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Summary

From the Leader

The past few years have not been easy for anyone involved in local government. Central government austerity measures have resulted in significant funding cuts for public services. At Surrey County Council we have had to find £260 million worth of efficiencies over the past four years. During 2014/15 will be required to find yet another £65m.

Despite our difficult position - this Council is performing strongly. We are working as “one team” with our partners. We are ensuring that Surrey residents receive high quality and value for money services. We are listening and working with residents. We are making a positive difference to people’s lives - day after day, week after week.

There is no complacency. Our job gets tougher as demand for our services increases whilst resources from government continue to decrease. And we are reaching a critical moment where it is becoming harder and harder to guarantee we can continue to meet the demands for our services.

In Surrey our job is made more all the most difficult because of the demographic pressures we face:

- We have some of the most heavily used roads in the country
- We have a birth rate which has risen by 20% in the past decade
- And we have an ageing population where our population of over 85s is set to double in the next 20 years.

And on top of all of this, we continue to receive the lowest funding of any County Council in the country! When you consider this alongside our demographic pressures it really is unacceptable – and indeed it will be simply unsustainable going forward. That’s why I will continue to lobby government, particularly our 11 Surrey MPs, for a fairer funding settlement for Surrey. **If we are to continue to deliver the services that residents value the most we need to be funded accordingly.**

Tomorrow’s public services will need to be leaner, smarter and less constrained by organisational boundaries. That’s why, ever since I became Leader , I’ve been advocating the One Team approach, whereby services and organisations work together for the benefit of Surrey residents.

And we have proved that we can do it. Perhaps our greatest example of One Team working was the recent response to the flooding in Surrey, when a host of partners pulled together to support residents through some of the worst weather this county has ever faced. If we are to tackle the significant challenges that lie ahead, we need to continue to build on these relationships and pull together as One Team for the benefit of Surrey residents.

David Hodge

Leader of the Council

31 July 2014

Approach to deliver services

Our next challenge

The challenge facing us is simple. We cannot afford to deliver the services demanded of us in the way we deliver them today. This problem will only get worse.

There are growing demands for our existing services and that growth is speeding up. There are new responsibilities that we have to meet. At the same time our resources in real terms will reduce. If we don't find an answer the future looks very bleak for us and those residents who need us most. We will also be unable to play our part in working with others to secure strong economic growth in Surrey.

Time for leadership: time for change

Now that we have re-established Surrey as a high performing council the time is right to set out how we will continue to improve services for residents with the resources we will have in future.

During the next few years many councils will respond to the challenges they face by reducing their capacity and capability. We won't. We will conserve and where we can build on our strengths. We are a large organisation. That is a major strength if we work together effectively. We will continue to focus on building our one team culture for Surrey.

Our purpose – To ensure that Surrey residents remain healthy, safe and confident about their future

Our vision for 2019 - To be delivering great value for Surrey residents

What we will focus on - This vision is ambitious. To achieve it there are six things we have to focus on and get right. These explain how we will transform the way we work with residents, businesses, partners and staff to tackle the issues facing Surrey and how we will navigate our way through the most difficult financial environment local government has faced for the last 80 years.

Residents - Individuals, families and communities will have more influence, control and responsibility

Individuals, families and communities across Surrey have different needs and aspirations. To meet these it is crucial we develop new approaches that increase their control over how services are designed and delivered. This move to greater localism will develop in different ways. We will stimulate changes by engaging with and listening to residents, moving some decision-making powers and funding to local levels, and being transparent about what we do and how much it costs. We will work with adults and children who need support to shape the sort of services they receive so they can lead more independent and fulfilled lives. In everything we do we will treat all residents fairly and with respect.

Value - We will create public value by improving outcomes for residents

In the way that a company seeks to maximise shareholder value, we will focus on generating increased value for residents. We have to reduce our spending by more than £200m over five years to 2019. This is a huge challenge. We will focus relentlessly on reducing our costs. We will deliver the things that are important for Surrey residents, maintain a rigorous focus on value for money, and find innovative solutions that can achieve more for less. This will include looking at different ways of delivering services such as joining up with partners and establishing arrangements to trade services.

Partnerships - We will work with our partners in the interests of Surrey

Putting residents' interests first means setting aside organisational boundaries and traditional roles. We will work with whoever is best placed to help improve outcomes for Surrey residents. This could range from co-designing specific services with residents to formal arrangements with social enterprises or partners such as other councils, the private sector and the voluntary, community and faith sector. Only by remaining a strong organisation will we have the strength to support others in the voluntary, community and faith sector to make their contribution to Surrey's wellbeing. And we will be able to play our part in working with business partners to improve Surrey's competitiveness as the world economy recovers.

Quality - We will ensure high quality and encourage innovation

However services change and whoever delivers them, we will pride ourselves on ensuring high quality at all times. This means working relentlessly with residents, businesses, partners and staff to find improvements and develop fresh approaches. We will focus on prevention; anticipating and avoiding problems before they arise. We will respond quickly to the changing demands - and seize the opportunities - that new technology can bring.

People - We will develop and equip our officers and Members to provide excellent service

One of our key assets is the quality and commitment of the people who work for Surrey. We will invest in the people who work for Surrey. We will make sure that they have the right equipment training and development to support their work. This investment will improve our productivity and the quality of the work we do for residents. It will also support a one team culture where all officers and Members take responsibility for providing excellent service and work together in creative ways for the benefit of residents.

Stewardship - We will look after Surrey's resources responsibly

When striving to fulfil our most pressing duties it is critical we use resources responsibly and safeguard them for future generations. We will continue to maintain rigorous financial and risk management so we have a sound basis for achieving current priorities and investing for future needs. We will focus on conserving Surrey's environment and will reduce our dependency on carbon and other scarce resources.

Our values

Making these changes will not be easy and we will face some tough choices. To succeed we will need to live up to our values. These are at the heart of our goal to make a difference for Surrey residents.

Listen - We actively listen to others

Responsibility - We take responsibility in all that we do

Trust - We work to inspire trust and we trust in others

Respect - We treat people with respect and are committed to learning from others

What we do

Surrey County Council acts within legislative delegated powers and high level directives from central government departments. We spend public money in Surrey so that we can meet our local people’s needs and ensure that Council Tax and Business rate payers get value for money by being transparent and accountable.

Examples of the legislative powers and high level directives (statutory duties) include waste management, education, libraries, social services, transport and highways, strategic planning, consumer protection, and fire.

Social services include responsibilities such as assessing the needs of, and providing support to, children, older, disabled or vulnerable people in the community.

The changes and improvements that we will make over the next five years are all designed to achieve better outcomes for Surrey and its residents.

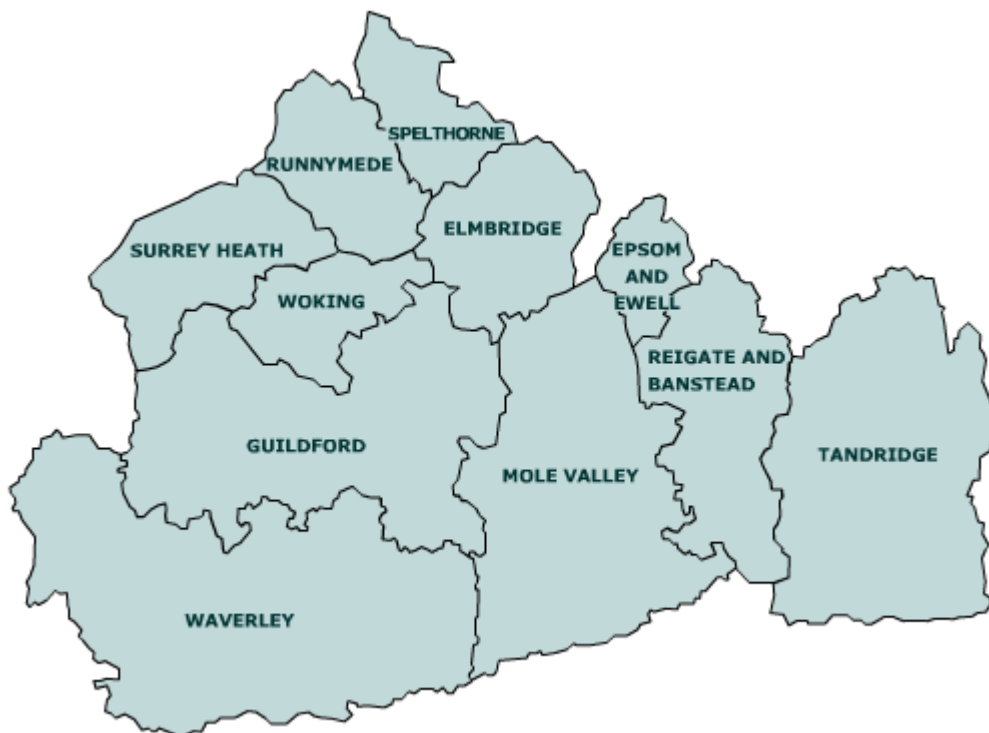


Where we do it

We are responsible for services and support people who:

- live in,
- work in,
- do business in and
- visit Surrey.

Sometimes that involves using facilities beyond our boundaries as a county, for example: care homes, fire stations and primary, secondary and special needs schools.

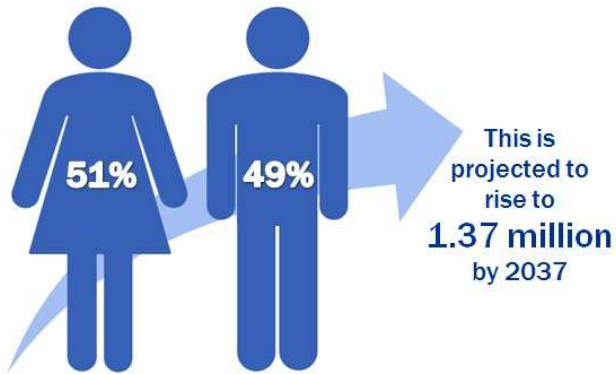


Presentation of information in pictures and graphics

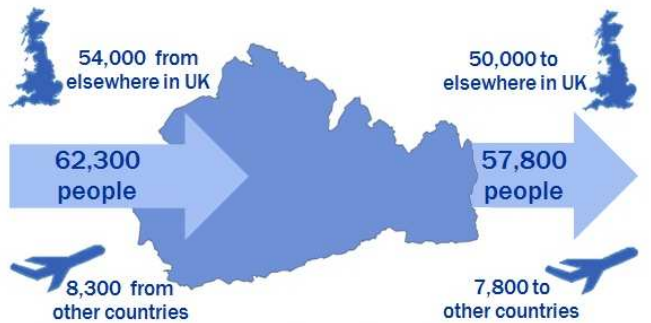
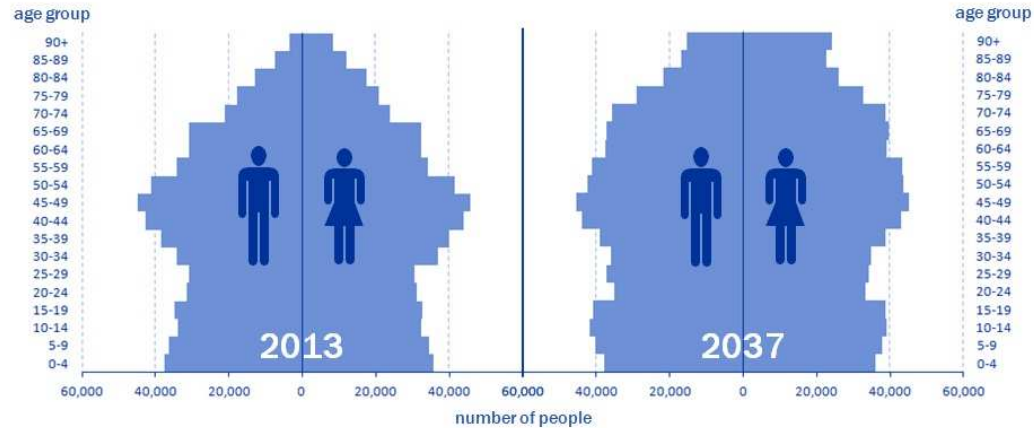
Over the next few pages Surrey information has been analysed and presented in pictures to explain complex information quickly and clearly. Our online resource, Surrey-i, compiles and publishes information about the council’s residents and communities. It gives public service professionals, partner organisations and the public improved access to essential data, including customer needs, demand and resource data. Information is now available in snapshots (eg on crime and health), which bring together information in a visual and user friendly way.

Some of these examples are snapshots on; How is the population of Surrey changing? (page 7), What opinions do our residents have about their neighbourhood and the council? (page 10) and, What does School provision look like in Surrey? (page 32).

How is the population of Surrey changing?

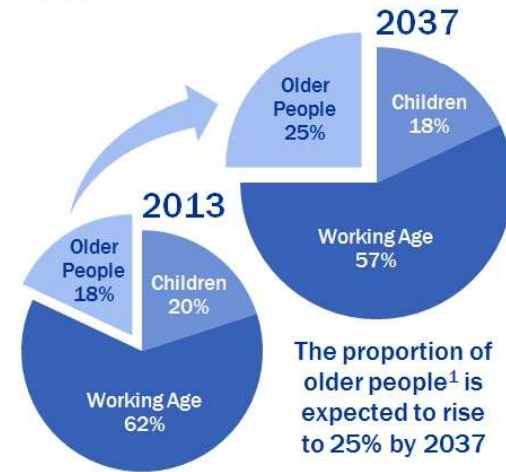
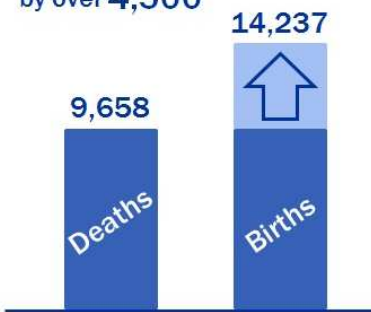


It is estimated that there were **1.15 million** people living in Surrey in 2013



More people move to Surrey than leave each year. In 2013 this increased the population by **4,500** people

More people are born than die each year in Surrey. In 2012 this raised the population by over **4,500**



You can find all of the data used in this Snapshot in the [How is the population of Surrey changing?](http://www.surreyi.gov.uk) data collection on www.surreyi.gov.uk

Sources: Office for National Statistics

• Annual mid year population estimates • 2012 based subnational population projections • Deaths registration summary tables 2012 • Birth summary tables 2012

¹ Age Groups: Children 0-15, Working Age 16-64, Older People 65+

Interview with the Leader of the Council and Chief Executive

Leader of the Council, David Hodge

After 22 years in the British Army, David entered politics in 1992 when he was elected to Tandridge District Council. In 2005 he became a Surrey County Councillor and was elected Deputy Leader in 2009 with responsibility for the finance portfolio. In that role he led the council's Public Value Review (PVR) programme. He was elected Leader of the Council in October 2011 and describes himself as "a passionate believer in working with public partners, businesses and the voluntary sector to deliver better and more efficient public services". In 2013, he was elected Chairman of the County Councils Network (CCN), representing 37 county councils across England.

David McNulty, Chief Executive Officer

David joined Surrey County Council in 2009 at a time when its performance was the subject of very critical judgments by external inspectors. Under his leadership the council embarked on a sustained improvement programme, resulting two years later in its achieving national recognition as a high performing organisation. David has a track-record in organisational improvement, having overseen a turnaround in performance at his two previous councils - Trafford Metropolitan Borough Council, where he was Chief Executive (2005-2009), and Walsall Metropolitan Borough Council, where he was Executive Director for Education and Lifelong Learning.

How has the council continued its strong performance despite the tough economic climate?

Leader: Since I became Leader in 2011, I have been an advocate of 'One Team' working – where public services work across organisational boundaries in order to deliver services to Surrey residents. Over the past year, we've seen some excellent examples which have enabled us to continue to perform strongly – such as our Supporting Families Programme, which has been commended by government ministers. Developing new ways of delivering services in partnership will simply become more important over the next few years, as government funding continues to reduce across the public sector.

Chief Executive: A combined focus on continual improvement and financial responsibility has enabled us to maintain strong performance through a tough economic climate. I am proud of the progress we have made and it is crucial that we continue to improve, which means being honest about the areas where we can still do better.

Delivering £62m of savings in 2013/14 and setting a refreshed Medium Term Financial Plan are significant achievements. But despite our progress on increasing productivity and public value, the reality is there is still much more to do. It is becoming increasingly challenging to deliver year-on-year savings, which is why the quality and strength of our planning process are crucial.

Are there any key memories of the year?

Leader: I know that many residents are still coming to terms with both the financial and emotional impacts of flooding. However, I am a firm believer that we should look for the opportunity in every challenge. And if there was one thing that the flooding highlighted to me, it was the power of partnership working. I was so proud of how the council joined together with partners such as the police, Environment Agency, district and borough councils, voluntary and community groups as well as the Military to support residents during this difficult time. It was a real example of 'One Team' working in action. I am keen to build on the relationships developed during this time and see where we can continue to work together and learn from each other for the benefit of Surrey residents.

Chief Executive: The flooding seen in many parts of the county had a significant impact on our communities. It was fantastic to see colleagues across the organisation working so hard with partner organisations to respond and help the communities affected get back to normal as quickly as possible. This was no easy task given the duration and scale of the damage, and we still have a long list of roads, bridges, embankments, and footpaths to assess and repair.

Looking ahead, what next? What's the strategy for the organisation for the next five years?

Leader: Our progress over the past few years indicates we have the right strategy in place. The challenge for the next five years will be accelerating the pace of change as our budget continues to reduce. It is quite sobering to think that over 60% of the planned spending reductions in the public sector are yet to be delivered.

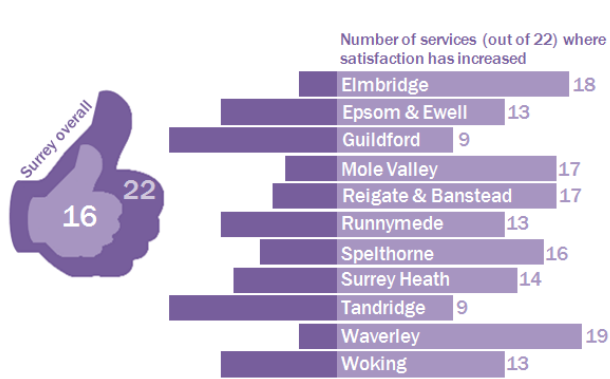
Chief Executive: Our strategy is based on: a constant focus on building strong relationships within and outside the council; taking a long-term strategic view; prioritising support to our most vulnerable residents; and finding innovative ways to work together with residents and colleagues in other organisations to design and deliver better services.

What is the main focus for the year ahead?

