financial provisions made.

11.2 The Council has a proud record in maintaining strict financial control whilst developing and improving services. The approved financial forecast recognises that there are a number of important challenges that the Council faces in continuing this success. This includes the difficult task of identifying service based financial savings and, at the same time, justifying stepped increases in the level of local taxation to the community. The financial forecast will be formally considered later this year and will reflect the progress made and further developments necessary to implement the Council's financial and operational strategy over the coming years.

- 11.3 The financial performance of the Council in 2002/03 provides a firm foundation for considering these matters.

OFFICERS' RECOMMENDATION that -

- i) determinations required under Part IV of the Local Government and Housing Act 1989 be made in the sums set out below:**
 - a) under Section 42 (2) (g) the expenditure for capital purposes which is to be reimbursed, or met out of money provided by any other person which is to be capitalised is £672,629;**
 - b) under Section 60 (2), the use of usable capital receipts which are to be applied to meet expenditure incurred for capital purposes are £1,372,997 on housing account and £8,930,199 on General Fund Account;**
- ii) the capital expenditure in 2002/03 that was to be met from revenue reserves (as set out in paragraph 5.4 of the report) now be financed from capital receipts in hand; and**
- iii) the disposition of the General Fund reserves be approved.**

(TO RECOMMEND)

Background Papers

None stated

GENERAL FUND SUMMARY REVENUE ACCOUNT

COUNCIL BUDGET FOR THE YEAR ENDING 31st MARCH 2003

	<u>2002/03</u> Estimate £	<u>2002/03</u> Probable £	<u>2002/03</u> Actual £
<u>EXPENDITURE ON SERVICES</u>			
Housing Services	1,248,300	1,356,200	1,287,656
Community Services	1,949,700	1,991,600	1,991,526
Leisure Services	2,481,300	2,513,200	2,627,036
Environmental Services	3,007,800	2,926,500	2,737,427
Planning Services	1,152,400	1,232,600	1,214,101
Highways Services	1,004,200	801,100	745,318
Economic Development	822,700	584,200	625,579
Corporate & Business Services	3,512,300	3,316,200	2,879,085
NET EXPENDITURE ON SERVICES	15,178,700	14,721,600	14,107,728
Transitional Transfer from the HRA	(437,300)	(437,300)	(437,316)
Asset Management Revenue Account - Reversal of Capital Charges	(3,878,600)	(3,807,700)	(4,261,000)
Transfer to Reserves:			
- Information Technology Replacement Reserve	100,000	100,000	100,000
- CCTV Equipment Replacement Reserve	129,000	129,000	129,000
Investment Income	(1,450,000)	(1,450,000)	(1,465,053)
NET GENERAL FUND EXPENDITURE	9,641,800	9,255,600	8,173,359
Use of Working Balance	(2,660,400)	(2,274,200)	(1,191,900)
BUDGET REQUIREMENT	6,981,400	6,981,400	6,981,460
External Support	(4,765,700)	(4,765,700)	(4,765,710)
NET DEMAND	2,215,700	2,215,700	2,215,750

COUNCIL TAX CALCULATION & STANDARD SPENDING ASSESSMENT

Council Tax Base (note 1)	32,394	32,394	32,394
Basic Amount of Council Tax (note 2)	£68.40	£68.40	£68.40
Notes			
1. This represents the number of properties adjusted for discounts, exemptions and bandings.			
2. Calculated by dividing the Net Demand by the Council Tax base.			

Standard Spending Assessment	£7,490,977	£7,490,977	£7,490,977
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HOUSING REVENUE ACCOUNT

