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Overview

We are pleased to present the Surrey County Council annual report for 2014-15, published in line with corporate best practice and guidance. The council's Audit & Governance Committee scrutinised the annual report alongside the statement of accounts on 27 July 2015. The report is for all stakeholders of Surrey County Council to provide an overview of the organisation's structure and its performance over the last year, highlighting some of the significant achievements across different service areas.

The information is presented in narrative form, as well as through the use of graphics, number tables and images. Some of the graphs and data have been supplied by Surrey-i, a database which compiles and publishes statistical and info-graphical information about Surrey residents and communities. If you require further information, there is a reference guide at the back of the document directing you to further reading. This section uses shortened website addresses (tinyurl) for simplicity and ease. All websites referenced direct you to Surrey County Council's website.

Foreword from the Leader of the Council

For me, the most important message to the new Government is to have the courage to trust local government to enable us to make further savings and improve services for the benefit of our residents.

I will never stop pushing for more devolution of responsibilities down to communities so that the right decisions are taken in the right places. It is the right thing to do and is essential that we in local government make our full contribution to ensuring quality services at the right cost for our residents.

We must never stop looking at what we can do to improve – always with our residents' interests at the forefront of our minds.

I consider it a privilege and honour to lead such change in our public services. We have made substantial headway over the past four years to reduce costs and improve services. The challenge always remains to do more for residents and I encourage residents, partners and colleagues in all organisations to work together as one team to deliver further improvements.

We at Surrey recognised early into the financial crisis in 2008-9 that we needed to change the way we do things to meet the challenges and difficulties ahead. One of my first actions was to launch a programme of Public Value Reviews (PVRs), looking at every service provided by the county council, focusing on what was important to Surrey people. This involved a series of rapid improvement events with elected Members and council officers, who challenged one another's thinking to find new ways of working for the benefit of residents.

We have achieved significant savings as a result and are developing new models of delivery with our partners. It is all part of our role and responsibility as a large corporate business - with an annual budget of £1.7bn – to ensure the highest quality services possible for our residents. The job is never done.

Please do tell us what you think of our latest annual report, covering our performance over the last year, 2014-15. We have structured the report to show how our 2014-15 achievements relate to our strategic goals (Wellbeing, Economic Prosperity and Resident Experience). As ever, your feedback is most welcome.

David Hodge

Leader of Surrey County Council

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August 2015

Reflections on the year from the Leader 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 27 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. 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.

Over the past twelve months, the council has been through a journey. Most things have gone well and others could have gone better. Here are some of our reflections over the past year, as well as some thoughts about what lies ahead.

Corporate strategy: confident in Surrey's future

Ensuring there is a defined and well communicated corporate strategy is key to ensuring the organisation moves forward appropriately. Reflecting the feedback from staff, members and customers, we updated our corporate strategy and improved its presentation with clearer and more succinct messages. It now emphasises deeper collaboration with partners where our joint contributions would ensure significant benefits for residents.

Partnership and joint working

After careful preparation, we launched an official partnership with East Sussex in April 2015 that will integrate business services across the two councils. This means that we can share expertise, maximise resources and deliver a range of professional support services to both Surrey and East Sussex, making the two organisations stronger, more agile, digitally-enabled and professional.

There are other examples of joint working, like the South East Seven procurement partnership and our Public Sector Transformation Network with partners including police, health and central government.

School provision

Our property services and schools teams created an additional 4,170 primary school places for the last academic year (beginning in September 2014).

However, Surrey's continuing baby boom means the county council has to provide 13,000 extra school places (the equivalent of 39 two-form entry primary schools) through its £290m school expansion programme over the next five years. Although the Government has awarded Surrey an additional £41m over the next two years in recognition of the increasing demand, it still leaves the council with a significant funding shortfall.

Children's Services Review

Last November, the Office for Standards in Education, Children's Services and Skills (OFSTED) raised concerns over the way we handle children who are not in immediate danger but have difficult lives through neglect or lack of care. We agreed, and put into place action plans in response to OFSTED's recommendations, which have been monitored by a cross-party improvement board. Also, we added an extra £2m investment in recruiting social workers to help us improve in this area.

OFSTED recognised that children who need child protection and are in immediate danger already receive appropriate protection and receive help quickly to ensure that they are safe. OFSTED also identified a number of our other strengths especially in finding permanent adoption homing and family support programme.

Flooding – Lower Thames seven councils

Through the Chancellor's Autumn Statement, the Government announced there would be £60m available for flood defence schemes across the lower Thames – for Datchet and Teddington locks - to protect up to 15,000 households at risk of flooding by 2021. It is good news but still leaves a £45m funding gap for us and our six local authority partners bordering that stretch of the Thames.