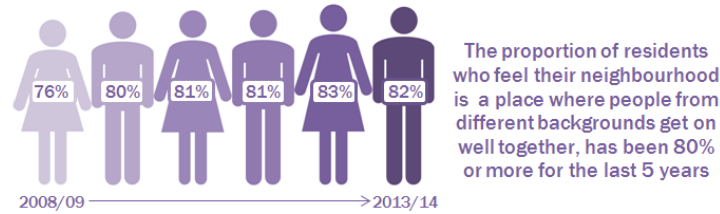
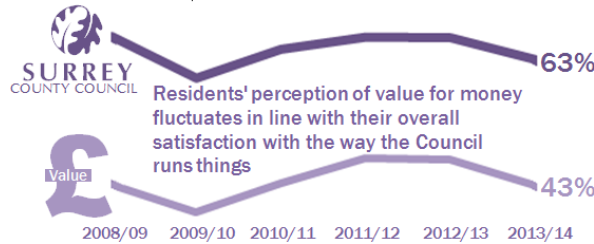
Leader: The challenge will be continuing to meet our statutory responsibilities while at the same time innovating and planning for the future. As Leader of the Council, I also remain focused on representing Surrey at a national level. Through my role as Chairman of the County Councils Network, I will continue to lobby the Government for greater freedoms and flexibilities for local authorities - which would enable us to deliver services more effectively and efficiently to our residents.

Chief Executive: In the short-term, we must make sure we continue to work as 'One Team', focusing our resources and skills on the most important tasks, while balancing the delivery of vital day-to-day services with the drive towards new models of public services. Strong leadership will be crucial. We have started to develop a more widely distributed leadership model, which will allow us to draw on the experience and skills of our senior officers more effectively. This means supplementing the current directorate- and service-centred arrangements with networks focused on cross-cutting goals. The portfolios of Cabinet Members have already been adapted to reflect this approach.

What opinions do residents have about their neighbourhood and the Council?



At county level, satisfaction has increased for 16 of 22 County Council services since 2008/09¹. But at district/borough level there is considerable variation in what residents think



The proportion of residents who feel their neighbourhood is a place where people from different backgrounds get on well together, has been 80% or more for the last 5 years

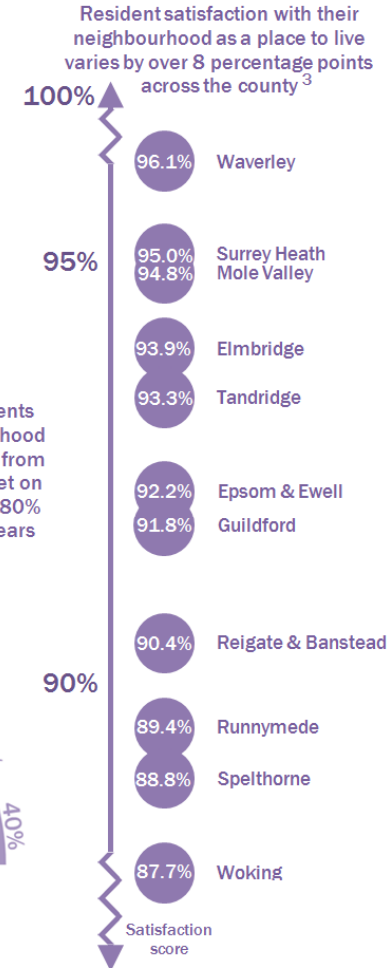


The percentage of residents who feel well informed about the services and benefits provided by the council remains fairly consistent over time, but there are noticeable spikes immediately after General and Local Elections

The proportion of people who feel they can influence decisions, is roughly the same as the proportion of people who feel they cannot³



Since 2003, the proportion of residents who feel they can influence decisions in their local area has doubled to be in line with national figures²



You can find all the data used in this Snapshot in the *What opinions do residents have about their neighbourhood and the Council?* Data Collection on www.surreyi.gov.uk
 All data used in this Snapshot is taken from the results of The Surrey Residents' Survey which is a telephone interview survey conducted throughout the year with randomly selected Surrey residents. It began in April 2008. In each 3 month period, 1,650 people are interviewed for the survey, 150 from each of the Surrey districts and boroughs. This means that each year, 6,600 people are interviewed across the whole county, 600 from each district and borough.
¹ Any increase is from comparing 2013/14 results to 2008/09 results. ² National figures are taken from the Citizenship Survey. This was discontinued after 2010/11. ³ 2013/14 Annual results.

Our performance, 2013-14

£260m savings achieved so far

The latest figures show Surrey County Council made savings for council taxpayers in 2013-14 of £62 million. That represents a rate of nearly £170,000 a day over the course of the year, and brings the total annual savings achieved by the council to almost £260 million since 2010.

Central to this success has been a “One Team” approach to work across professional boundaries and more effectively with partners to ensure taxpayers’ money stretches further. The council has been developing closer collaboration with other councils and agencies across a wide range of services for the benefit of residents.

Examples include:

- Public Service Transformation Network - Surrey was one of only nine places in England invited to join the Government’s ambitious programme of public service collaboration and integration, including the emergency services, district and borough councils, and health organisations in Surrey and Sussex, to improve services for residents;
- Joining forces with the South East 7 group of councils to improve services and cut costs;
- Developing the Surrey Future partnership with local businesses and the district and borough councils to stimulate economic growth.

Surrey has to find another £250m of savings in the next five years as it continues to face the challenge of falling funding and rising demand for services.

Striking better deals boosts savings drive

Better procurement of goods and services has been a major factor in achieving the county council’s savings; accounting for around £100 million in efficiency savings over four years. This includes renegotiating contracts with major suppliers, such as IT businesses and building firms, and taking advantage of economies of scale through joint purchasing initiatives, for example with East Sussex County Council.

The procurement savings are the equivalent of the cost of almost a third of the 20,000 extra school places (the equivalent of 47 two-form entry primary schools) the council needs by 2019 to meet the demand of Surrey’s rising birth rate.

Road flood damage bill reaches £23 million

Council Leader David Hodge has announced plans to invest £23 million to fix potholes on flood-affected roads and repair more than 30 bridges and embankments. About 2,500 Surrey roads were affected to some degree by the flooding earlier in the year. Severe storms and rivers bursting their banks – including the Mole, the Caterham Bourne, the Wey and the Thames – left a trail of fallen trees, overflowing sewers, flooded roads and damaged bridges. Council engineers estimated £800,000 alone would be needed to rebuild Flanchford Road bridge near Reigate. The council, whose contractors fixed 36,000 potholes in the first few months of 2014, has won a £3.8m share of the Department of Transport’s £168 million Pothole Challenge fund, on top of an earlier contribution from the Government of £5.3m.



County pumps £388 million into local economy

Last year the council spent £388 million with 3,807 Surrey firms as part of its aim to direct 60% of its expenditure into the local economy. The figure represents 52% of council spending on goods and services. Three years ago, the council spent just over a third of its money locally.

Local building and construction firms alone have clinched deals with the council worth £10.3 million through a dedicated website, www.buildsurrey.net, launched a year ago, the equivalent of around

£750,000 every month.

BuildSurrey's successful launch helped the county council win a government award for being among the top 10 authorities in the country to do business with. More than 750 firms are now registered on the site.

Cutting business costs and red-tape

Surrey trading standards officers are assisting businesses to cut the cost of complying with consumer law and safety regulations by setting up primary authority partnerships (PAPs). Under a PAP arrangement, Surrey Trading Standards acts as a single point of contact for businesses operating across different council areas nationally on environmental health, fire safety and trading standards issues.

This saves the business time and money and reduces the risk of inadvertently breaking the law. Surrey will liaise with other councils on its behalf, provide reliable advice, and assist in developing an overall inspection plan and audit procedures to ensure they comply with the legislation.

Surrey has 32 direct primary authority partnerships in place with companies such as British Gas, MRH Retail, Shell and Toyota.

Fast reliable fibre broadband in every corner of the county

The £35 million Superfast Surrey programme is on target to bring the fibre optic network to more than 80,000 households and businesses in hard-to-reach areas by the end of 2014. Under European state aid regulations, the council is only allowed to invest in providing broadband infrastructure in areas not served by the commercial market. Up to 20% of premises, largely in rural Surrey, fall into this category.

At the end of March 2014 the project had passed the half way mark, successfully completing the first three phases of its deployment. This involved installing more than 300 new green roadside cabinets and thousands of kilometres of fibre optic cabling to enable more than 51,000 households and businesses to get access to fibre broadband.

Availability of new fibre technology throughout the county is estimated to boost Surrey's economy by around £30 million annually. The latest updates, a postcode checker and reports from Surrey businesses and households already using fibre broadband services are available on the Superfast Surrey website at www.superfastsurrey.org.uk

Roadworks permit scheme could save economy millions

Drivers and businesses plagued by roadworks are benefiting from a new council permit scheme designed to reduce congestion caused by utility companies digging up the roads. Until the permit scheme came into force last November, the law allowed water, power and telecommunications companies to dig up the same roads in an uncoordinated way, disrupting trade and costing the local economy millions a year, as well as causing misery to road users.

Keenly aware of the high level of public frustration with traffic congestion, the council's Environment and Transport Select Committee set up a task group of councillors to look at how road works could be better managed. One of their key recommendations was a permit scheme, which is now being pioneered by Surrey County Council and East Sussex County Council, giving the local authorities more control over the timing, coordination and quality of street works carried out by the utilities.

Companies now need to demonstrate they have planned properly to limit their impact on traffic, or they will be refused permission. The permit scheme is estimated to reduce the number of roadworks in the county by as many as 2,400 a year, with a potential annual saving to Surrey's economy of £6.5 million. It has also been given the thumbs-up by the Surrey Federation of Small Businesses.

The scheme gives the county the power to force firms to time their works to fit with other companies' plans for the same road and follow clear rules, including times and days of work.

If workmen break a permit's conditions or dig without one, the companies can be fined or prosecuted, depending on the severity of the offence.

Survey shows businesses primed for growth

More than three-quarters of businesses in Surrey's powerhouse economy are primed for growth in the next two years, according to the biggest survey undertaken of local firms. The survey last autumn of 1,300 businesses for Surrey County Council and its economic development company, Surrey Connects, revealed that:

- 77% of firms are optimistic about their prospects for expansion;
- 70% say they had innovated over the last three years (such as connecting to faster broadband and investing in research and development); and
- six out of 10 say they had sought advice on recruitment, access to finance and training.

Other key findings indicate one in four companies expect their foreign sales to rise, while 15% had increased their staffing over the past year.

The county council has launched a raft of initiatives to support businesses and build on the £30 billion Surrey generates annually for the UK economy, more than cities like Birmingham and Liverpool. These include rolling out high-speed broadband, incentivising employers to hire more than 750 apprentices in two years, the £100m road improvement programme, called Operation Horizon, and ensuring 60% of council spending is with local firms.

Invest in Surrey

As part of the commitment to attract more inward investment, the council and Surrey Connects have created a website to provide business intelligence and highlight the advantages to global businesses of coming to Surrey. The website, investinsurrey.co.uk, promotes Surrey as a venue close to London with world-class business facilities, a well developed knowledge economy, a skilled workforce and global transport links. The presence of financial services and high-tech industries, including IT companies, pharmaceuticals and life sciences, as well as advanced manufacturing and engineering, help give Surrey a competitive edge.

Export Surrey

A new service to support businesses developing overseas markets was launched in the autumn. Export Surrey, a joint venture with Surrey Chambers of Commerce, arranges training seminars, advice sessions and a network of support for firms either exporting for the first time or expanding their existing exporting activities into additional countries.

Onslow park-and-ride launches

A new park-and-ride facility for 550 vehicles launched last November to help cut congestion and pollution, and promote Guildford town centre's regeneration. Construction costs were reduced by 50%, a saving of £2m, through better design and contract negotiation. After two months the park-and-ride was averaging about 100 users a day.

Green light for Redhill Balanced Network Scheme

In 2013 the county council worked with Reigate & Banstead Borough Council to secure more than £2.8 million of government funding for the £4m Redhill Balanced Network scheme. The project consists of a series of junction improvements, as well as improvements for walking, cycling and buses. It will reduce congestion, improve the appearance of and access to the town centre, part of a wider regeneration plan to create 1,000 jobs locally.



Continuing push for educational excellence

Over 80% of Surrey schools are now rated by Ofsted as good or outstanding, compared to 75% last year, and nine out of 10 secondary school pupils in Surrey go to a good or outstanding school.

The performance of Surrey schoolchildren over the last year has also cemented the county's record for educational excellence. The majority of pupils in Surrey state-funded schools performed better across all key stages in tests and examination results than their peers regionally and nationally.

In 2013, over 67% of children gained five A*- C grades at GCSE or an equivalent qualification, including maths and English, compared to 64% in 2012. Surrey's secondary school results make it the best performing authority of our size in the country, ranking 15th out of 152 local authorities.

The council has also committed to investing £10 million over the next four years to continue raising school standards, performance and examination results.

Support for disadvantaged pupils pays off

Disadvantaged pupils showed improved attainment by the end of Key Stage 4 in 2013, narrowing the gap with their peers. Over 40% of pupils achieved five or more A*-C grades at GCSE, including maths and English, compared to 35% in 2012. The percentage of disadvantaged pupils making expected progress in maths rose from 75% in 2012 to 78% in 2013.

Meeting demand for more school places

Our £354 million school expansion programme is on track to provide 20,000 additional school places by 2019 to help meet the demands of Surrey's surging birth rate. An extra 2,862 places were created last year – the equivalent of seven primary schools.



Ensuring the best start in life

The early years of a child's education and development are critical to their success and wellbeing in later life. In Surrey, 84% of early years providers, such as nurseries and playgroups, were rated good or outstanding in their latest Ofsted inspections. This compares to 81% for the south-east region and 77% nationally. At the end of March 2014, 412 childcare providers and 245 childminders were registered to offer free early education for two-year-olds (FEET).

In the past year an additional 99 childcare providers have undertaken the Surrey Quality Improvement Award (total 310). Eighty-six have completed it so far with the majority improving their Ofsted inspection judgments as a result.

Focus on special needs

Some of the measures implemented by the council to support early education providers working with children with special needs include:

- The council's early language team has worked with 25 targeted childcare and early education providers to improve speech and language development in children under five;
- The early years and childcare service has provided 385 inclusion support grants – an increase of 59% from 2012-13 – to almost 20% of childcare providers in the county;
- More than 220 children with disabilities and their families benefited from the Surrey Early Support Service, with 49 attending the 'Including me' scheme, which supports children at special schools to go to mainstream after-school clubs and holiday play schemes;
- £52,000 was allocated to 58 out-of-school settings (breakfast clubs, after-school clubs and holiday play schemes) to support children with special needs.
- 66% (43,257) of Surrey children under five are now registered at Surrey children's centres (16% more than last year).

Support programme looks at whole family needs

The council has helped turn around the lives of 557 families over the last year, as part of Surrey's Family Support Programme. The programme assesses the overall needs of a family where there are multiple issues or problems affecting the quality of life of family members. Often a child's educational attainment, health and wellbeing are affected by other factors in the home, such as an unemployed parent, alcohol or drug use, caring responsibilities or problems with the law.

Under the Surrey Family Support Programme, different practitioners including health, education and housing professionals work together with the police and other agencies where appropriate as a team around the family to assess their needs in the round. There are now local family support teams based in each of the 11 districts and boroughs. So far 519 families have significantly reduced their crime and antisocial behaviour and improved their attendance and behaviour at school. A further 38 adults have been helped into work, with 31 of these adults moving into continuous employment. Since April 2012, we have brought 995 families into the Surrey Family Support Programme.

The programme is one of six workstreams that form part of the council's successful bid to join the Government's Transforming Public Services Network. In Surrey the plan is to scale up the programme to work with more than 4,000 families over three years. It has also won official recognition at a national level from the Director General for the Government's troubled families programme, Louise Casey, for its "tremendous performance".

Community connections make the difference

The positive contribution that volunteers and community groups can make to the wellbeing of individuals has become a central plank of adult social care services in Surrey. Engaging in a constructive dialogue with people who receive social care, their friends and families is now the preferred approach by council staff.

Local networks with their links to voluntary and faith groups provide local knowledge, a wide range of socially useful activities and invaluable channels for information and advice to residents. Engagement with them has led to improved financial assessments, quicker referral processes and reduced risk of people staying longer than necessary in hospital.



Keeping children safe

Overall the council supported nearly 4,700 children considered to be in need last year. They included about 800 children who were “looked after” by the council, about 80% of whom (600) were living with foster families or placed for adoption. They also included 927 children on child protection plans, 429 children leaving care and 2,576 with a range of different needs, such as physical, emotional or learning needs.

It is especially important for a looked after child to have a stable and loving home life rather than have frequent changes of foster carers. Last year the council reduced by more than a quarter the number of times looked after children had three or more placements. In total more than 90% had just one or two placements during the year.

Drop in young offenders continues

We have reduced the number of first time offenders entering the criminal justice system in Surrey to 169, a 90% reduction over the last five years.

Partnership approach cuts court time

A push by the council and its partners (including the police, courts, health professionals and the children and family court advisory and support service, CAFCASS) has reduced the number of weeks it takes to complete care proceedings for children. In January 2013, this was on average 58 weeks, but by March 2014 was 37 weeks, with some cases being completed within 26 weeks.

Bringing HOPE to young people with mental health problems

In 2013/14, HOPE, a therapeutic day programme and community outreach service for 11 to 18-year-olds with mental health issues or who are at risk of family or placement breakdown, worked with 49 young people a month on average. HOPE prevented 34 young people from requiring admission to a child psychiatric unit.

Over the last year, HOPE has been running a parent support group, working with young people and their families and carers in Epsom. A second group in Guildford is being set up.

Safe places for young homeless

We have ensured 290 homeless young people were placed in safe accommodation since November 2012.



Ready4Work programme boosts young people's job chances

The council's Ready4Work programme, sponsored by the Council Leader, has paid off over the last year, engaging with 1,330 young people to develop their job skills.

As a result, the council has more than halved the number of young people not in education, training or employment (NEET) to 429, one of the lowest rates in England. A year ago the number stood at 978. At the same time the council has helped to generate

786 apprenticeships for 16 to 19-year-olds, exceeding its target of 500.

Surrey has succeeded in increasing the number of young people starting apprenticeships. In contrast, across England there has been a 14% decrease in apprenticeships over the last three years.

Helping budding musicians hit the right note

The Surrey Arts music service has had a busy year with its 'first access to music' project. This has provided training, instruments and resources to support music in schools at Key Stage 1 to ensure every child in Surrey gets the chance to play a musical instrument early in their education. It has also helped the teaching of the Music National Curriculum. Altogether 179 of 255 (70%) of eligible schools are now engaged with the project. An additional 50 schools are providing whole-class instrumental music lessons at Key Stage 2 with teaching and instruments provided by Surrey Arts.

Surrey Arts is helping to set up, maintain and support local school networks. Each network has a designated singing champion. Since April 2013, 130 of 390 (33%) schools have been working together in local clusters to strengthen music education for young people in Surrey as part of the Surrey Music Hub initiative. This includes 25 continuing professional development courses for teachers and music practitioners to help boost standards.

More than 100 schools and around 3,000 Surrey schoolchildren have been involved in primary music festivals and a secondary school choir competition managed by Surrey Arts.

About 18,000 young people have participated each week in programmes supported by the council and its partners. The work includes instrumental/ vocal tuition and a wide range of opportunities for young people to participate in group music-making.