ACTUALS FOR THE YEAR ENDING 31st MARCH 2003

	<u>2002/03</u> Estimate £	<u>2002/03</u> Probable £	<u>2002/03</u> Actual £
Expenditure			
General Management	868,400	946,800	886,158
Special Services Management	811,100	823,400	721,145
H.R.A. Leased Properties	4,300	3,700	5,027
Homelessness Reception Centres	52,400	55,500	51,402
Mobile Home Site (Net)	(9,000)	39,900	11,168
Sale of Council Houses Administration	43,300	43,700	43,184
Mortgage Administration	8,300	8,300	7,918
Rent Rebates	5,231,000	5,163,000	5,158,048
Housing Repairs	4,276,400	4,326,000	3,957,079
Provision for Uncollectable Rents	15,000	15,000	23,051
Contribution to Corporate expenses	170,500	135,200	135,200
Transitional Transfer to the General Fund	437,000	437,300	437,316
Total Expenditure	11,908,700	11,997,800	11,436,696
Income			
Net Rent Debit	11,269,500	11,300,600	11,371,531
Other Rents and Income	342,700	363,100	392,068
Interest on Mortgages	19,000	15,500	15,954
Interest on Balances	32,000	50,000	82,242
Housing Revenue Account Subsidy	253,000	300,000	372,985
Total Income	11,916,200	12,029,200	12,234,780
Surplus (Deficit) in the Year	7,500	31,400	798,084

HOUSING REVENUE ACCOUNT WORKING BALANCE

	<u>2002/03</u> Estimate £	<u>2002/03</u> Probable £	<u>2002/03</u> Actual £
Balance Brought Forward	665,156	1,233,438	1,233,438
Add Surplus (less deficit) in the year	7,500	31,400	798,084
Balance Carried Forward	672,656	1,264,838	2,031,522

NOTES

Planned underspends totalling £199,700 carried forward to 2003/04.

CAPITAL FINANCING SUMMARY 2002/2003

GENERAL FUND

	2002/2003 Capital Budget £	Gross Capital Expenditure £	HOUSING CORPORATIONS £	FINANCED FROM	IT RENEWALS RESERVE £	
				GRANTS & CONTRIB'N £	CCTV REPLACE RESERVE £	
				CAPITAL RECEIPTS £		
<u>COMMUNITY SERVICES</u>						
<u>COMMUNITY SERVICES</u>						
DIAL-A-RIDE VEHICLE PURCHASE	63,000	62,981.00		62,981.00		
DAY CENTRE VEHICLE REPLACEMENT	40,000					
<u>CAPITAL GRANT AID</u>						
CAPITAL GRANT AID	50,000	17,613.09		17,613.09		
SCOUTS etc	3,000	2,875.00		2,875.00		
Sub Total	156,000	83,469.09		20,488.09		
<u>ENVIRONMENTAL SERVICES</u>						
<u>ENVIRONMENTAL SERVICES</u>						
WASTE RECYCLING PLAN	10,000	7,675.00		7,675.00		
PURCHASE OF DOG BINS	14,000					
POOLEY GREEN PUBLIC CONVENIENCE	7,000	4,193.44		4,193.44		
KERBSIDE RECYCLING INITIATIVE	289,600	242,464.85		22,464.85		
<u>SAFER RUNNYMEDE</u>						
EXTENSION OF SCHEME	78,100	74,794.80		74,794.80		
REPLACEMENT SCHEDULE	129,000	128,573.56			128,573.56	
EXTENSION - HOMEWOOD PK		3,529.30		3,529.30		
SPEED REDUCTION INITIATIVE	15,000	14,931.50		14,931.50		
Sub Total	542,700	476,162.45		234,931.50	128,573.56	128,573.56