Furthermore some of our awards ...

Some of our awards are worth mentioning. Both our Shared Service Centre and Highways Service have received impressive awards both internationally and nationally. The Shared Service Centre, which handles pension administration, payroll, recruitment, invoices and booking internal training courses, was named best in Europe by The Shared Services & Outsourcing Network (SSON). It was judged to put the customer at the heart of its service, driving cost savings and increasing efficiency and customer satisfaction. Coca Cola Hellenic, Siemens and Bank of Ireland were among the more than 150 organisations up for the title in the annual SSON awards.

Our highways engineers have collected a number of awards this year for the £32 million Walton road bridge carrying 35,000 commuter cars a day between Shepperton and Walton. The first Thames crossing built in 20 years, scooped the Community Award at the Institution of Civil Engineers' (ICE) London regional ceremony in May, then the best overall award in ICE South East awards in June and the Best Practice Award at the British Construction Industry Awards in October.

Magna Carta planning and hosting a year of celebrations

Last June marked the start of a year of artistic and educational events, involving schools and the council's Surrey Arts service, to mark the 800th anniversary of the sealing of the Magna Carta at Runnymede in 1215. A giant puppet show, with puppets built by four local schools, was the centre piece at a Giant's Picnic event at the Runnymede memorial site to launch the programme of activities, leading up to the royal commemoration event on 15 June 2015.

Financial challenges enormous

The financial pressures and uncertainty of central government funding for councils remain. In February 2015 we set out our revised five-year financial plan. Austerity, unprecedented growth and volatile demand for the council's services are challenging for our planning, financial sustainability and resilience. Together with operational processes and assured financial resilience, we are building a council that can achieve our corporate goals and remain sustainable.

Central government plans for devolution

The Government is looking to devolve some functions and responsibilities to local government. For some time we have been working with other councils to be involved with planning and discussions around what devolution would mean to the south-east. This is a key goal for us over the next year.

Our business model

Further reading links pg 55

The strategic challenges facing the council stem from two significant and persisting trends. Firstly, population changes - alongside the introduction of new responsibilities and duties - mean there is an increasing number of things the council needs to do in order to fulfil its purpose. Secondly, the total financial resource available to do these things continues to reduce in real terms.

By putting its strategy into action since 2013 the council has made good progress in meeting these challenges. The progress made confirms the value of staying true to the long-term strategy the council agreed in July 2013. It has helped the council to navigate significant challenges over recent years.

The council's vision statement has been updated to "one place, one budget, one team for Surrey". This reflects the need to deepen and accelerate collaboration among partners over coming years, and the strong case for Surrey to be granted greater local powers.

The list of key actions for the next financial year has also been updated. These actions have been grouped under three headings as our strategic goals. These goals (Wellbeing, Economic prosperity, Resident Experience) describe the key outcomes that everyone in the council will be contributing to for the benefit of residents. There are a number of more detailed supporting strategies and plans which contribute to the delivery of the corporate strategy.

Confident in Surrey's future: Corporate Strategy 2015-20



PURPOSE

We are the representative body elected to ensure Surrey residents remain healthy, safe and confident about their future

VISION

ONE place
ONE budget
ONE team for Surrey

VALUES

- Listen
- Responsibility
- Trust
- Respect

Context

Residents expect services to be easy to use, responsive and value for money. Demands are increasing while financial resources are decreasing. We will meet these challenges by continuing to work as one team with our residents and partners. By working together, investing in early support, and using digital technology we will improve and ensure residents can lead more independent lives.



Changing birth rates and people moving into Surrey means that 13,000 more school places are expected to be needed by 2020



Surrey's population is increasing and is ageing - by 2020, it is estimated that older people will make up 20% of the population, increasing demand on health and social care services



Surrey's economy expanded by 17% between 2009 and 2013, but there are critical challenges: roads are congested; employers struggle to attract staff with the right skills; and there is limited affordable housing

Our strategic goals

Wellbeing

Everyone in Surrey has a great start to life and can live and age well

To support this goal in 2015/16 we will

- Provide over 2,800 additional school places for the September 2015 school year
- Improve outcomes for children in need
- Support 750 families through the Surrey Family Support Programme
- Help older and disabled people to live independently at home
- Support a healthy living approach