Boost for children with disabilities

In 2013-14, about 2,370 disabled children and young people participated in short break activities, an increase of over 300 from 2012-13. Providing support through direct payments has also increased with an additional 33% of families (over 400) now managing their own care packages.

Surrey County Council's £500,000 short breaks grant has enabled a new Disability Challengers play centre in Guildford to open. The centre offers improved play facilities and care to children and young people with disabilities in the south-west of the county.



Trading standards steps up battle against scams and cons

Surrey trading standards service has been taking part in a major national initiative known as the 'Scams Hub'. It follows a Metropolitan Police operation at Heathrow airport that intercepted a large consignment of scam mail, which identified more than 1,000 Surrey residents as potential victims.

Trading standards officers made hundreds of calls and visits to those considered at high risk of financial abuse. The most extraordinary case involved 76-year-old Sylvia Kneller of Farnham, who had been cheated out of more than £200,000 over many years as she responded to fraudulent offers and appeals for money through the post. She stopped handing over the cash once trading standards officers explained that she was the target of a criminal operation.

The story attracted considerable national media attention, heightening awareness of the problems of scam mail and encouraging victims to ask for help.

- Trading standards officers also collaborated with ITV to produce two hour-long programmes entitled *Hunting the Doorstep Conmen*. The hard-hitting programmes, which screened last summer, drew 2.5 million viewers each.
- The flooding earlier this year prompted trading standards officers to send out messages through Twitter to warn about cowboy tradesmen offering to pump-out flooded properties or carry out repairs. Instead they directed them to reputable traders registered with Surrey's **Buy With Confidence** scheme.

Recovering cash from criminals

The council is involved in recovering cash from a number of criminal cases where Surrey people have been victims of fraud, money laundering or counterfeit sales to the tune of more than £2.8 million. In 2013, the council recovered £184,000 from a defendant convicted of selling counterfeit goods.

Preparing for care funding changes

Changes to the adult care system under the Care Act 2014 are set to have a far-reaching impact on Surrey people. Adult Social Care staff have undertaken a programme of engagement events with residents and carers to explain the forthcoming changes.

They have also been seeking the views of those who are most likely to be affected, particularly people who pay for their own care. Around eight in 10 Surrey people who receive social care are in this category.

The council commissioned a survey with leading market research company, IPSOS MORI, to find out more about the information and advice needs of self-funders. Key questions included: What do they think social care is? Do they know about the cost and how to pay for it? How prepared are they to arrange care for themselves in later life? The council is using the findings to help finalise its Information and Advice Strategy and to determine what other new arrangements it needs to put in place as a result of the Care Act.

Promoting independence

Helping people live as independently as possible continues to be at the heart of adult care services. Most people tell us they prefer to be in their own home rather than in a residential or nursing home, so the council has continued the shift towards more personalised community-based care and support to help them do that. For example, we have:

- Reduced the number of older people we support in residential and nursing homes to 2,647 in February 2014 - a 9% decrease from March 2013;
- Reduced the number of adults aged 18-64 we support in residential and nursing homes to 1,270 in February 2014 - a 6% decrease from March 2013;
- Supported 220 people with learning disabilities and 60 people with autistic spectrum disorder in paid work.

Increasing personal choice and control

The council has increased the number of people receiving a personal budget to pay for their care to over 10,000. This is a 25% increase over a year, and is part of the council's commitment to giving people more control over how they spend their money on care services.

Pick up a book and...a bus pass

Twenty-three Surrey libraries offer residents the opportunity to apply for disabled bus passes and senior bus passes when they borrow books. Library staff will check eligibility, fill out the online application and take the required photo.

The same libraries also offer a checking service for Blue Badge applicants aged 80 and over who are renewing their badges. Library staff make sure that the form has been correctly completed before it is submitted, preventing errors that can delay the issue of a Blue Badge.

Councillors study effects of welfare shake-up on residents

The most radical reforms to the welfare benefits system since World War Two have prompted county councillors to monitor the effects on vulnerable families in Surrey. The changes, intended to incentivise work and simplify the benefits system while making savings, began to be implemented last April. The council's Overview and Scrutiny Committee set up a task group of councillors to gather evidence on this complex issue from people affected by the changes, as well as partners and expert witnesses. As a result, councillors recommended a package of measures which has been adopted by the council to help mitigate the effects on deprived households. These include: ongoing monitoring; reviewing staff training so they can provide high-quality support to residents; promoting Surrey's Local Assistance Scheme, which provides emergency crisis help; and lobbying central government to improve the claims and assessment process for welfare benefits.

Welfare benefits advice

The council also launched a wider welfare advice service with a number of key voluntary sector partners to support those most affected by the welfare reforms. The service, getWIS£, handled 2,448 new referrals during 2013/14, with 4,858 issues being addressed and £1.3 million in benefits secured for Surrey people.

Surrey's Local Assistance Scheme

With the end of national funding last April to provide crisis payments to individuals and families in urgent need, the council and its partners have created the Surrey Local Assistance Scheme. In the past year the scheme has dealt with more than 3,250 applications for emergency help from Surrey residents. About 90% (2,907) of applications were successful, and the scheme has paid about £150,000 in grants and provided 4,000 essential household items (valued at £250,000).

In addition the council has provided emergency assistance to a number of families affected by the last floods, including £8,000 in emergency payments and £5,000 of household items.

Meals-on-wheels extended

The county council has supported district and borough councils to extend meals-on-wheels services across Surrey. New routes were set up in Horley, Ashted, Leatherhead and Bookham, where the first meal was delivered by the Duchess of Cornwall as part of the 'Hairy Bikers' TV cookery programme.

Bringing people together to tackle dementia

Surrey people have responded positively to council plans to develop and improve services for people with dementia and their carers. Over the last year, we have:

- Recruited more than 130 dementia-friendly Surrey champions, which are organisations and individuals committed to helping make our communities more dementia-friendly;
- Funded 15 projects that help people with dementia and their carers to get access to services, support and therapies through an Innovation Fund. Projects include a reading group, arts therapy and peer support groups;
- Organised awareness-raising events across the county, including the week-long Dementia Friendly Guildford event;
- Opened a further five Wellbeing Centres in Spelthorne, Elmbridge, Epsom & Ewell, Mole Valley and Guildford. The centres provide a meeting place for carers, local information points for people living with dementia and telecare demonstration suites. They have been developed with over 300 partners from more than 50 organisations.

Informing and engaging about care choices

People seeking social care for themselves or family are often at a critical point in their lives. The council is keen to encourage people to think ahead about future care needs so they can plan more effectively, although this is not always possible.

Providing accurate information about what care services are available, how they are paid for and where to go for advice and support is crucial to help people make the best choices. Some of the ways the council has been working to ensure Surrey people have access to the advice and information they need are:

- **Local information hubs** – The network of hubs – drop-in information centres - has now been extended to eight, with new hubs opening in Godalming, Dorking, Walton, Addlestone and Camberley. The hubs are in High Street locations to provide a place in the heart of the community for people to get support, information, signposting and referrals to services to help make the right choices about care and support and maintain their independence. During 2013/14 the hubs, staffed by 82 volunteers, handled more than 5,100 enquiries;
- **Surrey Information Point website** – Surrey’s online directory is growing in popularity as a one-stop source of information, services and activities to support adults and families to live independently. The online directory now attracts more than 11,000 visitors a month;
- **Advocacy** – Nearly 1,200 people benefited from our advocacy services last year, addressing more than 2,500 separate issues. These services are provided through a consortium of voluntary sector partners led by Surrey Disabled People's Partnership in collaboration with Age UK Surrey, Kingston Advocacy Group, Sight for Surrey, deafPlus and Surrey Supported Employment.



Public health team focuses on prevention

Since the public health team became part of the council in April 2013, it has focused on the key factors that have the biggest impact on preventing ill health.

Smoking - The team worked with partners in the Smokefree Surrey alliance to run a public awareness campaign last autumn about illegal tobacco (including counterfeit brands and smuggled cigarettes). As well as its links with organised crime, illegal

tobacco undermines efforts to help reduce smoking. It is often sold at “pocket money” prices, raising the chances that young people will start smoking and decreasing the likelihood others will quit. The high profile campaign encouraged the public to report suspected trade in illicit tobacco, leading to a number of seizures of illegal products. The public health team coordinates the Smokefree Surrey alliance of partner organisations, including the county and borough and district councils, Surrey Police and HMRC.

In 2013 as part of the national “Stoptober” campaign to encourage people to break the smoking habit, Surrey ran a locally focused social media and outdoor advertising campaign, resulting in 4,498 people signing up to the national campaign. There was also a 362% increase from 2012 in the number of people signing up to the Surrey stop smoking service. Surrey had the fifth highest number of residents signing up to Stoptober of all local authority areas in England and Wales.

Alcohol in Safer Hands - This innovative advice and guidance service has been developed over the last year to assist people who want to bring their drinking under control or just want to understand the impact of drinking on their health. It includes a telephone helpline and alcohol liaison staff in Surrey’s acute hospitals to ensure people can get the right advice, as they would for other health issues, and be referred to specialist services where appropriate. Alcohol in Safer Hands is a partnership project including hospitals, GPs, pharmacists, councils, the police, probation service, charities, community organisations and businesses.

The council’s public health team ran a “sneaky drinks” public information campaign in February and March 2013. Using social media, bus advertising, posters and leaflets, the campaign attracted 14,000 visitors to the Healthy Surrey website (www.healthysurrey.org.uk) to promote safe drinking and enable people to monitor their levels of alcohol consumption with the change4life drinks tracker produced by Public Health England.

The cost to the NHS for alcohol-related hospital admissions in Surrey is estimated at £87m a year, equating to £96 per person (compared with the national average of £90 per head). Surrey Heath has the highest alcohol-related health spending in Surrey at £99 per adult, while the Guildford and Waverley area has the lowest at £85 per head.

Health and Wellbeing Board

The Surrey Health and Wellbeing Board has an important role in promoting the integration of health and social care services in the county, for example through the Better Care Fund. It has produced a strategy based on evidence from the Joint Strategic Needs Assessment, a comprehensive set of data around health needs and issues across Surrey's population, as well as the views of Surrey residents.

Over the past year it has focused on five priority areas:

- Improving children's health and wellbeing
- Developing a preventative approach
- Promoting emotional wellbeing and mental health
- Improving older adults' health and wellbeing
- Safeguarding the population

The Health and Wellbeing Board is jointly chaired by the county council's Cabinet Member for Health, Michael Gosling, and a Surrey GP, Dr Andy Brooks, from one of the six clinical commissioning groups (CCGs) in the county. Mr Gosling and Dr Brooks's predecessor, Dr Joe McGilligan, won a regional NHS leadership award for their partnership working in establishing the board. Other members of the board include representatives from the county council, borough and district councils, each of the CCGs, police and the independent public watchdog group for health issues, Healthwatch Surrey.

The Health and Wellbeing Board's website (www.healthysurrey.org.uk) has had more than 120,000 views since its launch in September 2013.

Helping people get back on their feet

The council arranged "reablement" services in the community to help more than 3,200 people last year to regain the skills necessary for daily living at home. Reablement services are provided to older and frail people who suffer a setback as a result of an illness, accident or spell in hospital that reduces their chances of returning to an independent life.

Supporting carers

The council recognises the crucial role of carers and the pressures on them. Often unpaid family members, their commitment to looking after others means their own needs and opportunities in life have to take a back seat. Carers are more likely to have health problems and lower incomes. They also need time off from their caring duties. As a result, the council and its NHS partners have commissioned a range of specialist services provided by the voluntary sector to enable carers to continue caring and have a life outside caring. More than 18,000 carers and 1,500 young carers have benefited from these services over the last year.

In addition the council has continued to work with health colleagues and carer organisations on schemes to enable more carers to access early stage support. Under these arrangements, carers support organisations approved 1,000 payments of up to £500 to support carers with their own needs, including young carers. Surrey GPs, meanwhile, agreed nearly 2,300 payments of up to £500 for residential and other breaks for carers to assist with their health needs.

Equipment assessment clinics

In partnership with the district and borough councils we have established 11 equipment clinics across the county, speeding up assessments and reducing waiting times for equipment that helps people live at home. During 2013/14, 302 people opted to have an assessment at a local equipment clinic.

Telecare and telehealth

The council has continued to expand the use of technology to develop telecare and telehealth services to help people with long-term conditions live independently. This included:

- A pilot project with a 12-week free offer to encourage the uptake of telecare equipment, including falls detectors, pill dispensers, bed sensors, exit sensors and wandering alerts;
- Support to nearly 2,000 residents through installing nearly 4,000 items of telecare and more than 2,400 community alarm units.
- A trial telecare visiting service with Surrey Fire & Rescue, supporting 44 people since autumn 2013.

Mental health support in the community

A community-based service run by the voluntary sector supported more than 630 people with mental health problems last year. The preventative service is a joint venture with Surrey's CCGs, which represent all the GP surgeries in Surrey. It aims to support people with mental health problems before they escalate into a crisis.

£14.3m investment boosts integration of social and health care

Over the last year the council's Adult Social Care budget has invested £14.3 million with health partners to transform care services and improve health outcomes for people with long-term conditions. Investment has gone into services to:

- Prevent or delay admission to hospital, such as telecare, telehealth, mental health and dementia services, carers' support and breaks;
- Maximise recovery for those discharged from hospital and in the community, such as reablement, Red Cross home-from-hospital services and occupational therapy;
- Enhance the management of long-term health conditions in the community to reduce hospital admissions.

Helping people home from hospital

Adult care staff providing weekend and evening services are now established in all five of Surrey's acute hospitals. The hospital-based social care teams operate from 8am to 8pm on weekdays and 9am to 5pm at weekends. Last year they supported 1,706 people so they could be discharged at evenings and weekends.



Progress on improving the road network

The council's biggest ever road investment programme, Project Horizon, overtook its first year target of rebuilding 100 kms (60 miles) of road four months ahead of schedule. The £100m carriageway reconstruction programme aims to replace 300 miles of the county's worst roads over five years. By March 2014, a year into the project, more than 80 miles had been completed, around the same distance as Guildford to the Channel Tunnel.

To manage the project, Surrey highways engineers and their team of contractors and specialists investigate underlying problems and then design and construct each section in turn. Major causes of potholes and other road defects include drainage problems and inadequate foundations for the weight of traffic now using the roads. So far, 150 of the worst stretches of road have been rebuilt, with 10-year warranties agreed with the contractors to guarantee the quality of the work. Savings of £20 million through better contracts, engineering solutions and programming of work will be re-invested into rebuilding more roads on the county's 5,000km (3,000 miles) network.

A recent inspection of the completed Project Horizon roads, a number of which had been flooded between December and February, were found to be undamaged by the severe weather.

In terms of the rest of the council's highways maintenance programme, the Carriageway Team has carried out more than 1,500 maintenance schemes over the last three years, costing £75 million.

The Cabinet Office has selected Surrey as a Government trial project for efficiencies and savings in highway maintenance.

Walton Bridge

The £32 million bridge across the Thames linking Walton and Shepperton opened on time and on budget in July 2013. The first road crossing to be built over the Thames this century, Walton bridge, with the realigned A244, is an important link to improve travel times for residents, commuters and businesses. The river frontage has also been landscaped and opened up for community use. The council worked closely with the contractors, Costain and Atkins, to make best use of innovative and cost-saving solutions, including recycling existing materials, new ground stabilisation techniques, the construction of a slim concrete deck and a reduced amount of steel in the arches for a more elegant design.

The construction system used by Surrey is now a model of best practice for other organisations. It has won four engineering and design awards and been nominated or shortlisted for a further three construction and major project awards. Since its opening there have been no reportable accidents.

Streetlight replacement programme a glowing success

The project to replace the county's 88,000 orange streetlights with more efficient white lights has finished a full year ahead of schedule. Over the 25-year life of the contract the new lights, which are computer-controlled and less light-polluting, are forecast to save Surrey £12 million in energy costs and cut carbon emissions by 60,000 tonnes.



Eco-schools proving a hit

The council's support for the International Eco-Schools programme is proving a hit with Surrey schools, with 365 now registered with it. About 30 schools have gained an Eco-Schools award in the last year. The programme aims to make schools more energy-efficient, adopt more sustainable modes of transport, reduce schools' energy bills and promote healthier life styles.

The council directly targets and engages with about 50 schools each year face-to-face on a number of issues, including giving expert advice on the Eco-Schools Programme. We also hold three Eco-Schools Summits a year to assist teachers in developing environmental learning at their schools.

Travel SMART Scheme promotes safer cycling

A package of measures to improve cycling facilities and safety has been at the heart of the £18m sustainable travel programme, known as Travel SMART, over the last year.

Key achievements include:

- Holding 304 cycle training sessions;
- Installing 26 cycle parking facilities, with another 10 under way;
- Creating 6.5km of new cycle tracks, with another 7.5km under construction;
- Installing Brompton Docks (secure lock-ups for hire bikes) at Guildford, Reigate and Woking railway stations;
- Distributing thousands of cycle maps;
- Creating an online journey planner.

Surrey County Council has also developed the Surrey Cycling Strategy, after extensive consultation with residents and organisations, which drew 3,700 responses. The strategy will provide a platform for bidding for funding, and a framework for the development of local cycling plans for Surrey districts and boroughs.

Energy partnership supports vulnerable

All the councils in Surrey last year agreed to join forces to support residents to improve their home energy efficiency to make them warmer at an affordable cost and with lower carbon emissions. In 12 months more than 780 measures were implemented, such as new efficient boilers and insulation, to support households. The councils offer an impartial advice service through the independent energy adviser, Action Surrey, to help residents get the most from the complex and frequently changing area of grant funding.

Charging points for electric vehicles

Two electric car charging points have been installed at the council's Bagshot and Merrow highways depots. The council also plans a trial of electric vans in its highways fleet. Further points will be installed during 2014-15, and a sponsorship deal with BMW is expected to secure additional funding to extend the network of charging points still further during the year.

Behaviour change campaign wins industry award

The county council won the 'Best Communications Campaign' award for a campaign to promote furniture reuse at the waste industry's LARAC Celebration Awards 2013. The campaign to encourage people to buy second hand furniture and white goods led to about a 25% increase in sales by the Surrey Reuse Network (SRN), a consortium of charities working with the council's waste reduction team.

Working together cuts waste collection costs

Working together as the Surrey Waste Partnership, the county and 11 borough and district councils have developed a number of projects aimed at reducing costs and increasing recycling performance, including a joint waste collection contract which is expected to save at least £1.5m a year.

Award-winning community recycling centres

The council's community recycling centres handled about 140,000 tonnes of waste from the public last year. The newly redeveloped Witley community recycling centre won two awards: 'Lets Recycle' National Civic Amenity Site of the Year 2013 and the

'Waverley Design Awards' Community Award 2013, which is testament to the good quality of service that these sites provide to residents.

Landfill waste target met

The county and district and borough councils in Surrey have met their target for reducing the proportion of municipal waste sent to landfill, from 15% in 2011/12 to 10% in 2012/13, saving £947,000 over the year (£2,595 per day). Surrey households produce about 500,000 tonnes of waste a year.