CAPITAL FINANCING SUMMARY 2002/2003

GENERAL FUND

	2002/2003 Capital Budget £	Gross Capital Expenditure £	HOUSING CORPORATIONS £	GRANTS & CONTRIB'N £	FINANCED FROM CAPITAL RECEIPTS £	CCTV REPLACE RESERVE £	IT RENEWALS RESERVE £
LEISURE SERVICES							
LEISURE SERVICES							
SPORTS CENTRES							
EGHAM SC IMPROVEMENTS	8,000	7,973.09			7,973.09		
EGHAM SC REPAIRS & IMPROVEMENTS	71,500	15,339.53			15,339.53		
PARKS & OPEN SPACES							
GOGMORE FARM FOOTBRIDGE		2,402.78			2,402.78		
AVIATOR PARK	235,000	3,646.53			3,646.53		
GOGMORE FARM LIGHTING SCHEME	33,000	7,064.86			7,064.86		
HEATHERVALE SKATING FACILITY	58,500	38,775.00		36,098.00	2,677.00		
INCURSION PROTECTION MEASURES	66,500						
OTHER SCHEMES							
HYTHE SOCIAL CENTRE REPROV'N	1,131,800	1,079,800.24		475.00	1,079,325.24		
CHERTSEY MUSEUM	63,200	48,911.34			48,911.34		
CHERTSEY ALLOTMENT PROJECT	70,300	32,860.33			32,860.33		
Sub Total	1,737,800	1,236,773.70		36,573.00	1,200,200.70		
ECONOMIC DEVELOPMENT							
OFFICES AND DEPOTS							
CO - CYCLICAL REPAIRS & IMPROVEMENTS	100,000	30,410.43			30,410.43		
CO - STATUTORY IMPROVEMENTS	52,200						
CO - FUTURE PROVISION	23,500	17,920.21			17,920.21		
CHERTSEY DEPOT IMPROVEMENTS	97,600	49,953.22			49,953.22		
TOWN CENTRE SCHEMES							
ADDLESTONE COMMUNITY ASSOCIATION	250,000						
53 GUILDFORD STREET	20,000						
7 HIGH STREET, EGHAM	453,000	460,980.04			460,980.04		
147/149 STATION RD, ADDLESTONE	386,300						
ACTION ADDLESTONE (Capital)	300,000	146,223.13			146,223.13		
REDEVELOPMENT	102,200	14.25			14.25		
GUILDFORD ST, CHERTSEY IMPROVEMENTS	653,200	580,145.41			580,145.41		
Sub Total	2,438,000	1,285,646.69			1,285,646.69		

CAPITAL FINANCING SUMMARY 2002/2003

GENERAL FUND

	2002/2003 Capital Budget £	Gross Capital Expenditure £		FINANCED FROM			
			HOUSING CORPORATIONS £	GRANTS & CONTRIBN £	CAPITAL RECEIPTS £	CCTV REPLACE RESERVE £	IT RENEWALS RESERVE £
<u>CORPORATE AND BUSINESS SERVICES</u>							
<u>COMPUTER SERVICES</u>							
DCCS REPLACEMENT	33,100	18,050.00			18,050.00		
DIP/WORK FLOW SYSTEM	35,000	29,700.00			29,700.00		
CASH RECEIPTING SYSTEM		3,806.80			3,806.80		
COMMUNITY ALARM SYSTEM	3,600	3,200.00			3,200.00		
COUNCILLOR COMPUTER SYSTEMS	33,200	29,444.37			29,444.37		
ELECTIONS SYSTEM	2,300						
i-WORLD UPGRADE	133,000	112,319.58		107,100.00			
GIS / LAND CHARGES UPGRADE	80,000	57,650.00		12,925.00			
SYSTEMS RESILIENCE & SECURITY	51,500	50,373.25		35,000.00			
CASH OFFICE VOICE RECOGNITION SYSTEM	7,500	5,575.00		5,575.00			
HALLS / CIVIC OFFICES BOOKING SYSTEM	13,700	12,600.00			12,600.00		
FINANCIAL INFORMATION SYSTEM	126,700	92,387.39			92,387.39		
BENEFITS SYSTEM STABILISATION	5,000	4,746.74			4,746.74		
HARDWARE REPLACEMENT SCHEDULE	226,200	227,768.87		39,400.00			188,368.87
Sub Total	750,800	647,622.00		200,000.00	259,253.13		188,368.87
<u>OTHER ITEMS</u>							
GRITTER / SAND BAG FILLER	15,000	6,010.94			6,010.94		
GRAFFITI TEAM VEHICLE	15,000	12,280.70		12,280.70			
PENSIONS BACKFUNDING	5,729,000	5,729,000.00			5,729,000.00		
Sub Total	5,759,000	5,747,291.64		12,280.70	5,735,010.94		
TOTAL GENERAL FUND CAPITAL EXPENDITURE	11,384,300	9,476,965.57		546,766.20	8,613,256.94	128,573.56	188,368.87