Economic prosperity

Surrey's economy remains strong and sustainable

To support this goal in 2015/16 we will

- Support young people to participate in education, training or employment
- Ensure more than 50% of council spending is with Surrey businesses
- Improve and renew 70kms of roads
- Increase waste recycling and reduce the amount produced and sent to landfill
- Support a £50m plus infrastructure investment programme

Resident experience

Residents in Surrey experience public services that are easy to use, responsive and value for money

To support this goal in 2015/16 we will

- Collaborate with partners to transform services for residents
- Use digital technology to improve services for residents
- Invest in flood and maintenance schemes
- Work with partners to tackle issues that make residents less safe
- Deliver £62m savings

At a glance: a year in Surrey County Council

<p>April 2014</p> <p> Primary school places</p> <p>Most Surrey children continue to get a primary school of their choice. This month pupils starting next September find out where they have a place. Primary education in Surrey covers reception and junior levels.</p> <ul style="list-style-type: none"> * 85% got their first preference * 94% got one of their top three preferences. 	<p>May 2014</p>  <p> Fostering Fortnight</p> <p>Surrey fostering in figures: 1,601 – years of experience that carers have clocked up 644 – children currently being looked after 236 – families caring for children 14 – specialist carers.</p>	<p>June 2014</p>  <p> Preston Regeneration commenced</p> <p>Work has started on Surrey County Council's joint project with Reigate & Banstead Borough Council to regenerate the Preston area with new community facilities includes a 25-metre six-lane swimming pool, a 60-station gym and sports hall, space for community activities and a youth skills centre.</p>
<p>July 2014</p>  <p> Flood volunteers thanked</p> <p>Scores of volunteers who worked tirelessly to keep Surrey residents safe during last winter's floods have been thanked by Surrey's Lord-Lieutenant Dame Sarah Goad and the previous county council Chairman, David Munro.</p>	<p>August 2014</p>  <p> Cycle Surrey</p> <p>Cabinet Member for Community Services, Helyn Clack, said: "I'm delighted that the wind and rain didn't quash the determination of nearly 21,000 cyclists to turn out for the RideLondon-Surrey event."</p>	<p>September 2014</p> <p> Extra school places</p> <p>Cabinet Member for Schools and Learning, Linda Kemeny, said: "I'm pleased we have ensured more than 4,100 additional pupils can learn in Surrey schools but it is going to get harder and harder for us to find the £290 million we need over the next five years for the 13,000 further places the county desperately needs."</p>

<p>October 2014</p>  <p> Autism home opens</p> <p>MP Kwasi Kwarteng helped to celebrate the unveiling of a new home for people with autism when he dropped in at the official launch. The Spelthorne MP joined Cabinet Member for Adult Social Care, Mel Few, at the event to mark the opening of Surrey County Council and London Care Partnership's home.</p> <p>The new service in Sunbury-on-Thames provides a home for eight people aged 18 to 25.</p>	<p>November 2014</p>  <p> Living and Ageing Well</p> <p>Surrey Libraries won an award for supporting those who are unable to visit a library by themselves. The Village Centre of Englefield Green were recognised for running free lifts to Egham Post Office for people who may otherwise be housebound. Lynne Baxter and the Mole Valley Ponderers were honoured for ensuring people with dementia have ongoing social support.</p>	<p>December 2014</p>  <p> Keeping Surrey moving</p> <p>Surrey County Council's gritting lorries treated 6,089 miles of road, the equivalent distance from London to Tokyo.</p> <p>As temperatures plummeted, the council's winter operation kicked into gear with the fleet of 39 gritters drawing on the 16,000 tonnes of salt stockpiled at depots across Surrey in preparation for icy conditions.</p> <p>52 farmers have also been equipped with snow ploughs to help us clear the rural roads.</p>
<p>January 2015</p> <p> Conman jailed</p> <p>A conman was jailed for three years for swindling unsuspecting shoppers out of £600,000 by selling knock-off versions of Disney's Little Mermaid and Mrs Brown's Boys imported from China.</p> <p>He was found guilty at Guildford Crown Court of 13 counts – including importing and supplying counterfeit DVDs, running a fraudulent business and money laundering. The prosecution was brought by Surrey County Council trading standards officers and the Federation Against Copyright Theft (FACT).</p>	<p>February 2015</p>  <p> Libraries across Surrey</p> <p>Libraries across Surrey held events to celebrate National Libraries Day on Saturday 7 February. Guildford Library ran sessions to guide people through the world of e-books and e-audiobooks, while other branches held children's events.</p>	<p>March 2015</p> <p> Open Data Champion</p> <p>Surrey County Council was named an 'Open Data Champion' by Cabinet Office Minister, Francis Maude, for its digital approach.</p> <p>He named Surrey as one of 16 champions nationally at an event looking at the role of the 'local authority of the future'.</p> <p>Openly published data can be used to create applications that provide better public services, boost the economy and help people with day to day tasks.</p>