Other highlights of 2013-14

Council website gets IT industry thumbs-up

Surrey County Council's website has been awarded the maximum four-star rating in a national report. The annual report by the Society of Information Technology Management (SOCITM) rates the performance of council websites each year, and Surrey's re-designed site was among just 31 out of more than 400 to get the top rating. It was also one of just five 'favourite sites' identified by the independent reviewers, who described the website as: "...a joy to use. Information was excellent and the paths to it easy to follow. This site makes creating a local authority website that works well look easy."

Virtual library use outstrips physical visits

Surrey has bucked the national trend of declining library membership by increasing its number of new members last year by over 69,000 (3% on 2012/13). There were nearly 7.3 million issues and renewals of books and other items, with a jump in online renewals. The library service also issued around 55,000 e-books over the year – 40% higher in March 2014 compared to April 2013.

The number of 'virtual' visits to the online library service reached nearly 4 million, exceeding an estimated 3.3 million physical visits. Overall Surrey's library service has 336,000 current borrowers - registered active members who have used the library service in the last two years.

Registration service

Last year we registered nearly 20,000 births and more than 10,500 deaths. Surrey registrars also performed more than 3,800 marriage ceremonies and conferred British citizenship on more than 3,000 new citizens.

WW1 Surrey heritage projects scoop lottery cash

Two Surrey heritage projects commemorating the First World War have won funding from the National Heritage Lottery Fund. The first, entitled *A County Remembers: Surrey in the Great War*, has been awarded £22,000 for the first phase of an ambitious project to coordinate and publish online community-led research on the impact of the war on Surrey people and communities. The results will be made available free on a dedicated website and will also contribute to the Imperial War Museum's Lives of the First World War project.

The other project, *To Journey's End and Beyond: the Legacy of RC Sherriff*, has been awarded £56,900 to develop and promote the archive and cultural legacy of the playwright RC Sherriff. A particular focus will be on his play *Journey's End*, set in a British dugout on the eve of the great German offensive of March 1918. Sherriff served in the East Surrey Regiment during WW1 and lived the latter part of his life in Esher. He had a successful career as a scriptwriter for Hollywood films, including *The Dambusters*. His archive – including the letters he sent on an almost daily basis from the Western Front – is stored at the Surrey History Centre, Woking.

Online parish records draw millions of views

Since the council began publishing digital versions of parish and electoral registers on the family history website Ancestry.com last year, the records have been viewed more than 3 million times. Surrey residents do not have to join Ancestry to see them, however. They can be viewed free of charge at the History Centre or any of the county's libraries.

Guildford's Ice Age dig among top five finds

Thousands of flint tools and working materials from the upper Palaeolithic period (about 12,000 years ago) have been unearthed as part of the redevelopment of Guildford fire station. County archaeologists have been working with colleagues from Oxford and specialists in Palaeolithic studies, geoarchaeology and scientific dating to assess the site and its significance.

Nearly 2,500 exceptionally well preserved flints have been found at the site, which appears to be the remains of a fairly short-lived period of occupation and tool-making activity towards the end of the last Ice Age. Experts think it was probably a seasonal hunting camp for a small number of individuals. Preliminary conclusions are that the site is of national importance and possibly one of the five best in the UK.

New joint committee first of its kind

Surrey County Council and Woking Borough Council have established a Joint Committee in Woking to decide local issues in an historic policy-sharing arrangement for the county. The committee will jointly decide on functions and responsibilities delegated to it by both authorities.

Partnership with the military

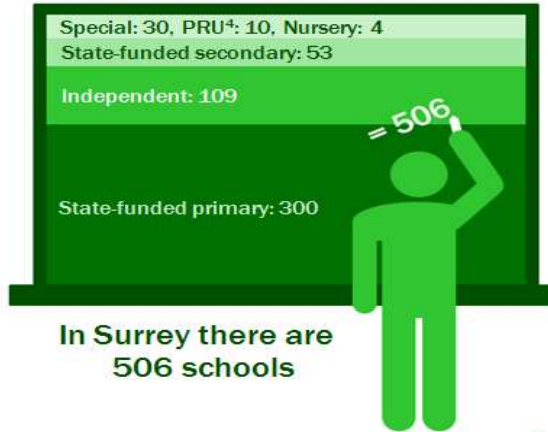
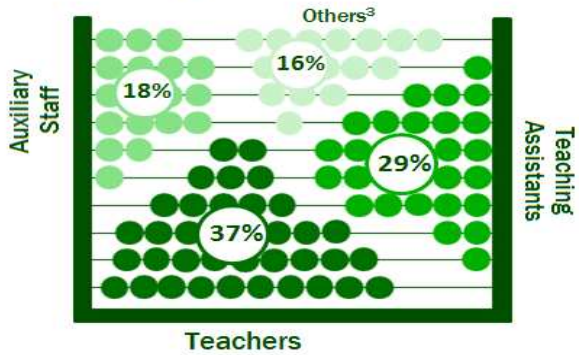
A community covenant has been signed with the military by Surrey County Council and the district and borough councils, as part of their commitment to support the Armed Services at a local level. The covenant recognises the unique contribution of the military to Surrey's heritage and civilian life, and provides a platform for cementing a closer relationship. Following endorsement of grant bids by the Surrey Civilian Military Partnership Board, chaired by the Chairman of Surrey County Council, David Munro, Surrey has received over £280,000 of funding from the Ministry of Defence. This will go towards a number of projects, including £69,900 for a Peace Garden at the Muslim Burial Ground in Woking, and £195,000 towards a recreation area in Pirbright.

DAiSY launches festival of disability arts

The first disability arts festival was held in Surrey last year. It was organised by a network of groups and individuals under the banner of DAiSY (Disability Arts in Surrey), with the backing of the council's Surrey arts service. DAiSY, which was set up in 2010, provides a platform for disabled artists to create, present and perform their work. The decision to showcase Surrey's vigorous disability arts scene at a two-day festival, called DAiSYFEST, proved so successful last year that the event looks set to become an annual fixture, attracting disabled artists, poets, musicians, dancers, singers and actors locally and from all over England. About 300 of Surrey's disabled artists participate each year in events and activities organised by DAiSY.

What does school provision look like in Surrey?

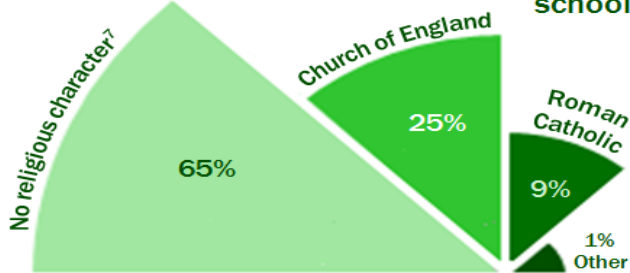
In 2012, there were 24,848¹ people working in Surrey's schools²



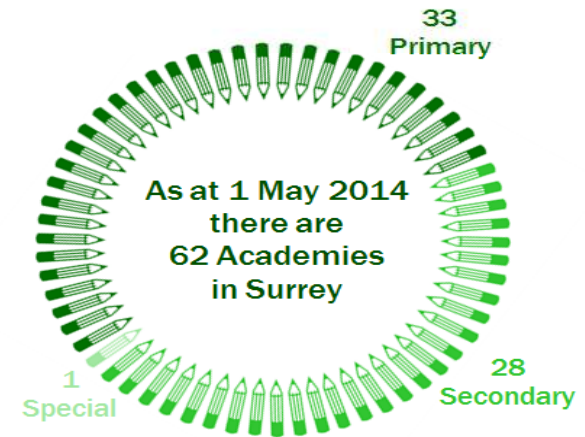
In 2013, 3 out of 10 schools⁵ in Surrey were full or exceeded school capacity compared to 2 out of 10 in England



1 out of every 3 schools⁶ in Surrey is a faith school



2 out of 10 schools in Surrey are independent compared to 1 out of 10 in England



You can find all of the data used to create this Snapshot in the [What does school provision look like in Surrey?](http://www.surreyi.gov.uk) data collection on www.surreyi.gov.uk

Data Sources: 2013 School Census, School Workforce Census, School Capacity Survey, Surrey County Council

¹ Headcount, ² Maintained schools and Academy schools, ³ Non Classroom-based school support staff, excluding auxiliary staff

⁴ Pupil referral units

⁵ Includes community, foundation, voluntary, middle schools as deemed (primary or secondary) and academies (excludes special schools)

⁶ Includes state-funded primary and state-funded secondary schools

⁷ Schools in this category are not officially affiliated to or with an individual faith

Director of Finance review

Sheila Little BA CPFA - 31/7/2014

The Annual Report provides a general guide to the audited primary financial statements for the year ended 31 March 2014 and highlights some of the more significant matters that have determined this position. The Finance service and external auditors have worked together in achieving a quicker closing process that results in the annual accounts being audited and signed off by the end of July 2014. This is well in advance of the statutory deadline. As a direct consequence, for the first time, the 2013/14 annual report contains audited summary financial information.

There have been the following significant changes in the responsibilities of the council.

Public Health

On 1 April 2013 public health staff and services were transferred from primary care trusts (PCTs) to local authorities. To discharge their new public health responsibilities, local authorities were provided with a ring-fenced public health grant from the Department of Health.

Business Rate Retention Scheme

The Local Government Finance Act 2012 introduced a business rates retention scheme that enabled local authorities to retain a proportion of the business rates generated in their area. The new arrangements for the retention of business rates came into effect on 1 April 2013. (In the past all business rates collected were passed to central government and then distributed by them to local authorities to fund services according to a complex formula).

Academy transfers

During 2013/14, 27 schools transferred to academy status (8 in 2012/13). An academy is self-governing, directly funded by central government and independent of direct control by local government. Within the 2013/14 accounts, £104m of Property, Plant & Equipment and £5m of schools balances have been taken out of the council's balance sheet to reflect these transfers.

1. Budgeted Income & Expenditure

The council set its budget for the 2013/14 financial year in the context of the government's austerity programme, reduction in public sector budgets and expenditure, and rising demand for its services: developing plans for efficiencies and reductions in expenditure totalling £68m. At the end of March 2014, services achieved £62m efficiencies. This shortfall mainly relates to in Adult Social Care's (ASC) innovative Family, Friends & Community Support (FF&C) strategy partly offset by other services efficiencies delivered earlier than planned.

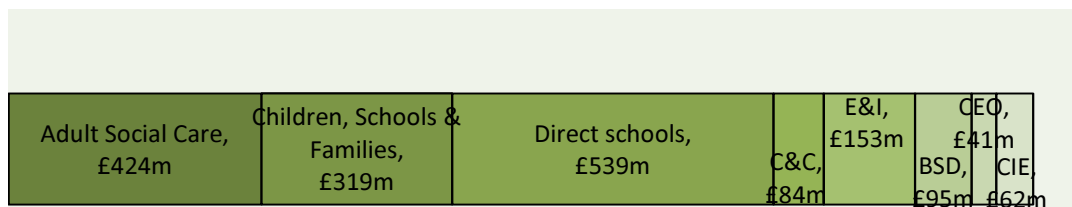
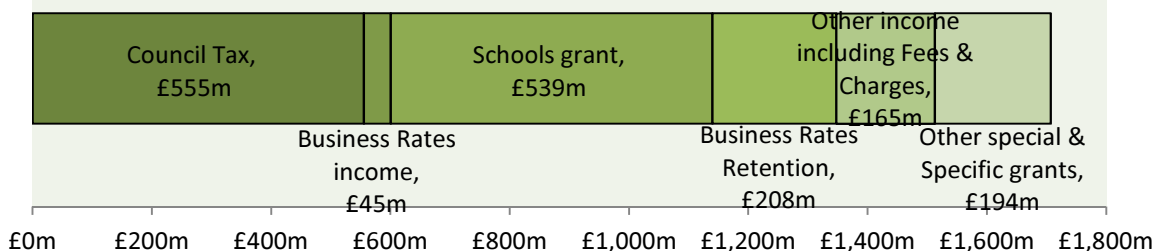
For the fourth year running the council ended the financial year with a small underspend, demonstrating tight financial management. The outturn position for 2013/14 provides a clearer indication of the council's strong financial stewardship during the year than is apparent from the accounting deficit reported in the Income & Expenditure Statement (page 64).

Table 1: The 2013/14 net revenue outturn

	Full Year Budget £m	Outturn Forecast £m	Forecast Variance £m
<u>Income:</u>			
Local taxation	599	600	1
Government grants	910	942	32
Other income	155	165	10
Income	1,664	1,707	43
<u>Expenditure:</u>			
Staffing	-312	-307	5
Service provision	-850	-866	-16
Non schools sub-total	-1,162	-1,173	-11
Schools expenditure	-514	-539	-25
Total expenditure	-1,676	-1,712	-36
Movement in balances	-12	-5	7
Carried forward to 2014/15		-5	-5
Revised movement	-12	-10	2

During the year the council spent £7m less than it had planned. The Cabinet has approved revenue carry forwards of £5m from 2013/14 to 2014/15 to ensure funding is available for schemes, projects and commitments that need to be funded in the new financial year. £2m was transferred back to General Balances. Initially £12m of general balances was planned to support the 2013/14 revenue budget. Taking the £2m transfer into account, the budgeted support by general balances was £10m.

Total actual 2013/14 income, £1,707m



Total actual 2013/14 expenditure, £1,717m

Key: C&C – Customer & Communities, E&I – Environment & Infrastructure, BSD – Business Services, CEO – Chief Executive Office, CIE – Central Income & Expenditure

Since December 2011 the council has performed a 'quarterly hard close', which is reported for in accordance with accounting standards, for which it won an award for transparency in 2012. These quarterly position statements are published to aid transparency and ease comparisons with private sector entities for reporting financial performance.

The council also continues to bring forward its audited accounts publication date. During the year the monthly budget monitoring year end forecasts are reported to Cabinet within 3 weeks after the end of the month. The timeliness of this reporting means variations from the budget are considered early and management action can be put in place promptly.

2. Capital Expenditure

In agreeing significant capital investment as part of the MTFP for 2013-18 in February 2013, the council demonstrated its firm long term commitment to supporting economic development in Surrey. A key element of the council's corporate vision is to create public value by improving outcomes for Surrey's residents. This vision is at the heart of the capital programme and MTFP 2013-18 set a £699m five year capital programme. Following Cabinet approved re-profiling of 2012/13 carry forward budgets and virements; the revised 2013/14 capital budget was £230m. Capital expenditure for 2013/14 was £224m which includes investment of £38m in long term capital investment assets as part of its strategy to reduce reliance upon government funding and the council tax payer.

Table 2: The 2013/14 Capital outturn

	Revised full year budget £m	Actual £m	Full year variance £m	Revised carry forwards £m	Full year variance £m
Adult Social Care	2	2	0	0	0
Children, Schools & Families	11	10	-1	1	0
Customer & Communities	5	2	-3	3	0
Environment & Infrastructure	71	66	-5	5	0
School Basic Need	54	42	-12	0	-12
Business Services	75	54	-21	21	0
Chief Executive Office	12	10	-2	2	0
Total service programme	230	186	-44	32	-12
Long term investment assets	0	38	+38		38
Total overall	230	224	-6	32	26

As part of its multi-year approach to financial management and avoiding arbitrary end of year cut offs to budgets, Cabinet has approved requests to carry forward £33m into 2014/15.

In addition to increasing school places (£42m) and road & infrastructure projects (£66m) the other major capital expenditure was as follows:

Long term assets within directorates:

- £21m - Quadrant Court, office building in Woking
- £10m - Superfast broadband infrastructure throughout the County

Long term investment assets:

- £14m – Ranger House, office building in Guildford
- £10m – Gatwick Diamond, land formerly owned by Thales in Crawley
- £10m – Parkside House, office building in Epsom

3. Balance Sheet

The Balance Sheet shows the value of the assets and liabilities as at 31 March. The balance sheet of the council shows a net liability of £242m, which is matched by reserves (as set out in the movement in reserves statement).

Table 3: Summarised 2010 – 2014 Balance Sheet

	2010/11	2011/12	2012/13	2013/14
	£m	£m	£m	£m
Long term assets	1,324	1,266	1,296	1,364
Current assets	233	317	376	212
Current liabilities	-198	-214	-324	-276
Long term liabilities (including borrowing)	-1,222	-1,299	-1,387	-1,543
Net assets	137	70	-39	-242
Funded by:				
Usable reserves	-168	-269	-288	-279
Unusable reserves	31	199	327	521
Net reserves	-137	-70	39	242

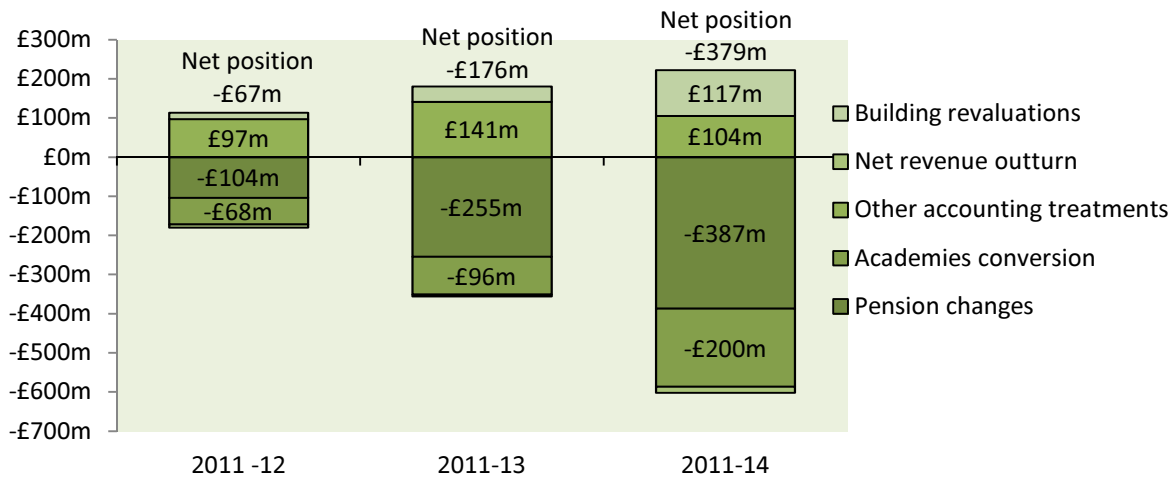
The movement from a positive to a negative balance sheet position is mainly due to the pension liability which does not need to be met within the next year, but over the lifetime of the scheme members. In 2013/14, 26 schools converted to academy status (62 academies in total: 30 academies at 31 March 2013, 26 converted 2013/14, 1 wholly new academy Sept 2013, 5 further converted 2014/15) which is offset by long term asset purchases and building revaluations.

Table 4: Reconciliation of significant Balance Sheet movements

	2011/12	2012/13	2013/14
	£m	£m	£m
Net Assets 1 April	137	70	-39
Pension changes (liability and adjusted contributions)	-104	-151	-132
Academies conversions	-68	-28	-104
Other technical accounting treatments (eg: depreciation and capital grants)	97	44	-37
Building revaluations and long term assets	16	23	78
Surplus/ (-) deficit net revenue outturn	-8	3	-10
Net Assets 31 March	70	-39	-242

The graph below highlights the significant accumulative changes within the balance sheet since 2011 to 2014.