PROGRESS REPORT ON ENFORCEMENT OF PLANNING CONTROL

SITE (AND COMMITTEE AUTHORISATION DATE)	CONTRAVENTION	ACTION TAKEN	CURRENT POSITION
<p>Wickham Lane, Egham and the M25 Motorway - Land lying between (i) (20.11.84) (Sub-Committee) (ii) (11.9.85)</p>	<p>(i) Buildings; and (ii) Residential Caravan Site</p>	<p>(i) Enforcement Notice issued. (ii) Enforcement Notice issued.</p>	<p>Enforcement Notices effective. Injunction proceedings authorised. Discussions ongoing with owner's agent. Detailed site visit undertaken. Planning Application submitted and under consideration.</p>
<p>The Annex (Lucia Angelis) Thorpe Lea Road Egham (31.7.92)</p>	<p>Change of use of a building to a 3 bed dwelling</p>	<p>Enforcement Notices issued.</p>	<p>Enforcement Notices effective. Injunction action reaffirmed 30.5.01. Injunction application issued and served. Application for stay of proceedings granted. Planning application refused at 6 March meeting. New planning application refused on 17 October 2002. Appeal dismissed. Injunction application set down for hearing between 1 October and 30 November 2003. Trial date 27.10.03</p>
<p>The Conifers 111A, Alimners Road Lyne (20.11.92) (8.1.93)</p>	<p>Residential Caravan Site hardstanding and roadway Walls and tarmacadam of site</p>	<p>(i) Enforcement and Stop Notices issued. (ii) Enforcement Notice issued.</p>	<p>Enforcement Notices effective. Final Injunction obtained: 16.6.95. Subsequent appeal to European Court. Judgement of European Court received and found in favour of RBC and UK position. Report to Committee regarding committal proceedings following determination of fresh application and consideration of occupiers circumstances in addition to changed circumstances on site. Reassessment of personal circumstances to be made.</p>

SITE (AND COMMITTEE AUTHORISATION DATE)	CONTRAVENTION	ACTION TAKEN	CURRENT POSITION
The Paddocks Lyne Lane Lyne (11.6.93)	Mobile home, residential caravan, erection of barn, siting of portacabin, laying of hoggin to provide hardstanding	Enforcement Notices issued.	Enforcement Notices effective. Subsequent planning appeal dismissed. Injunction proceedings authorised. Application issued and served. Full Hearing 7/8 May 2003. Application adjourned for 6 months pending offer of alternative housing accommodation for the 4 family units.
Padd Farm Hurst Lane Egham (10.5.99)	Various changes of use of land and buildings and operational development	Six Enforcement Notices issued.	<p>Notice A - Appeal allowed and Notice quashed and permission granted.</p> <p>Notice C - Appeal dismissed Notice upheld, complied.</p> <p>Notice D - Appeal dismissed and Notice upheld, complied.</p> <p>Notice E - Appeal dismissed and Notice upheld. High Court challenge lodged by appellant. Notice upheld.</p> <p>Compliance period expired 4.8.01.</p> <p>Notice F - Appeal dismissed and Notice upheld, complied.</p>
(20.2.02)			<p>Authority given on 20.2.02 to initiate further enforcement and legal proceedings and to investigate compulsory acquisition of part of Padd Farm. Site visit to be made on 3 July to resurvey site and others in Hurst Lane.</p>
23 Ayebridges Avenue Egham (6.10.99)	Erection of a brick built detached 'games room'	Enforcement Notice issued.	<p>Appeal lodged. Revised application refused 26.7.00. Appeal withdrawn. Public Inquiry scheduled for 9-11 January 2001 cancelled. Notice effective.</p> <p>Approval authorised on 9.5.01. One year to implement permission from 9.5.01. Complied.</p>
Greenacres, Hardwick Lane Chertsey (6.3.00)	Siting of mobile homes and touring caravans in residential use	Enforcement Notices issued.	<p>Appeal dismissed/allowed in part. Compliance period expired 15.11.01. Application refused in October 2002 and injunction proceedings authorised. Occupier circumstances being assessed prior to proceedings. Planning application for dwelling submitted. Personal circumstances to be reassessed.</p>