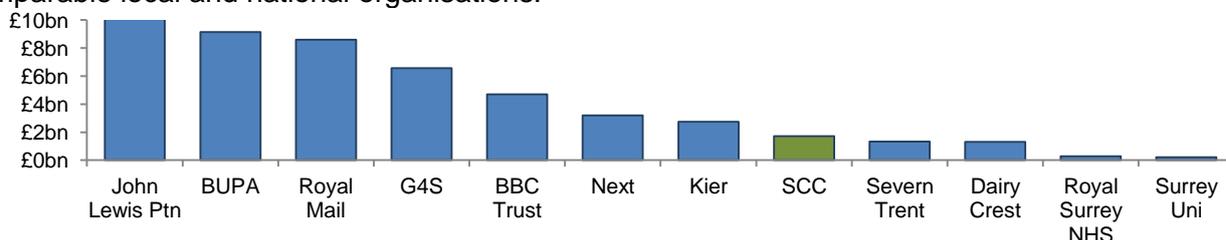
Financial highlights

Read more pg 29 and 46

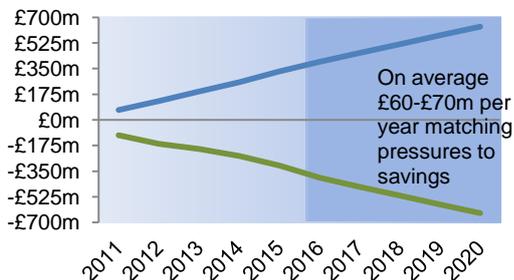
Surrey County Council always sets its budget for the next financial year in February. It is set in line with the council's multi-year approach to financial management which aims to smooth resource fluctuations over five years. In 2014-15, the council's Cabinet approved using reserves to meet the revenue budget gap. Financial monitoring reports are presented to Cabinet monthly.

More than 10% of Surrey schools have transferred to academy status (with a reduction of more than £150m in the Surrey schools budget), while the council has been handed extra responsibilities, like public health. This has meant the council's revenue budget has remained around £1.7bn for the last five years. It is likely to remain at a similar level over the next five years as a result of central government grant reductions, demographic and service pressures offset by local taxation increases (council tax and business rates) and savings programmes.

The below graph highlights the council's revenue expenditure (for 2014-15) against other broadly comparable local and national organisations.

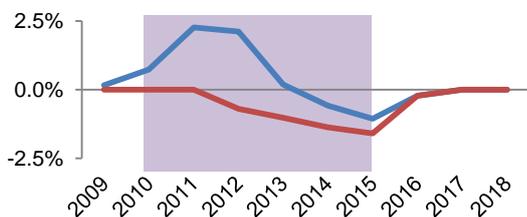


Cumulative revenue pressures and savings



A key objective of the council is to increase the council's financial resilience, including reducing long-term reliance on government grants. There is an ongoing sustainable savings programme (green line). Continuing absorbing service pressures (blue line) and maintaining service quality demonstrates our long-term goal.

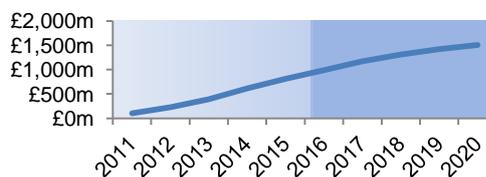
% Planned & Actual +Surplus / -Deficit:



In the last government's term of office (purple section), the actual result (blue line) demonstrates that previous reserves built up before the austerity measures have been drawn upon. The red line shows what we estimated to draw on from general reserves while in austerity.

The gap between the lines demonstrates the tight grip on financial management.

Cumulative capital expenditure:



The council has invested to school places and highway infrastructure. Therefore the capital expenditure has increased over the five years. The next five years demonstrate the profile of the capital programme.

Keeping track of progress on our goals

Further reading links pg 55

Our corporate strategy sets out three strategic goals on wellbeing, economic prosperity and resident experience. For each goal we have set some key actions to be delivered in the 2015-16 financial year. We publish progress on each of these and other important measures on our website so everyone can see how we are doing. Below are some examples of the measures you can review on the website.