Graph 2: Balance Sheet accumulative changes since 2010/11



4. Reserves & Balances

The movement in reserves statement shows the movement during the 2013/14 financial year on the different reserves held by a council, analysed into usable reserves and unusable reserves.

The total decrease in the council's reserves during 2013/14 is £203million (a decrease of £9m in useable reserves, and a decrease of £193m in unusable reserves). This decrease is caused by an increase in the pensions liability (explained further in Note 38 the statement of accounts) and transferring £104m of school assets to schools which have transferred to academy status (Note 7 in the Statement of Accounts).

5. Borrowing

Long-term borrowing (repayable in more than 12 months) held on the balance sheet relates to the financing of capital expenditure incurred in previous years. The balance currently stands at £238m. The short term borrowing balance represents borrowing repayable in the next 12 months and also includes the balance which the council holds on behalf of Surrey Police Authority. It stands at £51m at the 31 March 2014, which is a decrease of £32m since 31 March 2013, due mainly to the planned repayment of £68m of borrowing during the year. During March 2014 £24m of short term borrowing was undertaken to manage short term cash flow and was repaid in early April.

When undertaking long-term borrowing, the council ensures that its plans are prudent and affordable in the long term and that its borrowing is in accordance with its approved Treasury Management Strategy. The council's average interest rate on borrowing was 4.4%.

During 2013/14 no additional long term external borrowing was undertaken. The council has adopted a strategy of using its internal cash resources to finance capital expenditure rather than borrowing externally to do so. These cash resources will need to be replenished in the future in order to meet the commitments for which they are held, but as these commitments are not due to arise in the short-term, this strategy is considered appropriate in the current economic climate where surplus cash balances are producing minimal returns on investment. This strategy has resulted in the council being 'under-borrowed' against its borrowing limits and capital financing requirement. Further details of 2014/15's provision for the financing of proposed borrowing are included in the MTFP (2014-19).

6. Trading Companies

During 2013/14 two wholly owned Local Authority Trading Companies have been incorporated:

- S.E. Business Services Ltd - is a Local Authority Trading Company wholly owned by the council. The company was set up for the provision of business services and was incorporated on 20 June 2013.
- Surrey Choices Ltd - is a Local Authority Trading Company wholly owned by the council. The company was set up for the delivery of day services and community support options for people with disabilities and older people. The company was incorporated on 10 March 2014 but did not begin trading until after 31 March 2014.

The council has considered all its relationships and interests in other entities and has made a judgement that it does not have the ability to exercise control or significant influence over another entity's economic activities and therefore no entities are considered to be subsidiaries of the council.

7. Looking forward to 2014/15 and beyond

The current challenges facing the public sector look set to continue for the foreseeable future. Local authorities continue to experience budget cuts and at the same time Surrey County Council, continues to face unprecedented growth in demand for its services. Having a robust MTFP is essential in these challenging times. In 2012/13 the council achieved the highest rating for its financial resilience and is recognised in Grant Thornton's national report on all of its local authority clients (which represents 35% of all local authorities) for its high quality and robust long term financial planning.

Surrey County Council has successfully delivered significant savings over recent years and did so again in 2013/14. The achievement of continued year on year savings is becoming increasingly challenging to deliver due to the risks associated with the increased uncertainty in a number of areas:

- the achievement of efficiencies and service reductions year on year;
- the uncertainty regarding the level of funding to local authorities as a result of the local government funding changes introduced from April 2013;
- the volatility implicit in the level of service demands;
- the current economic situation and long term austerity faced by the country.

The council has in place the following to mitigate against these risks and uncertainties:

- select committee scrutiny
- robust and timely monitoring processes
- levels of general balances and reserves
- risk contingency budget

In addition, the system for monitoring progress on the implementation of efficiency savings has been sustained during 2013/14: regular review of efficiencies by the Chief Executive and senior officers before onward reporting and scrutiny by the Leader and Cabinet as well as Council Overview & Scrutiny Committee. This will continue during 2014/15 alongside an

additional mechanism whereby the Chief Executive and Director of Finance will regularly review the progress of plans to deliver efficiencies across the whole MTFP period (not just 2014/15) highlighting any significant issues to the Leader and Cabinet as appropriate. This will ensure early action can be taken where necessary.

In developing the medium term financial plan for the five years to 2018/19, the council took a multi-year approach to its budget setting and, in February, the council identified £24m of earmarked reserves and £2m of unapplied government grants to support the 2014/15 budget. In addition, in March, Cabinet approved a further £14m of support after the requirement to re-profile the Adult Social Care savings. Combining the financial strategy and support from reserves enables the council to further pursue focusing on securing a greater share of Government funding for services such as adult social care and school places where demand is outside the control of the council.

The level of earmarked reserves has been increased over the past five years, largely through carry forwards across years, to provide funds for what the council knew would be a difficult financial climate, especially with the reduction in government funding. The use of the reserves to support the 2014/15 budget smoothes these pressures across years and brings the total level of reserves down towards the historic level.

Additional resilience has been assured over the long term through sustaining the earmarked reserve for long term investment and infrastructure initiatives and creation of a reserve to mitigate against potential business rate appeal successes.

8. Further Information

Additional information on the council's overall revenue and capital budget outturn position and achieved efficiencies for 2013/14 can be found in the '2013/14 Outturn report' considered by the Cabinet on 27 May 2014.

Further information on the statutory audited accounts can be found at:
[\[http://tinyurl.com/SOA2014\]](http://tinyurl.com/SOA2014).

The Medium Term Financial Plan 2014 -2019 can also be found on our website at:
[\[http://tinyurl.com/MTFP2014-19\]](http://tinyurl.com/MTFP2014-19).

Further information on the financial statements presented in this document can be obtained from Nikki O'Connor, Finance Manager (Assets & Accounting) (020 8541 9263, nicola.oconnor@surreycc.gov.uk) or Jonathan Evans, Principal Accountant (020 8541 8636, jonathan.evans@surreycc.gov.uk)

Sheila Little BA CPFA

Director of Finance

Environmental Sustainability Report

When striving to fulfil our most pressing duties it is critical we use resources responsibly and safeguard them for future generations. We will focus on conserving Surrey's environment and will reduce our dependency on carbon and other scarce resources. We will maintain rigorous financial and risk management so we have a sound basis for achieving current priorities and investing for future needs.

Our Focus 2014-2019 – Stewardship

The council recognises the value of natural resources and processes in providing a healthy environment for residents and businesses to prosper within and also our need to increase our resilience to environmental conditions, including future changes, such as more severe flooding. Our role in managing resilience and conserving and enhancing our environment is clear in many of our public services; from countryside management and flood risk management to sustainable travel & transport and waste management including recycling.

Our own operations and how we provide our services, are also linked to the environment and we take action to address this, such as reducing carbon emissions from our buildings and business travel, recycling waste from our premises and designing new buildings, such as schools with their long-term sustainability in mind.

Greenhouse Gas emissions from our own operations

A particular focus of environmental reporting is our energy consumption and emissions of greenhouse gases (GHGs) including carbon dioxide, that were emitted from our own estate and operations. The council is part of the national Carbon Reduction Commitment (CRC) Energy Efficiency Scheme and we also report our emissions to the Department for Energy and Climate Change. Our reporting scope for our Greenhouse Gas emissions report includes energy consumed for heating and electricity in our buildings, street lighting, vehicle fuel, fugitive emissions from air conditioning and business travel by staff and councillors. Up to and including 2013/14, all types of schools are included in our reporting. From 2014/15 onwards we have revised this to align with our maintenance responsibilities. This means emissions from Academies and voluntary aided schools will be excluded from our reporting. We will continue to work with all Surrey schools on energy saving initiatives such as Eco-schools.

Compared to our baseline year (2009/10) our emissions have reduced, although in 2012/13 our emissions increased compared to the previous year. This was due to a number of factors; mainly because we used more fuel for heating during the exceptionally cold winter, compared to the milder than average winter in 2011/12. Our report for 2013/14 will be published in July 2014.

Please note, that the guidance for calculating emissions of greenhouse gases has been revised on a number of occasions. Therefore in order to be able to make comparisons between years, we have amended results from previously published years of reporting (known as 'rebaselining'). Therefore historic results for 2010/11 and 2011/12 in the 2012/13 report differ from previously published reports (<http://tinyurl.com/sustreport>)

Table 5: Breakdown of greenhouse gas emissions, by area for 2012/13

Reporting period 2012/13	Units	Amount consumed	Greenhouse gas emissions (tonnes CO ₂ e)
Scope 1			
Oil boilers	kwh	22,507,889	6,252
Gas boilers	kwh	182,533,778	33,807
Wood boilers	tonnes	96	0
Diesel	litres	387,290	95
Petrol	litres	7,227	2
Fugitive emissions ¹	kg charge	3,119	156
Purchased fuel			40,312
Scope 2			
Premises electricity	kwh	75,916,462	34,923
Street lighting and other highways electricity	kwh	36,963,712	17,004
Purchased electricity			51,927
Scope 3			
Staff and member business travel ²	miles ³	9,563,770	2,952
Indirect emissions			2,952
Total gross emissions			95,191
Carbon Offsets ⁴	kwh	235,611	-108
Green tariff ⁵	kwh	0	0
Total net emissions			95,083
Intensity measurements⁶			
Kilogram of CO ₂ e per resident of Surrey			84
Tonnes of CO ₂ e per £M of gross expenditure			56.1

Table 6 gives summary that compares several years
(re-baselined, in accordance with DECC guidance)

Emissions scopes	Greenhouse gas emissions (tonnes CO ₂ e)		
	2012/13	2011/12 ²	2010/11 ¹
Purchased fuel ¹	40,312	33,291	42,349
Purchased electricity ¹	51,927	51,190	56,221
Indirect emissions	2,952	2,907	3,132
Total gross emissions	95,191	87,388	101,702
Carbon offsets ⁴	-108	-20	0
Green tariff	0	0	0
Total net emissions	95,083	87,368	101,702
Kilogram of CO ₂ e from council operations, per resident of Surrey	84	78	90
Tonnes of CO ₂ e from council operations, per £1m of expenditure	56.1	50.8	57.5

Notes:

1. 2011/12 consumption figures:

- Fugitive emissions: 'kg charge' figure in 'amount consumed' is the charge of whole unit, not the amount of gas leaking out (which is typically 3% of the total charge, per year). 2011/12 emissions were amended in June 2013, to correct an historic error in application of conversion factors i.e. to calculate resulting GHG emissions from air conditioning units on basis of leakage rate, not the total charge of the air unit.
- Scope 2 Electricity emissions for 2011/12 and 2010/11 were 're-baselined' i.e. emissions were recalculated using a new method, according to guidance from DECC to use 1 year instead of a 5 year rolling average for emissions.

2. Business travel: this is car and motorcycle journeys only. Grey fleet i.e. staff owned vehicles and pool car via a car club are both included. Train and bus travel not included. Commuting, by any mode, is not included.

3. Vehicle mileage: Emissions from vehicle mileage have been calculated at various rates depending on vehicle size and fuel type.

4. Carbon offsets: We have reported on the contribution of on-site renewable energy generation that counts as carbon offsets through the export of renewable energy to the national grid. In cases where automated sub metering is not in place, we have assumed a 50% export level of the renewable electricity generated to the grid. The council did not purchase any external carbon offsets.

5. Green tariff: Via our Laser contract we purchase a proportion of 'green electricity'. However, it has been confirmed by the energy supplier that this tariff does not meet the criteria for 'Green Tariff' for the purposes of reporting, as set out in the relevant OFGEM guidance¹.

6. Intensity measurement: We are required to define a result using an 'intensity measurement', which is a ratio of GHG impact per unit of activity or other business metric. We have selected CO₂e emissions per resident and per £1m expenditure. It should be noted that our gross cost of continuing operations excludes Academy funding, but our greenhouse gas emissions reporting includes emissions from Academies.

1

<http://www.ofgem.gov.uk/sustainability/environment/policy/documents/1/green%20supply%20guidelines%20final%20proposals%20open%20letter.pdf>

Governance Report 2013/14

David Hodge, Leader & David McNulty, Chief Executive

Surrey County Council (the council) is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for. The council also has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, including the arrangements for the management of risk.

The council is committed to fulfilling its responsibilities in accordance with the highest standards of good governance to support the current vision “to be delivering great value for Surrey residents” and the council has adopted a Code of Corporate Governance (the code), through which good governance is evidenced.

The annual review of governance is overseen by the Governance Panel (the panel). The review has provided a satisfactory level of assurance on the governance arrangements for the year.

Governance Panel:



The governance environment during 2013/14

Purpose and Outcome

The Corporate Strategy, ‘Confident in our future’, provides clear direction for staff as well as a signpost for residents, businesses and partner organisations and has the council’s four values of Listen, Responsibility, Trust and Respect at its heart. It is underpinned by a suite of supporting documents such as the interactive Medium Term Financial Plan, Investment Strategy and directorate strategies. The Chief Executive reports progress on delivering the Corporate Strategy to full County Council on a six-monthly basis.

The council has established a strategic framework for innovation and is developing new ideas and approaches through new models of delivery that aim to ensure that services are sustained and improved. The framework has been cited as an example of good practice within the Grant Thornton report Local Government Governance Review 2014, Working in Tandem. The council’s ‘Lean programme’ also uses a range of concepts, principles and tools that identify and support effective service delivery from the residents and service users’ perspective.

The council has established two Local Authority Trading Companies during the year and has put in place a Shareholder Board (comprising Members and the Chief Executive) that makes decisions on behalf of the council and oversees activity. Similarly, the council has progressed its Investment Strategy by investing in new assets during the year and has established a member-led Investment Advisory Board to provide strategic oversight of this strategy. Both these Boards are supported by relevant internal and external professional advisors. In addition, a high level Programme Board, including the Strategic Director for Business Services, Section 151 Officer and Monitoring Officer, monitors the overall progress of the 'New Models of Delivery Programme.' In addition, the council continues to optimise the use of physical assets.

Scorecards are used to monitor progress against the corporate strategy objectives, measured through a variety of key indicators related to staff, costs, residents, and performance. Finance, performance and risk information is reviewed by senior management and scrutinised by Select Committees and Cabinet. The Leadership risk register is regularly reviewed by the Continual Improvement Board and Audit and Governance Committee.

The council's Fairness and Respect strategy sets out priorities for improving outcomes for Surrey residents that are linked to the Corporate Strategy.

Leadership & Behaviour

The roles, responsibilities and delegated functions for member and officers are set out in the Constitution of the Council [<http://tinyurl.com/SurreyConstitution>]. The Scheme of Delegation for members and officers is regularly reviewed and updated in consultation with services and the Cabinet, before being approved by full County Council.

The Cabinet comprises the Leader, Deputy Leader and eight Cabinet Members, with each Member holding the brief for a particular portfolio of services. During 2013/14 the Cabinet has been further supported by four Associate Cabinet Members who do not have voting rights, but support the Cabinet portfolio holder in the more complex areas. Decisions can be taken by individual members of the Cabinet or collectively by the full Cabinet (excluding Associates).

The functions of the Monitoring Officer (Director of Legal and Democratic Services) and Chief Finance Officer/Section 151 Officer (Director of Finance) are specified by statute and between them they are responsible for ensuring lawfulness, fairness and financial prudence in decision-making.

The Chief Finance Officer meets her financial responsibilities and ensures fully effective financial management arrangements are in place by attending key meetings where significant financial issues are discussed, including the Continual Improvement Board, all Cabinet meetings and Audit and Governance Committee. She also has regular meetings with the Chief Executive, the Leader, Monitoring Officer, Chief Internal Auditor and External Auditor, and has direct access to the Leader and the Chief Executive at all times. Throughout 2013/14 she instigated whole Cabinet / Corporate Leadership Team budget related workshops throughout the budget planning cycle. In addition, briefings to all members are held and finance induction workshops specifically targets at members joining the council were held following May 2013 elections. Although during the year the Chief Finance Officer reported to the Strategic Director for Business Services (she now reports to

the Chief Executive), this did not impact on her powers and responsibilities in respect of the financial affairs of the council.

The Staff and Member Codes of Conduct set out the high standards of conduct expected by the council and training is provided through induction. The Codes of Conduct are supplemented by the Member/Officer Protocol, which provides principles and guidance for good working relations, and the Strategy Against Fraud and Corruption. The Monitoring Officer and the Member Conduct Panel deal with allegations of breaches of the Member Code of Conduct [<http://tinyurl.com/SurreyCodeofConduct>]. The register of pecuniary interests for all members can be viewed online.

The Chief Executive continues to show his commitment to engage with and support staff by providing regular updates and key messages through emails and the intranet via a blog. He also regularly visits offices across the county by himself and with the Leader to meet, listen, learn and engage with staff.

Transparency and Stewardship

The council produces the four primary financial statements each quarter (Movement in Reserves, Income & Expenditure, Balance Sheet and Cash Flow) to provide management with robust information for measuring performance. The 2013/14 full and audited Statement of Accounts are available [<http://tinyurl.com/SOA2014>]. In the past this formal approval has been in early September.

The Investment Panel continues to ensure all proposed service capital investments have robust business cases before formal approval by Cabinet or Cabinet Member as appropriate. It is chaired by the Chief Finance Officer and Deputy Director for Business Services and since 2013/14 comprises five senior managers including the Chief Property Officer, Chief Internal Auditor and Head of IMT, as well as other heads of service to ensure a broad perspective for challenge. The council has a significant schools building programme and recognises the importance of strong scrutiny of business cases ahead of commitment to each additional site as the programme rolls out.

The council is continuously improving its use of systems and technology to enhance and strengthen monitoring and reporting. New easy to use budget monitoring tools and performance systems were introduced in 2013/14 and are providing officers and members with up to date and consistent financial information.

The council's external auditors' report on financial resilience positively concluded that 'whilst the council faces some significant risks and challenges during 2013/14 and beyond, its current arrangements for achieving financial resilience are adequate, or better.'

The council's risk management policy statement and strategy are part of the Constitution and are reviewed annually. The Strategic Risk Forum was established in 2013/14 and draws together lead officers from across the council to review and challenge risks and ensure a consistent risk approach is adopted. During the year it has given particular focus on developing the council's awareness of its risk culture.

The council has six select committees who provide challenge to the Cabinet and continue to strengthen their policy development and review role. The Council Overview and Scrutiny Committee, comprising the select committee chairmen and representatives of the opposition parties, takes a council-wide view and leads on collaborative scrutiny issues.

Every County Council, Cabinet and Planning and Regulatory Committee meeting is webcast to enable people to watch meetings online.

The Audit and Governance Committee comprises six councillors (the Chairman is a Residents' Association/Independent Councillor) who have been specifically chosen to enable robust challenge and assurance from a position of knowledge and experience. The committee is focused on providing independent assurance on the council's control environment, the adequacy of the risk and governance arrangements and financial reporting.

A Pension Fund Board was established during the year to take decisions on behalf of the council as the administering body for the Local Government Pension Scheme. The formal make up of this Board is recognised as representing best practice and follows a review of governance arrangements carried out by an independent advisor.