SITE (AND COMMITTEE AUTHORISATION DATE)	CONTRAVENTION	ACTION TAKEN	CURRENT POSITION
Willow Farm, Chobham Road Ottershaw (31.5.00)	Non-compliance with conditions of planning permissions - landscaping	Breach of Condition Notice issued.	Notice effective - compliance period expired 20.1.01. Partially complied. Owner informed that no more materials should be imported and that materials on site needed to be redistributed. Prosecution being considered. Report to be brought to Planning Committee. Part of bunding removed. Site being monitored. See later entries. Interim injunction obtained 29 April 2003.
Wey Farm Guildford Road Ottershaw (20.6.01)	Non-compliance with planning condition, namely failure to remove caravan	Breach of Condition Notice issued.	Notice effective - compliance period expired 20.9.02. Compliance being checked. Appointment requested, reply awaited.
Double S Stonehill Road, Ottershaw (5.9.01)	Caravans	Enforcement Notice issued.	Notice effective - compliance period expired 22.2.02. Prosecution pending - Instructions being prepared. Planning Contravention Notice issued. Investigation of potential planning gain.
Rodwell Farm Nursing Home Rowtown, Addlestone (19.9.01)	Seven portable buildings and a timber shed	Enforcement Notices issued.	Appeals withdrawn and Notices effective and compliance period expired. Application approved at Planning Committee on 5.6.02. Complied.
Broomfield Chertsey Meads Chertsey (19.9.01)	Erection of a building	Enforcement Notice issued.	Appeals withdrawn. Notice effective. Complied.
Edenvale Dockett Eddy Chertsey (7.11.01)	Siting of two caravans and pergola	Enforcement Notices issued.	Appeals dismissed and costs awarded to the Council. Notice re caravans upheld subject to extension of compliance period from 3 to 6 months expiring 27.2.03. Prosecution pending. Notice re pergola upheld. Compliance period expired 27.9.02. High Court challenge dismissed recently.

SITE (AND COMMITTEE AUTHORISATION DATE)	CONTRAVENTION	ACTION TAKEN	CURRENT POSITION
The Annexe Hatch Farm Chertsey Road, Addlestone (19.12.01)	Erection of brick wall	Enforcement Notice issued.	Appeal dismissed - Notice upheld. Compliance period expired 8.11.02. Prosecution or direct action under consideration.
Old Telephone Exchange Longcross Road Chertsey (9.1.02)	Portacabin	Enforcement Notice issued.	Appeal dismissed - Notice upheld, as corrected, and compliance period extended from 3 to 12 months, expiring 19.8.03 Portakabin removed. New shed on site.
54 Way Meadows Weybridge (6.3.02)	Mobile Home	Enforcement Notice issued.	Appeal dismissed - Notice upheld subject to extension of compliance period to 5 months expired 6.4.03. Site visit to be made.
Trumps Farm, Kitsmead Lane, Longcross (17.4.02)	Hardstanding	Enforcement Notice issued.	Appeal dismissed and Notice upheld with variations. Compliance period expires 29.7.03.
85 Woodham Park Road, Woodham (8.5.02)	Erection of single storey office and storage building	Enforcement Notice issued.	Appeal dismissed, Notice upheld subject to revised compliance period expiring 18.8.03.
Crockford Bridge Farm, New Haw Road, Addlestone (8.5.02)	Non-compliance with conditions and erection of timber framed irrigation system	Enforcement Notice issued in respect of pergola.	Appeal lodged. Discussions ongoing regarding breaches of conditions. Appeal dismissed, Notice upheld subject to revised compliance period expiring 15.6.03. Breach not remedied, but indication of compliance by October. Prosecution being considered.