The annual review of the effectiveness of the system of internal audit encompassed a self assessment of conformance with the Public Sector Internal Audit Standards (PSIAS) and a review of the level of member and officer focus on audit findings and recommendations. The 2013/14 review concluded that in all significant respects, the council's Internal Audit function complies with PSIAS. The review provided positive assurance that senior officers across the council have a good level of awareness of audit activity taking place and of progress in implementing audit recommendations.

The gifts and hospitality register for officers is online and provides a means for staff to easily register anything offered or accepted, making the entire process transparent.

The council's Whistle-blowing policy encourages staff to raise concerns, such as bullying or harassment or fraud, through an anonymous, confidential and independent hotline. A variety of communication channels are constantly used to publicise the policy and the supporting arrangements.

As part of the council's policy on transparency and openness, information is made available to residents and businesses through the publication of expenditure invoices for spend over £500 and salaries of staff who earn over £58,200 (named from £100,000).

The performance of each directorate is monitored by the production of a scorecard of performance, which is presented to management teams to highlight areas of concern and success and encourage steps taken to improve upon success and remedy failings. These scorecards are then published online on a monthly basis.

People

The People Strategy is annually refreshed to reflect the council's people priorities. It covers employees and the wider workforce, including volunteers, charities and members of the public who help the council to help residents.

The council continues to invest in staff and Members to ensure engagement and motivation. Staff are given access to a number of tools and support through the STARS (Stretching

Talent and Raising Skills) training and development programme that includes a range of e-learning and classroom based courses, online guidance and websites. Workplace coaches and a pilot high performance development programme (planned for roll out in 2014/15) are in place across the organisation to support staff with career development and/or find solutions to issues and problems.

The council holds the Charter for Elected Member Development. A career pathway for members has been created to encourage all members to work on their personal development and highlight key skills and learning that is needed to help them progress through their career path.

Engagement and collaboration

The Surrey Residents Survey, which is jointly commissioned with Surrey Police, gathers customer satisfaction data and the results form part of the corporate scorecard. Customer feedback procedures ensure that feedback is both consistent and appropriate and that outcomes are reported through a quarterly digest.

The council continues to develop Surrey-i, which publishes information about the council's residents and communities. It gives public service professionals, partner organisations and the public improved access to essential data, including customer needs, demand and supply side data. Information is now available in snapshots (eg on crime and health), which bring together information in a visual and user friendly way.

The council has strengthened the public participation arrangements for each of its 11 local committees that deal with local County Council decision making.

The council worked together with residents and partners to cope with the severe flooding as well as aid the recovery post flooding. This included staff relocating from the Runnymede Centre to allow it to be used as a base for the army to help to support residents.

The council is part of the Government's Public Service Transformation Programme and is working closely with partners on projects including emergency service collaboration, Supporting Families and health and social care integration. The vision is that services will shift towards prevention and earlier intervention in order to deliver better value for money.

The SE7 councils, consisting of seven South East councils, are continuing to work together to identify savings from joint working. Strong progress is being made in the waste and highways workstreams. The council is also building on successful arrangements with East Sussex County Council to develop further efficiencies.

Internal control environment

The internal control environment is a significant part of the governance framework and is designed to manage risks to a reasonable level. The overall opinion of the Chief Internal Auditor on the internal control environment for 2013/14 is "**some improvement needed**". Controls evaluated are judged to be generally adequate, appropriate, and effective to provide reasonable assurance that risks are being managed and objectives should be met. However, there are a number of areas where there is a need to enhance the governance arrangements in place, in particular:

- **Information Governance** - further work is required to raise awareness of the information governance risks across the organisation. Key to this is not only the need to ensure policies and procedures are clear and up to date and easily accessible to staff but to ensure local controls are in place to ensure compliance with them.
- **Social Care Debt** – improvements identified through Internal Audit and service led reviews, need to be fully embedded. This will ensure that more of the monies due to the council are received in a timely manner and appropriate action taken where credit balances exist.
- **Children in Care Health and Dental Checks** – there is a need to reduce the current delay between the time Children’s Services are notified of a completed health check and the corresponding paperwork being received so that the completion of the health check can be properly validated. Further work is required to clear a backlog of health assessments for children placed outside Surrey.

Management Action Plans are in place to address the recommendations made by Internal Audit and actions will be implemented by the identified responsible officers.

Focus for 2014/15

The council’s strategic plans need to remain focussed on continuing to strengthen our relationships with residents, businesses and all partners, developing innovative solutions, and planning and managing our finances carefully and responsibly.

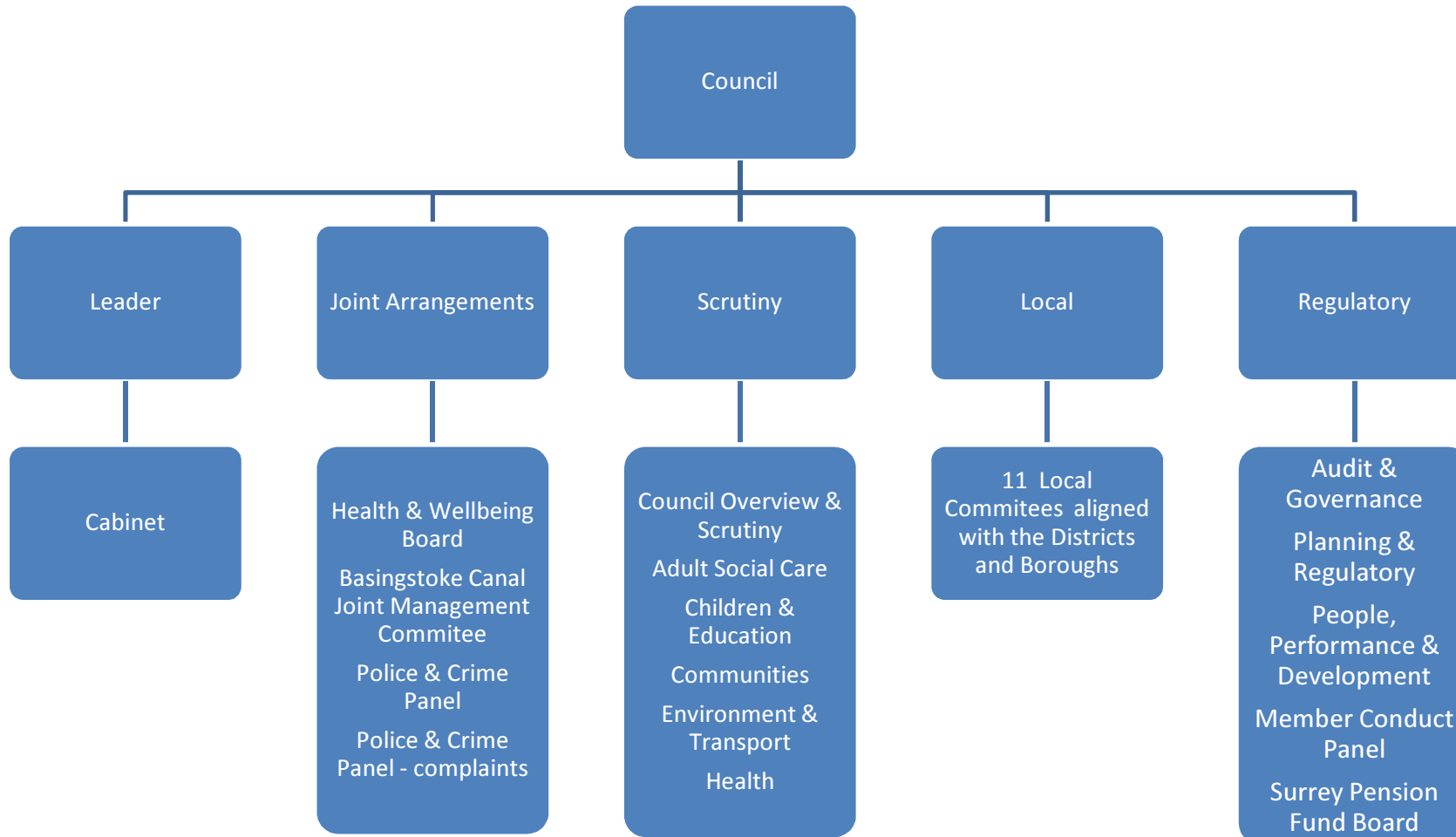
The council will continue to take a more networked approach that ensures it acts as one team in delivering strategic objectives and priorities. This will help ensure high performance in the day to day delivery of services while mobilising the resources of the whole organisation to secure the most effective new ways of working.

Effective learning remains a key part of our approach. The learning process is crucial if we are to meet our responsibilities to residents now and in the future. As part of this we have a duty to understand and address any mistakes we do make.

Developing a strong and resilient organisation that can respond effectively to whatever lies ahead is key and strong relationships will be ever more essential over the coming years. Our relationship with partners and residents will determine our ability to deal with the challenges we face and successfully transform services.

Member Governance

The Council delegates responsibility as set out below for a number of different functions through the Constitution. Cabinet also delegates some responsibilities to certain joint arrangements. [<http://tinyurl.com/SurreyConstitution>].



Council

The Council is composed of 81 councillors (or "Members") elected every four years. Councillors are democratically accountable to electors in their electoral division.

The County Council meets approximately every six weeks on a Tuesday. Every meeting is webcast. The meetings are open to the public, although the public are not able to participate in the meeting.

The Council sets the framework within which the Cabinet operates through the corporate plan, budget and major policy plans. It elects the Chairman and Vice-Chairman of the Council annually and appoints the committees of the Council. It also elects the Leader of the Council for a four year period (and may remove him/her from office).

Chairman of the Council: David Munro

Leader of the Council: David Hodge

Cabinet

The Cabinet is made up of the Leader (chairman), Deputy Leader, eight Cabinet Members and there is in addition four Cabinet Associates. Cabinet is responsible for all executive decisions, with each Member holding the brief for a portfolio of services.

The Cabinet leads the preparation of the council's policies and budget and makes recommendations to the County Council on the major policy plans and the budget and Council Tax. The Cabinet and Cabinet Members take decisions within this framework of plans and procedural rules approved by the Council, including key decisions. It is held to account by the council for its performance.

The council produces a forward plan containing notice of key decisions to be taken by the Cabinet and Cabinet Members in the next 28 days and indicative programme of proposed decisions for the following months. The Notice of Decisions also gives notice of meetings which may be held in private (in whole or part) and how residents can make representations about this.

Regulatory

The Council appoints these committees with terms of reference within the Constitution. Council appoints chairmen for each:

Audit & Governance: Nick Harrison; **Planning & Regulatory:** Keith Taylor; **People, Performance & Development:** David Hodge; **Member Conduct Panel:** David Munro; **Surrey Pension Fund Board:** Denise Le Gal

Some examples are:

Audit and Governance Committee creates an environment in which audit, governance and financial accounts matters can be considered without having to compete for priority alongside other matters. It meets six times a year and additional meetings are occasionally required for a specific purpose.

The People, Performance and Development Committee's role includes policies on staff pay & conditions, arrangements for consultation with unions, resolving disputes and promoting development and training.

Joint Arrangements

The Council and the Cabinet may establish joint arrangements with one or more local authorities and/or their executives to exercise functions which are not executive functions in any of the participating authorities, or advise the council. Such arrangements may involve the appointment of a joint committee with these other local authorities.

Scrutiny

There are six select & scrutiny committees.

Council appoints chairmen for each:
Council Overview & Scrutiny: Nick Skellett; **Adult Social Care:** Keith Witham; **Children & Education:** Zully Grant-Duff; **Communities:** Denise Saliagopoulos; **Environment & Transport:** David Harmer; **Health:** Bill Chapman

Role:

To provide challenge to the Cabinet and to strengthen their policy development and review role

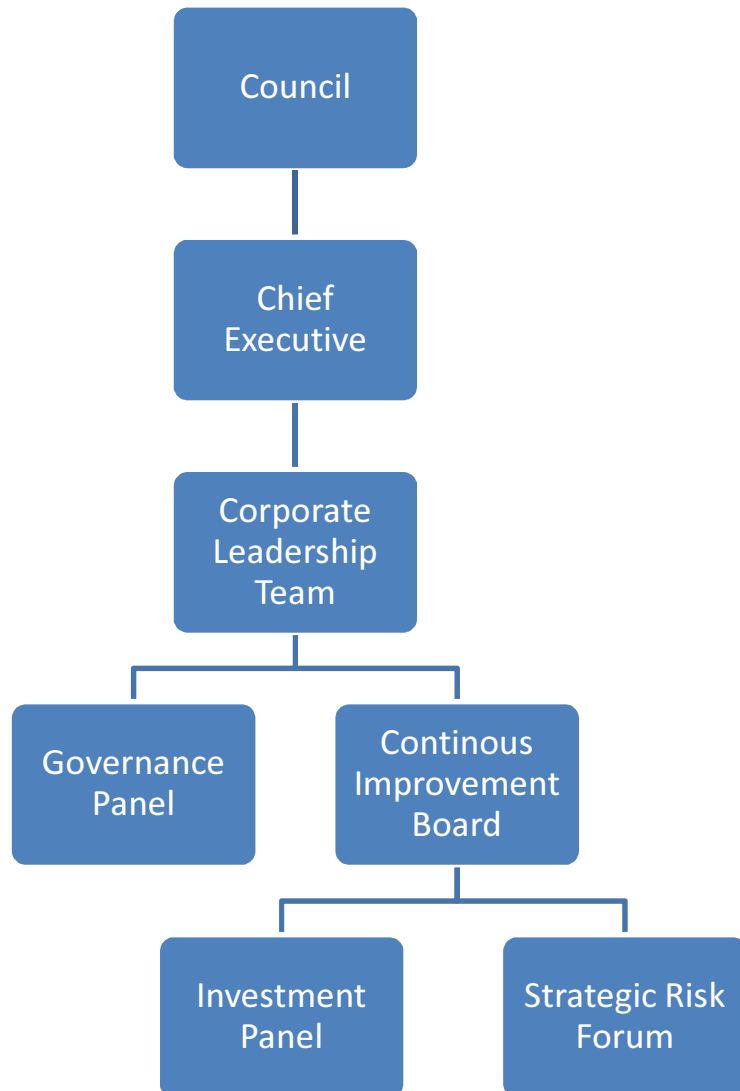
Local

The Council appoints local committees to ensure improved service delivery in the context of best value and more efficient, transparent and accountable decision making. Council appoints chairmen for each:

Elmbridge: Margaret Hicks; **Epsom & Ewell:** Eber Kington; **Guildford:** Mark Brett-Warburton; **Mole Valley:** Tim Hall; **Reigate and Banstead:** Dorothy Ross-Tomlin; **Runnymede:** Chris Norman; **Spelthorne:** Richard Walsh; **Surrey Heath:** David Ivison; **Tandridge:** Michael Sydney; **Waverley:** Pat Frost; **Woking:** Liz Bowes

Officer Governance

The Council appoints the Head of the Paid Service (Chief Executive) and Monitoring Officer (Director of Legal & Democratic Services) as statutory officers. The People, Performance and Planning Committee appoints the Chief Finance Officer (Director of Finance) and other statutory officers. Constitution delegates responsibility as set out below for a number of different functions.



Corporate Leadership Team: provides corporate leadership and strategic direction to ensure that Surrey County Council becomes an outstanding community leader and delivers excellent services to the public. It comprises of the Strategic Directors of each Directorate, Assistant Chief Executive and the Directors of Finance and Legal & Democratic Services.

Governance Panel (chaired by Director of Legal and Democratic Services) and reports to the Corporate Leadership Team and the Audit and Governance Committee. The panel provides a satisfactory level of assurance on the governance arrangements for the year.

Continuous Improvement Board provides leadership, challenge, oversight and early consideration of issues relating to and underpinning the delivery of the Corporate Strategy & MTFP; and development of corporate policy. The membership includes Finance, HR, Policy & Performance and directorate leads

Investment Panel continues to ensure all proposed service capital investments have robust business cases before formally proposed to Cabinet. Since 2013/14, it comprises of four senior managers including the Director of Finance [chair], Chief Property Officer, Chief Internal Auditor and Head of IMT, as well as other heads of service to ensure a broad perspective for challenge.

Strategic Risk Forum membership includes the Director of Finance [chair] directorate risk leads and officers from internal audit, HR and emergency management. It meets on a quarterly basis and ad hoc meetings take place as matters arise.

Strategic principle risks

The principal risks are contained on the Leadership risk register. The register is owned by the Chief Executive and shows the council's key strategic risks and opportunities. It is reviewed by the Strategic Risk Forum (chaired by the Director of Finance) and then by the Continual Improvement Board on a monthly basis and regularly reviewed by Audit & Governance Committee. Further information on the strategic principle risks are within the leadership risk register that can be found within the Audit & Governance Committee Papers on 31 July 2014 item 11. [<http://tinyurl.com/Audit-GJul2014>]

Risk	•Key controls
<p>Future Funding</p> <ul style="list-style-type: none"> -erosion of the main sources of funding ie: Council tax and government grants - failure to generate new income streams as planned 	<ul style="list-style-type: none"> •robust quarterly monitoring •further understanding of financial implications of existing and future government policy changes •development of alternative / new sources of funding •close working with Borough and District colleagues
<p>Medium Term Financial Plan 2014-19 (MTFP)</p> <ul style="list-style-type: none"> -failure to achieve the MTFP due to additional demand, over optimistic funding levels and not achieving savings 	<ul style="list-style-type: none"> •monthly reporting to Continual Improvement Board, Corporate Leadership Team (CLT) and Cabinet •robust efficiencies delivery plans •clear management action reported promptly •monthly tracking of actual demand •monthly formal budget reports focusing on funding levels
<p>Waste</p> <ul style="list-style-type: none"> -failure to deliver key waste targets (including key waste infrastructure) 	<ul style="list-style-type: none"> • strong resourcing and project implementation •monitoring by the Waste Programme Delivery Board with strategic overview provided by the Strategic Waste Board. •further work with the Districts and Boroughs •contract variation signed with SITA
<p>Central government policy development</p> <ul style="list-style-type: none"> - central government policy changes including welfare reform and Care Act put additional pressure on demand for all public services 	<ul style="list-style-type: none"> •ensure thorough understanding of intended changes •implementation of a welfare reform programme including districts and boroughs •taking opportunity to influence central government •Care Act implementation Board to support on going discussions and project programme

Risk**• key control****Partnership working**

-failure or breakdown of a significant partnership or partner
-failing to develop a sustainable financial model across health and social care

- recognition of importance of building and sustaining good working relationships
- Health and wellbeing strategy and action plan owned by partners
- intelligence on partner is shared and areas of risk identified
- ensure development of sustainable financial model.
- Health and Wellbeing Board focusing on resources required to deliver.
- strong governance and sharing of risk

Information Governance

- failure to effectively act upon and embed standards and procedures

- communication campaigns encrypted laptops
- Internal Audit Management Action Plans implementation
- GCSx accreditation certificate
- Information Governance Board in place

Information Technology

- failure of IT systems due to breaches (deliberate or accidental) of security and integrity of operational IT systems

- proactive and effective security controls in place
- robust IT incident response plan
- training and regular communication to staff via email and snet
- IT system resilience provided through Primary and Secondary Data Centres

Business Continuity, Emergency Planning

- failure to plan, prepare and effectively respond to a known event or major incident

- Council Risk and Resilience Forum reviews, moderates, implements and tests operational plans.
- close working with services and Emergency Management Team
- continued consultation with unions and regular communication to staff.
- external risks assessed through the Local Resilience Forum

Staff resilience to major change

- change fatigue and lack of resilience for any future change due to the significant challenges faced over the next 4 years

- continued communication, consultation and
- training courses that address various aspects of change. Over 40 trained coaches.
- the smarter working framework and flexible working policy
- promotion of support mechanisms for staff

Safeguarding

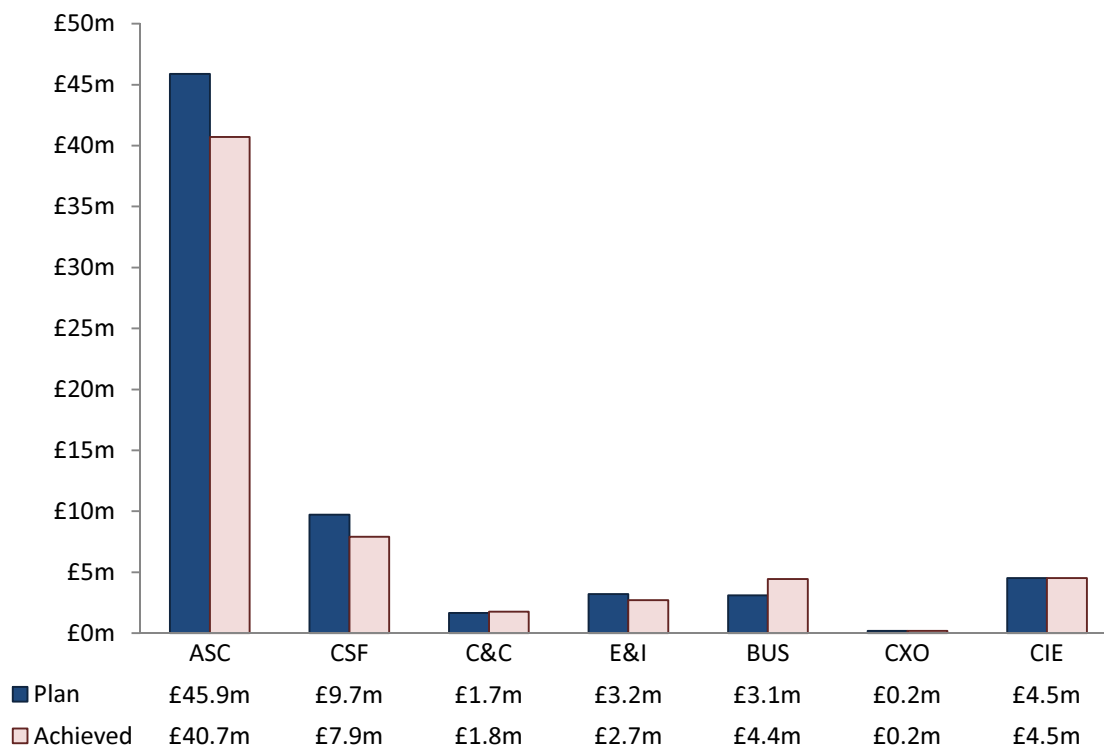
- avoidable failure in Children's and/or Adults Care service

- appropriate and timely interventions by well recruited, trained, supervised and managed professionals, with robust quality assurance and prompt action to address any identified failings.

Other key information

Revenue efficiencies and service changes

The revenue statement provides details of the income and expenditure; however the services have absorbed a high level of demand pressures to ensure that balanced budgets are maintained. Services planned for £68m of efficiencies in 2013/14. The graph below illustrates the performance of each directorate. The overall result achieved is £62m met through one-off savings.



Key: ASC – Adult Social Care, CSF – Children, Schools and Families, C&C – Customer & Communities, E&I – Environment & Infrastructure, BUS – Business Services, CXO – Chief Executive Office, CIE – Central Income & Expenditure

Council travel expenses

Travel expenses are incurred through staff and members’ journeys on council business. Included within travel expenses are the costs for some employees, who due to extensive travel (over 1,500 miles per year), have a lump sum travel allowance as well as mileage expenses. The current system does not distinguish between travel expenses for training or service delivery. Toward the end of 2011/12, the council choose to relinquish a lease to a key office building and use other office space across the county. The increase in travel expenses is due to the increased travel of staff across the county to satellite offices.

Table 7: Travel expenses by directorate

	2013/14	2012/13	2011/12
Adult Social Care	£1.7m	£1.7m	£1.5m
Children, Schools & Families	£2.6m	£2.4m	£2.3m
Schools	£0.3m	£0.4m	£0.4m
Customer & Communities	£0.2m	£0.3m	£0.2m
Environment & Infrastructure	£0.4m	£0.3m	£0.3m
Business Services	£0.3m	£0.3m	£0.3m
Chief Executive Office	£0.5m	£0.4m	£0.4m
	£6.0m	£5.8m	£5.4m
Surrey CC gross expenditure	£1,717.5m	£1,692.3m	£1,670.3m
Travel expenses as a proportion of gross expenditure	0.3%	0.3%	0.3%

Council business consultancy fees

Consultancy, contractors and contractor services are used to support the organisation, often to help deliver projects. Over the past twelve months the council has assessed its definition of business consultancy to ensure the council makes the correct decision when buying these services.

Table 8: Business consultancy by directorate

	2013/14	2012/13	2011/12
Adult Social Care	£0.2m	£0.1m	£0.2m
Children, Schools & Families	£0.2m	£0.1m	£0.2m
Customer & Communities	£0.1m	£0.0m	£0.1m
Environment & infrastructure *	£1.5m	£0.5m	£0.4m
Business Services	£1.3m	£1.6m	£0.6m
Chief Executive Office	£0.1m	£0.0m	£0.0m
Total revenue expenditure	£3.3m	£2.3m	£1.5m
Surrey CC gross expenditure	£1,717.5m	£1,692.3m	£1,670.3m
Business consultancy as a proportion of gross expenditure	0.2%	0.1%	0.1%

* Predominantly, the business consultancy increase is due to Local Sustainability Travel Fund (LSTF) programme of initiatives and schemes (£0.5m), and Highway Maintenance Efficiency Programme (HMEP) funded by Department of Transport (£0.3m).

Salary transparency

Every year the council publishes information on salary policy and transparency on its website. This can be found at <http://tinyurl.com/Surreytransparency>.

The People, Performance and Development Committee (PPDC) acts as the Council's Remuneration Committee under delegated powers, in accordance with the Council's constitution. All Surrey Pay and terms and conditions are determined by the PPDC, including chief officers' remuneration and specific appointments to posts with salaries of £100,000 or more.

The Council is committed to being at the forefront of openness and transparency to demonstrate to its residents and local taxpayers that it delivers value for money. As part of the national and local government transparency agenda, it already publishes information on its external website detailing Surrey Pay ranges, expenditure over £500 and contracts with a value of £50,000 or more.

To continue that progress and in line with the Code of Recommended Practice for Local Authorities on Data Transparency 2011, the council has published details of salaries paid to senior staff on-line, with effect from 30 March 2012. This information is updated on a regular basis and covers all positions with annual salaries of £58,200 and above.

This is a summary of the bandings from the information on the website. This is different to the statutory accounts bandings. The information below is a point in time (1 March 2014) of the number of officers in which band, whereas the statutory accounts band the annual salary paid for the year 2013/14 including schools and leavers. This information is also on a headcount basis i.e. what an individual is paid rather than a full time equivalent. The council had 7,357 full time equivalent posts at the end of March 2014 (7,361 - March 2013).

Table 9: Senior officers' pay by salary band

Salary (£)	1 March 2013 Number	1 March 2014		
		Number	Male	Female
55,000-59,999	13	15	73%	27%
60,000-64,999	62	56	38%	63%
65,000-69,999	36	45	78%	22%
70,000-74,999	6	8	63%	38%
75,000-79,999	39	41	61%	39%
80,000-84,999	6	9	67%	33%
85,000-89,999	9	9	56%	44%
90,000-94,999	6	7	43%	57%
95,000-99,999	4	4	75%	25%
100,000-104,999	5	4	25%	75%
105,000-109,999	3	2	50%	50%
110,000-114,999	1	1	100%	0%
115,000-119,999	1	2	0%	100%
120,000-124,999	0	1	100%	0%
125,000-129,999	1	1	0%	100%
130,000-134,999	1	1	0%	100%
135,000- 139,999	1	0		
140,000-144,999	2	2	100%	0%
210,000-214,999	1	1	100%	0%
Total	197	209	58%	42%

Note: Mole Valley District Council contribute 80% costs of one director.

Members' allowances and travel expenses

Members receive an allowance rather than a salary for services carried out by them on behalf of the Council. Members spend significant time on council business outside of formal committee meeting. This includes constituency business, parish council and resident groups, meetings with: other public agencies and partners and charity and community groups. Council approves a scheme of members' allowances having taken account of recommendations from the Independent Remuneration Panel. Recently at the Council meeting on 6 May 2014 the members approved an increase to the allowances for 2014/15. The new scheme allowances related to the period 21 May 2013 until 2017/18.

Under statute, if a member has not attended a meeting for a period of six consecutive months, unless the failure to attend was due to a reason approved by the authority during those six months, the member ceases to hold office. The attendance is available for any period from 20 October 2012. [<http://tinyurl.com/Surrey-Memattend>].

Table 10 summarises members' allowances and expenses. Table 11 shows members' allowances and expenses for current county councillor members as at 31 March 2014.

Table 10: Summary Member allowances and travel & subsistence expenses

	2013/14	2012/13	2013/14	2012/13
	Allowances	Allowances	Travel & subsistence expenses	Travel & subsistence expenses
Member allowances	£	£	£	£
Current members	1,325,267	1,021,863	87,654	75,520
Stood down members	31,251	308,815	1,679	10,112
Independent persons / Standards Committee		833	463	0
Employer NI & pension contributions	226,317	233,353		
Total expenditure	1,582,834	1,564,864	89,795	85,632
Member allowance as a proportion of gross expenditure	0.1%	0.1%		

Table 11: Members' allowances and travel & subsistence expenses

Member	District	Elected	2013/14	2012/13	2013/14	2012/13
			Allowances £	Allowances £	Travel & subsistence expenses £	Travel & subsistence expenses £
Mrs Mary Angell	Runnymede	2005	28,291	28,291	1,604	2,752
Mr William Barker	Guildford	1997	14,791	14,791	1,161	835
Mrs Nikki Barton	Waverley	2013	10,618		383	
Mr Ian Beardsmore	Spelthorne	2001	11,791	11,791	130	198
Mr John Beckett	Epsom & Ewell	2013	10,618		90	
Mr Mike Bennison	Elmbridge	2005	15,202	17,791	340	552
Mrs Elizabeth Bowes	Woking	2009	18,202	20,541	289	221
Mrs Natalie Bramhall	Reigate & Banstead	2013	10,618		445	
Mr Mark Brett Warburton	Guildford	2009	18,202	20,791	1,023	563
Mr Ben Carasco	Woking	2009	14,380	11,791	88	
Mr William Chapman	Surrey Heath	2009	20,420	11,791	1,930	842
Mrs Helyn Clack	Mole Valley	2001	28,291	28,291	3,456	4,500
Mrs Carol Coleman	Spelthorne	2005	11,791	11,791	708	476
Mr Stephen Cooksey	Mole Valley	2005	11,791	11,791	673	929
Mr Stephen Cosser	Waverley	2009	18,189	21,791	2,170	1,895
Mrs Clare Curran	Mole Valley	2009	24,162	27,076	1,265	942
Mr Graham Ellwood	Guildford	2009	11,791	11,791		14
Mr Jonathan Essex	Reigate & Banstead	2013	10,618		567	
Dr. Robert Evans	Spelthorne	2013	10,618		622	
Mr Timothy Evans	Spelthorne	2013	10,618		95	
Mr Melville Few	Runnymede	2009	27,400	22,017	2,819	1,671
Mr William Forster	Woking	2009	11,791	11,791	243	303
Mrs Patricia Frost	Waverley	2005	17,791	17,791	1,137	2,043
Mr Denis Fuller	Surrey Heath	2009	14,791	14,199	1,922	1,255
Mr John Furey	Runnymede	2009	28,291	28,291	2,257	107
Mr Robert Gardner	Reigate & Banstead	2013	10,618		623	
Mr Michael Goodman	Surrey Heath	2013	12,960		1,408	
Mr David Goodwin	Guildford	2005	11,664	11,791	209	284
Mr Michael Gosling	Reigate & Banstead	2005	28,791	28,791	3,196	3,515
Dr. Zulema Grant Duff	Reigate & Banstead	2009	21,654	20,791	1,204	960
Mr Ken Gulati	Reigate & Banstead	2013	10,618		184	
Mr Timothy Hall	Mole Valley	2005	14,380	14,541		
Mrs Kay Hammond	Reigate & Banstead	1997	19,097	28,291	2,823	4,091
Mr David Harmer	Waverley	2005	20,831	14,888	3,384	2,151
Mr Nick Harrison	Reigate & Banstead	2005	20,791	20,791	527	763
Miss Marisa Heath	Runnymede	2006	15,154	21,791	1,368	1,131
Mr Peter Hickman	Elmbridge	2005	11,791	11,791	240	246
Mrs Margaret Hicks	Elmbridge	1989	19,557	11,791	1,562	1,051
Mr David Hodge	Tandridge	2005	42,291	42,291	2,880	3,502
Mr Saj Hussain	Woking	2013	10,618		0	
Mr David Ivison	Surrey Heath	2005	18,291	18,291	2,139	2,355

Member	District	Elected	2013/14	2012/13	2013/14	2012/13
			Allowances £	Allowances £	Travel & subsistence expenses £	Travel & subsistence expenses £
Mr Daniel Jenkins	Spelthorne	2013	10,365			
Mr George Johnson	Guildford	2013	11,058		1,400	
Mrs Linda Kemeny	Woking	2011	28,291	25,638	1,898	2,271
Mr Colin Kemp	Woking	2013	10,618		383	
Mr Eber Kington	Epsom & Ewell	2009	19,557	12,404	340	191
Rachael I Lake	Elmbridge	2013	10,618		332	
Mrs Stella Lallement	Epsom & Ewell	2013	10,618			
Mrs Yvonna Lay	Runnymede	2005	12,210	14,199		1,645
Ms Denise Le Gal	Waverley	2009	28,291	28,291	4,558	4,078
Mrs Mary Lewis	Elmbridge	2013	10,618		644	
Mr Christian Mahne	Elmbridge	2013	10,618		112	
Mr Ernest Mallett	Elmbridge	2005	13,344	13,491	304	0
Mrs Sally Marks	Tandridge	2001	17,476	22,017	2,435	1,773
Mr Peter Martin	Waverley	2005	34,291	34,291	4,887	4,578
Mrs Janet Mason	Epsom & Ewell	2001	11,791	11,791		
Mrs Marsha Moseley	Guildford	2006	11,791	11,791		
Mrs Tina Mountain	Epsom & Ewell	2013	10,618			
Mr David Munro	Waverley	1997	25,420	16,791	4,747	4,050
Mr Christopher Norman	Runnymede	2009	20,791	20,791	1,015	1,114
Mr John Orrick	Tandridge	2009	11,791	11,791	725	696
Mr Adrian Page	Surrey Heath	2013	10,618		401	
Mr Chris Pitt	Surrey Heath	2005	11,791	11,791		
Mrs Dorothy Ross-Tomlin	Reigate & Banstead	2001	17,968	13,760	860	988
Mrs Denise Saliagopoulos	Spelthorne	2001	20,420	11,909	93	0
Mr Tony Samuels	Elmbridge	2010	28,291	28,291	2,342	2,863
Mrs Pauline Searle	Guildford	2005	11,791	11,791	60	23
Mr Stuart Selleck	Elmbridge	2013	10,618			
Mr Nicholas Skellett	Tandridge	1993	21,791	21,791	1,791	2,580
Mr Michael Sydney	Tandridge	2009	17,791	17,791	2,208	2,217
Mr Keith Taylor	Guildford	2009	20,831	14,791	1,361	1,128
Ms Barbara Thomson	Reigate & Banstead	2013	10,618		591	
Mr Christopher Townsend	Mole Valley	2009	11,791	11,791	474	657
Mr Richard Walsh	Spelthorne	2009	21,484	16,506	700	758
Mrs Hazel Watson	Mole Valley	1993	13,414	14,001	1,164	787
Mrs Fiona White	Guildford	2005	11,791	11,791	1,890	1,806
Mr Richard Wilson	Woking	2013	10,618		859	
Mrs Helena Windsor	Tandridge	2013	10,618			
Mr Keith Witham	Guildford	2012	20,420	10,745	832	574
Mr Alan Young	Waverley	2011	11,728	11,791	513	596
Mrs Victoria Young	Waverley	2013	10,523		572	
Total			1,325,267	1,021,863	87,654	75,520

Complaints

There can be a gap between people's expectations of public services and the reality, and that one of the key measures of customer satisfaction is ability of an organisation to manage problems and handle complaints.

Different central government formalities and approaches have led to three sets of legislative frameworks and separate procedures for dealing with our complaints (depending on whether they relate to Children, Schools & Families, Adults Social Care and all other services). The procedures all have a commitment to being person-centred, fair and clear, with timely outcomes. Each procedure has its own characteristics and response standards and all three procedures come under the umbrella of the Local Government Ombudsman (LGO). This creates a consistent final point of referral.

In September, Audit & Governance Committee will review the Complaints Annual Reports. This item contains information on the different procedures for complaints and further detail on the complaints themselves, especially regarding lessons learnt. 2012/13 information can be found within the Audit & Governance committee papers – 2 September 2013 item 57/13 [<http://tinyurl.com/A-G-2013-Complaints>].

There is further information on comments, complaints and compliments on our external website:

Adult Social Care – How to complain, <http://tinyurl.com/ComplaintsASC>;

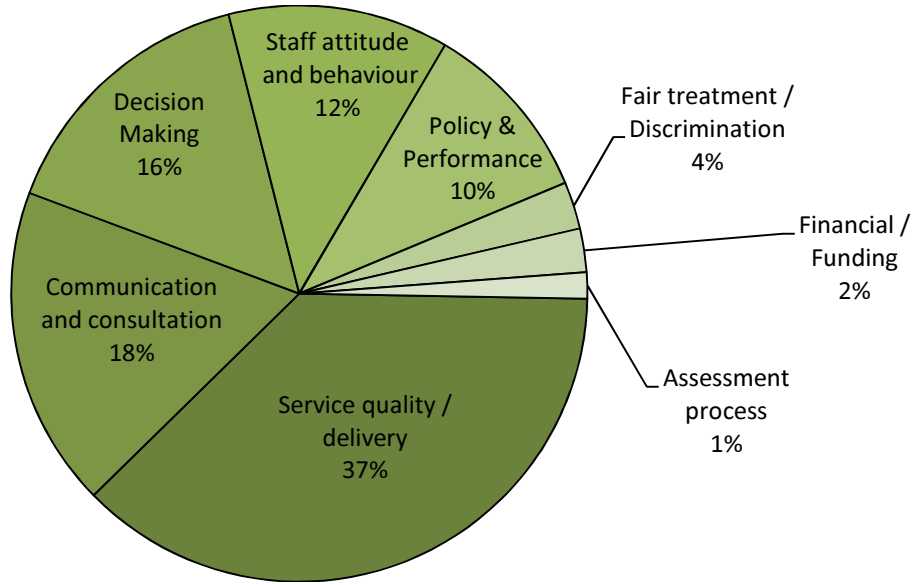
Children, Schools & Families, <http://tinyurl.com/ComplaintsCSF>;

General – Information and How to complain, <http://tinyurl.com/ComplaintsSCC> .