SITE (AND COMMITTEE AUTHORISATION DATE)	CONTRAVENTION	ACTION TAKEN	CURRENT POSITION
20 Sayes Court Addlestone (5.6.02)	Conservatory	Enforcement Notice issued.	Appeal dismissed, Notice upheld subject to variations. Compliance period expires 7.5.03. Planning permission granted on appeal. Withdrawal of Notice under consideration.
Walnut Tree Farm, Almners Road, Lyne (31.7.02)	Storage, stationing and residential occupation of mobile homes and touring caravans and erection of a brick toilet and shower block.	Enforcement Notice issued.	Appeal lodged – Public Inquiry to be held on 29.7.03
21 - 23 The Causeway, Staines (31.7.02)	Non-compliance with conditions 3, 4 and 12 of RU02/0293.	Breach of Condition Notice issued.	Notice effective - compliance period expired 18 October 2002. Notice partially complied with. Appeal dismissed. Prosecution pending.
Hardwick Park, Hardwick Lane, Chertsey (4.9.02)	Unauthorised barn building	Enforcement Notices issued	Appeal dismissed, Notice upheld subject to revised compliance period expiring 20.11.03.
9 Howards Lane, Addlestone (4.9.02)	Erection of a summer room.	Enforcement Notices issued.	Appeal allowed, Notice quashed and permission granted.
11 Wilson Drive, Ottershaw (4.9.02)	Change of use from woodland to residential garden.	Enforcement Notices issued.	Appeal dismissed and Notice upheld subject to minor variation. Compliance period expires 15.8.03.
1 & 3 South Grove Chertsey (6.11.02)	Coach hire business and parking of vehicles in vicinity of site.	Enforcement Notice issued.	Appeal lodged – Informal hearing to be held 5.8.03

SITE (AND COMMITTEE AUTHORISATION DATE)	CONTRAVENTION	ACTION TAKEN	CURRENT POSITION
'Pleasant View' 89 Woodham Park Road, Woodham (20.11.02)	Use of property as an operating centre.	Enforcement Notice issued.	Appeal lodged – Public Inquiry to be held 12.8.03. Certification of lawfulness application submitted. Further enforcement report anticipated.
Clarence House Stuart Way Virginia Water (18.12.02)	Dwelling house not built in accordance with planning consent RU99/1280.	Enforcement Notices issued.	Notices withdrawn.
Amberwood and Lone Pine Christchurch Road Virginia Water (8.1.03)	Erection of fence.	Enforcement Notices issued.	Appeal lodged – written representations. Inspector's site visit has taken place, decision awaited.
Shepley House Shepley Drive Virginia Water (8.1.03)	Unauthorised balcony and pergola, porch wall and gazebo.	Enforcement Notices issued.	Enforcement Notices withdrawn.
Capital House Woodham Park Road Woodham (12.3.03 - SO42)	Erection of a single storey steel portal framed building.	Enforcement Notices issued.	Appeal lodged. Public Inquiry 14 October 2003.
Willow Farm Chobham Road Ottershaw (21.3.03 - SO42)	Laying of hardcore to form hardstanding.	Enforcement and Stop Notices issued.	Stop Notice took effect 28.3.03. Appeal lodged - Informal Hearing to be arranged. Interim injunction obtained 29 April 2003.

28

SITE (AND COMMITTEE AUTHORISATION DATE)	CONTRAVENTION	ACTION TAKEN	CURRENT POSITION
130 Warwick Avenue Egham (2.4.03)	Erection of wall.	Enforcement Notice issued.	Unless appeal lodged, Notice will take effect on 1.7.03.
Willow Farm Chobham Road Ottershaw (16.4.03)	Storage of caravans.	Enforcement Notice issued.	Appeal lodged - Informal Hearing to be arranged. Interim injunction obtained 29 April 2003.
South Lodge Chobham Road Ottershaw (16.4.03 - SO42)	Storage of caravans, trailers and mobile homes	Enforcement Notice issued.	Notice took effect 4.6.03. Interim injunction obtained 29 April 2003. Compliance period expires 4.9.03.
Walnut Tree Farm Almners Road Lyne (17.4.03 - SO42)	Laying of hardcore	Enforcement and Stop Notices served.	Stop notice takes effect 28.4.03. Appeal lodged - Public Inquiry - October 2003.

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