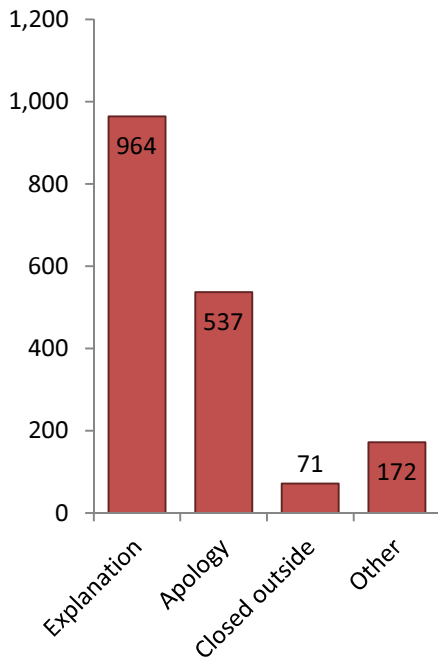
Table below shows the number of complaints received about our directorates and illustrates if these were taken forward to the Local Government Ombudsman (LGO) and the complaint decision upheld or not.

	2013/14				2012/13	
	Complaints recorded	Complaints responded within time target	Complaints queries from LGO	LGO complaint decision upheld	Complaints recorded	Complaints queries from LGO
Adult Social Care	179	96%	12	0	213	10
Children, Schools & Families	427	79%	32	0	328	33
Customer & Communities	181	95%	3	0	199	
Environment & Infrastructure	625	91%	18	1	463	16
Business Services	28	100%	3	0	24	3
Central support	47	72%	1	0	2	
Total	1,487	88%	69	1	1,229	62
Members	20	100%	1	0	4	0

Some complaints cover more than one issue. The 2013/14 assessed complaints concern the following issues:



Some complaints require more than one action and recommendation, so there are 1,782 actions compared to 1,507 complaints. The 2013/14 assessed complaints were resolved by the following actions and recommendations:



Other actions and recommendations:

- 38 Immediate resolution
- 28 Pending solution
- 22 Complaint closed - withdrawn
- 21 Alternative resolution
- 19 New decision / Case review
- 13 Change of practice
- 13 Complaint closed - without resolution
- 12 No action required
- 12 Reassessment
- 10 Financial (including waiver of fees)
- 9 Change of worker
- 7 Not known
- 5 Complaint closed – not substantiated
- 1 Informal resolution

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Financial Summary including the main accounting statements

Income and expenditure statement (IES)

This statement shows the true economic accounting cost in year of providing services in accordance with generally accepted accounting practices rather than the amount funded from taxation. The deficit on the provision of services for 2013/14 was -£185m (£2m surplus 2012/13). This represents the accounting deficit on the provision of services in accordance with International Financial Reporting Standards (IFRS), not a deficit in relation to what has been spent over the funding raised. The main reason for the deficit is the writing off of £104m of assets in relation to schools which have transferred to academy status. This is shown as an expense within the Education & Children's Services line of the IES.

Further information, the Statutory Statement of Accounts and explanatory notes can be found within the Audit & Governance Committee Papers on 31 July 2014.

[<http://tinyurl.com/Audit-GJul2014>]

Table 13: Summarised income & expenditure statement

	2013/14	2012/13
	Audited	Final
	£m	£m
<u>Income:</u>		
Income from local taxation (council tax)	600	580
Formula grant	208	150
Schools & other general and specific grants	734	777
Fees, charges & other service income	165	188
Total income	1,707	1,695
<u>Net directorate revenue expenditure:</u>		
Staffing	-730	-750
Non staffing	-987	-942
Total net directorate revenue expenditure	-1,717	-1,692
Outturn deficit (-) / surplus	-10	3
<u>Other expenditure:</u>		
Adjustments between accounting basis and funding basis under regulations (e.g. depreciation, revaluation losses, gain on disposal of assets, transfer of academies) (further explanation in the Statement of Accounts Note 23)	-175	-1
	-175	-1
Total expenditure	-1,892	1,693
Gross deficit (-) / surplus before accounting adjustments	-185	2
<u>Accounting adjustments:</u>		
Surplus (-) on revaluation of non-current assets (e.g.: buildings)	78	23
Actuarial losses on pension assets / liabilities	-96	-134
Net deficit on income and expenditure statement	-203	-109

Balance sheet as at 31 March 2014

This statement shows the value of the assets and liabilities recognised by the council as at 31 March. The balance sheet of the council shows a net liability of £242m, which is matched by reserves (as set out in the movement in reserves statement). This negative balance sheet position as at the 31 March is due to the pension liability which does not need to be met within the next year, but over the lifetime of the scheme members. Further information on the pension liability can be found at Note 38 of the Statement of Accounts.

Further information, on the Statutory Statement of Accounts and explanatory notes can be found within the Audit & Governance Committee Papers on 31 July 2014.

[<http://tinyurl.com/Audit-GJul2014>]

Table 14: Balance sheet as at 31 March 2014

	As At 31.03.2014 £m	As at 31.03.2013 £m
Property, plant & equipment	1,319	1,280
Investment property	29	
Heritage assets (historical collections and notable paintings)	1	1
Intangible assets (IT software & licences)	4	6
Long term investments	0	0
Long term debtors	11	9
Long term assets	1,364	1,296
Short term investments	74	104
Intangible assets (eg carbon reduction credits)	0	0
Assets held for sale	6	15
Inventories (e.g.: salt and grit store)	1	1
Short term debtors	124	142
Cash & cash equivalents	7	114
Current assets	212	376
Short term borrowing	-51	-82
Short term creditors	-212	-235
Short term provisions (e.g.: redundancy provision)	-5	-3
Receipts in advance (capital and revenue)	-1	-1
Other current liabilities (eg: PFI Lease, liabilities repayable within 12 months)	-6	-3
Current liabilities	-275	-324
Long term provisions (e.g.: insurance)	-9	-7
Long term borrowing (e.g.: capital loans to fund capital expenditure)	-238	-238
Other long term liabilities (e.g.: pension fund & PFI and lease liabilities)	-1,296	-1,142
Long term liabilities	-1,543	-1,387
Net liabilities	-242	-39
<u>Funded by:</u>		
Usable reserves (e.g.: general balances, earmarked reserves)	-279	-288
Unusable reserves (e.g.: pension, capital financing & revaluation reserves)	521	327
Net reserves	242	39

Cashflow statement

This shows the changes in cash and cash equivalents during the financial year. The total decrease in cash and cash equivalents for the council during 2013/14 was £107m (2012/13 an increase of -£4m) which is shown in the cash flow statement and note 17 Statement of Accounts (SoA). The statement shows how a council generates and uses cash and cash equivalents by classifying cash flows as operating, investing and financing activities:

- Operating activities - the amount of net cash flows arising from operating activities is a key indicator of the extent to which the operations of a council are funded by way of taxation, grant income or from recipients of services provided by a council.
- Investing activities represent the extent to which cash outflows have been made for resources which are intended to contribute to the future service delivery.
- Cash flows arising from financing activities are useful in predicting claims on future cash flows by providers of capital (i.e. borrowing) to the council.

This decrease is due mainly to a repayment of a £69m loan to the PWLB in September 2013 and in addition, increased capital expenditure alongside the council's internal borrowing strategy.

Further information on the Statutory Statement of Accounts and explanatory notes can be found within the Audit & Governance Committee Papers on 31 July 2014.

[<http://tinyurl.com/Audit-GJul2014>]

Table 15: Cash flow statement for 31 March 2014

	2013/14	2012/13
	£m	£m
Net deficit (-) /surplus on the provision of services	-186	2
Adjustments to net surplus on the provision of services for non-cash movements (e.g.: Depreciation)	268	132
Adjustments for items included in the net surplus on the provision of services that are investing and financing activities (e.g.: Revenue funded capital items)	42	16
Net cash flows from operating activities	124	150
Investing activities (e.g.: purchasing property, plant and equipment)	-193	-141
Financing activities (e.g.: Public Financing Initiative (PFI) payments)	-38	-5
Net increase in cash & cash equivalents	-107	4
Cash and cash equivalents at the beginning of the reporting period	114	110
Cash and cash equivalents at the end of the reporting period	7	114

Movement in reserves

Movement in the reserves statement shows the movement during the 2013/14 financial year on the different reserves held by the council, analysed into usable reserves and unusable reserves.

Usable reserves are where money is set aside to fund future expenditure plans or reduce taxation whilst unusable reserves reflect the difference between the surplus or deficit made on the true economic cost of providing a council's services and the statutory amounts required to be charged to the general fund balance for council tax setting purposes (i.e. adjustments between accounting basis and funding basis under regulations). The total decrease in the council's reserves during 2013/14 is £203million (a decrease of £9m in useable reserves, and a decrease of £193m in unusable reserves). This decrease is caused by an increase in the pensions liability and transferring £104m of school assets to schools which have transferred to academy status.

Further information, the Statutory Statement of Accounts and explanatory notes can be found within the Audit & Governance Committee Papers on 31 July 2014.

[<http://tinyurl.com/Audit-GJul2014>]

Table 16: Summarised movement in reserves as at 31 March 2014

	Balance 1 Apr 2013 £m	Movement £m	Balance 31 Mar 2014 £m
General fund balance	-32	11	-21
Earmarked reserves (further details in note A)	-181	-20	-201
Capital receipts reserve	-17	-3	-20
Capital grants and contributions unapplied	-58	21	-37
Total usable reserves	-288	9	-279
Total unusable reserves (further details in note B)	327	193	521
Net reserves	39	203	242

Note A: Earmarked usable reserves

The table below shows the council's usable reserves classified in accordance with CIPFA's accounting code of practice for International Financial Reporting Standards. These include in following broad categories;

- earmarked reserves - providing financing for future expenditure plans, commitments and possible liabilities;
- general balances – available balances to cushion the impact of uneven cash flow and a contingency for unexpected events;
- capital receipts - the balance of proceeds from the sale of assets not used in-year to fund new capital expenditure but set aside to fund future capital expenditure in accordance with the council's MTFP and asset management strategy;
- capital government grants unapplied – the balance of grants received from central government that have not been used in-year to fund new capital expenditure.

Table 17: List of earmarked usable reserves

	Opening balance 1 Apr 2013 £m	Transfers from reserves £m	Transfers into reserves £m	Closing balance 31 March 2014 £m
Earmarked revenue reserves				
Budget equalisation reserve	25	28	-19	34
Child protection reserve	4	0	-1	3
Economic downturn reserve	4	2		6
Eco park sinking fund	8	7		15
Equipment replacement reserve	3	2	-2	3
Financial investment reserve	11		-9	2
General capital reserve	8	0		8
Insurance reserve	8	1		9
Interest rate reserve	3	2		5
Investment reserve	5		-5	0
Investment and renewals reserve	13	1	-1	13
Revenue grants unapplied reserve	20	26	-20	26
Revolving Infrastructure fund	0	20		20
Schools balances	53		-7	46
Severe weather reserve	5		-5	0
Street Lighting PFI sinking fund	6	0		6
Vehicle replacement reserve	5	0	0	5
Waste site contingency reserve	0			0
Total earmarked reserves	181	89	-69	201

Note: Zero depict entries that are less than £1m.

Notes on the earmarked reserves

Budget equalisation reserve: The Budget Equalisation Reserve was set up to support future years' revenue budgets from unapplied income and budget carry forwards. The balance includes £27.2m approved to support the 2014/15 budget and £5.4m service budget carried forward.

Child protection reserve: This reserve is to provide funding for additional staffing costs as a result of the increase number of children subject to a child protection order. This reserve is to fund the costs until 2015/16, when the base budget will be increased to cover these costs.

Economic downturn reserve: This reserve is to allay the risks of erosion in the council's tax base due to the impact of the localisation of council tax benefit and a down turn in the economy.

Eco park sinking fund: To fund the future of the council's waste disposal project from surpluses in the initial years.

Equipment replacement reserve: Enables services to set aside revenue budgets to meet future replacement costs of large equipment items. Services make annual revenue contributions to the reserve and make withdrawals to fund purchases.

Financial investment reserve: The Financial Investment Reserve was set up in 2008/09 to mitigate against any potential future losses due to the failure of banks and financial institutions with which the council has deposits (specifically Icelandic Banks). While the remaining outstanding balance in relation to Icelandic investments is expected to be repaid in full, it is exposed to foreign exchange risk and therefore an amount has been retained in this reserve to mitigate against this.

General capital reserve: The General Capital Reserve holds capital resources, other than capital receipts, available to fund future capital expenditure.

Insurance reserve: This reserve holds the balance resulting from a temporary surplus or deficit on the council's self insurance fund and is assessed by an actuary for the possible liabilities the council may face. It specifically holds £3.5m to cover potential losses from the financial failure of Municipal Mutual Insurance (MMI) in 1992. The company had limited funds to meet its liabilities, consequently, future claims against policy years covered by MMI may not be fully paid, so would be funded from this reserve. The balance on this reserve represents the latest assessed possible liability.

Interest rate reserve: This reserve is to enable the council to fund its capital programme from borrowing in the event of an expected change in interest rates or other borrowing conditions.

Investment reserve: As a part of the council's financial strategy this reserve was to provide funds for the council to acquire properties and respond quickly and to take advantage of changes in the property market to fund its capital programme. In 2013/14 the balance on this reserve was transferred to the Revolving Investment & Infrastructure Fund.

Investment and renewals reserve: Enables investment in service developments. The reserve makes loans to services for invest to save projects, which may be repayable. The recovery of the loan is tailored to the requirements of each business case, which is subject to robust challenge before approval as a part of the council's governance arrangements.

PFI reserve (Street Lighting PFI sinking fund): This reserve holds the balance of the street lighting PFI grant income over and above that used to finance the PFI to date. The balance in this reserve will be used in future years when the expenditure in year will exceed the grant income due to be received in the same year.

Revenue Grants Unapplied reserve: This reserve holds government revenue grants received in previous financial years which will be used to fund expenditure in the future.

Revolving investment & infrastructure fund: The Revolving Infrastructure & Investment Fund was established in the 2013-18 Medium Term Financial Plan in order to provide the revenue costs of funding infrastructure and investment initiatives that will deliver savings and enhance income in the longer term. The net income generated by the portfolio in 2013/14 has been transferred to the reserve.

School balances: The consolidated balances of the maintained schools residual dedicated school grants. The balance includes schools overspends offset by carried forward under spends. The opening balance includes the academies that have converted this year.

Severe weather/ civil emergency reserve: This reserve enables the council to act decisively and with urgency in the event of a serious incident. The balance on this reserve was fully utilised during 2013/14.

Vehicle replacement reserve: Enables the future cost of vehicle replacement to be spread over the life of existing assets via annual contributions from revenue.

Waste sites contingency reserve: Held to meet as yet unquantifiable liabilities on closed landfill sites, arising from the Environmental Protection Act 1990.

Note B: Unusable reserves.

Certain reserves are kept to manage the accounting processes for items such as non-current assets, financial instruments, retirement and employee benefits. They do not represent usable resources for the authority and are not backed by cash balances.

Table 18: List of unusable reserves

Unusable reserves	Balance at 1 April 2013 £m	Movement £m	Balance at 31 March 2014 £m
Revaluation reserve	-252	-72	-324
Capital adjustment account	-499	136	-363
Financial instruments adjustment account	0	0	0
Pensions reserve	1071	132	1203
Collection fund adjustment account	-6	-1	-7
Accumulated absences account	14	-2	12
Total unusual reserves	328	193	521

Revaluation reserve: The revaluation reserve contains the gains made by the authority arising from increases in the value of its property, plant and equipment and intangible assets. The balance is reduced when assets with accumulated gains are:

- re-valued downwards or impaired and the gains are lost
- used in the provision of services and the gains are consumed through depreciation, or
- disposed of and the gains are realised.

The reserve contains only revaluation gains accumulated since 1 April 2007, the date that the reserve was created. Accumulated gains arising before that date are consolidated into the balance on the capital adjustment account.

Capital adjustment account: The capital adjustment account absorbs the timing differences arising from the different arrangements for accounting for the consumption of non-current assets and for financing the acquisition, construction or enhancement of those assets under statutory provisions. The account is debited with the cost of acquisition, construction or enhancement as depreciation, impairment losses and amortisations are charged to the Income and Expenditure statement (with reconciling postings from the revaluation reserve to convert fair value figures to a historical cost basis). The account is credited with the amounts set aside by the authority as finance for the costs of acquisition, construction and enhancement.

The account contains accumulated gains and losses on investment properties and gains recognised on donated assets that have yet to be consumed by the authority.

The account also contains revaluation gains accumulated on property, plant and equipment before 1 April 2007, the date that the revaluation reserve was created to hold such gains.

Financial instrument adjustment account: The financial instruments adjustment account absorbs the timing differences arising from the different arrangements for accounting for income and expenses relating to certain financial instruments and for bearing losses or benefiting from gains per statutory provisions.

Pensions reserve: The pensions reserve absorbs the timing differences arising from the different arrangements for accounting for post employment benefits and for funding benefits in accordance with statutory provisions. The Authority accounts for post employment benefits in the Income and Expenditure statement as the benefits are earned by employees accruing years of service, updating the liabilities recognised to reflect inflation, changing assumptions and investment returns on any resources set aside to meet the costs. However, statutory arrangements require benefits earned to be financed as the council makes employer's contributions to pension funds or eventually pays any pensions for which it is directly responsible. The debit balance on the pensions reserve therefore shows a substantial shortfall in the benefits earned by past and current employees and the resources the authority has set aside to meet them. The statutory arrangements will ensure that funding will have been set aside by the time the benefits come to be paid.

Collection fund adjustment account: The collection fund adjustment account manages the differences arising from the recognition of council tax income in the Income and Expenditure statement as it falls due from council taxpayers compared with the statutory arrangements for paying across amounts to the general fund from the collection fund.

Accumulated absences account: The accumulated absences account absorbs the differences that would otherwise arise on the general fund balance from accruing for compensated absences earned but not taken in the year, e.g. annual leave entitlement carried forward at 31 March. Statutory arrangements require that the impact on the general fund balance is neutralised by transfers to or from the account.