Wellbeing - Everyone in Surrey has a great start to life and can live and age well

Improve outcomes for children in need of support



Economic Prosperity - Surrey's economy remains strong and sustainable

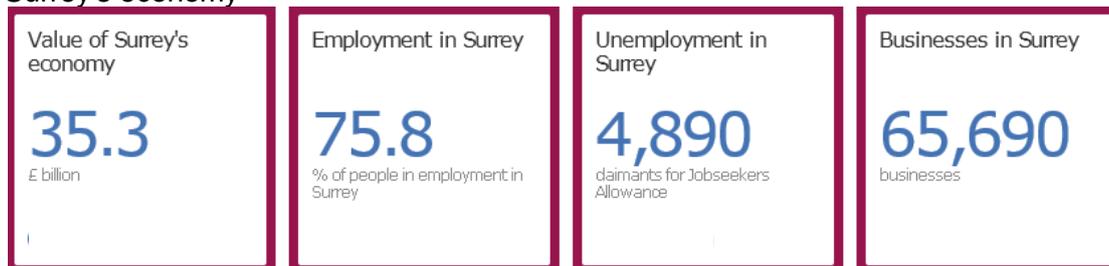
Support young people to participate in education, training or employment



Ensure more than 50% of council spending is with Surrey businesses

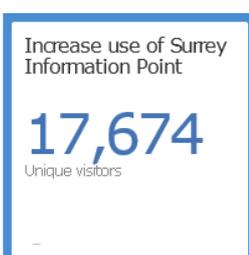


Surrey's economy



Resident Experience - Residents in Surrey experience public services that are easy to use, responsive and value for money

Use digital technology to improve services for residents



We have number of metrics tracking online activity on registrations, school admissions, highway defects, library renewals to Adult continuing learning enrolments

Work with partners to make residents safer



Our performance, 2014-15



Wellbeing - Everyone in Surrey has a great start to life and can live and age well

More than 4,000 additional school places created – The council created an additional 4,170 primary school places on time for the start of the last academic year (September 2014). This involved developing about 55 school expansion proposals, ranging from temporary classrooms to a major expansion of schools on existing sites (in many cases representing a 50% increase in the size of the school) and building a new school.

Looking to the future, council planners are also identifying what further schemes will be needed, not only to provide sufficient primary classrooms but also to match primary capacity with extra capacity in secondary schools. Such classroom-building schemes are at various different stages and are far from straightforward. They have to take account of a range of sensitive issues, including traffic, noise and disturbance, listed buildings and sites within protected areas, such as the Green Belt. There is also the design of buildings to consider, as well as ecological and environmental factors, including flood risk.

Surrey's continuing baby boom means the county council has to provide 20,000 extra school places between 2010 and 2022 (the equivalent of 39 two-form entry primary schools). The council's £327m school expansion programme for 2014-19 is on track to provide these necessary places. Although the Government has awarded Surrey an additional £41m over the next two years (2015-17) in recognition of the increasing demand, it still leaves the council with a significant funding shortfall.

Over 1,000 families benefit from Family Support Programme - Surrey has successfully reached its target of turning around the lives of 1,050 families through the Surrey Family Support Programme. The programme provides support to families with challenges and difficulties affecting their relationships with each other and their communities. 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 involvement in crime and antisocial behaviour. The Surrey Family Support Programme brings different practitioners together including health, education and housing professionals to work as a "team around the family" to support each family in achieving their goals.

This has proved so successful in helping families reduce their involvement in crime and antisocial behaviour and improve school attendance and work opportunities that Surrey was selected as an early starter for the expansion of the government's Troubled Families programme. Our focus here will be on other family concerns, such as mental health issues, domestic abuse, substance misuse, risk of homelessness and other challenges that have an impact on family life.

The council now aims to turn around the lives of 3,660 families by 2020, supporting about 1,000 families a year with a targeted whole family intervention. This involves working closely with other Surrey public agencies to develop preventative services that achieve better outcomes for local residents.

Big jump in Health Checks for over 40s – Surrey people are jumping at the opportunity to have a free NHS Health Check. The checks, for people aged 40 to 74, are carried out at more than 100 venues, including GP practices, pharmacies and other community organisations. The number of health checks surged from 2,067 in 2013-14 to 16,799 in 2014-15. Health checks are part of the strategy of reducing preventable disease by helping people lead healthier lives, such as making small adjustments to their diet and doing regular exercise. More information about health checks is available at: www.healthysurrey.org.uk/your-health/health-checks/

Sugar, alcohol and tobacco targeted in campaigns – A number of behaviour change campaigns over the last year have supported Surrey families to lead healthier lives. Nearly 6,000 people signed up to the Change4Life campaign in January and February this year to substitute healthy options for sugary foods and drinks. Surrey had the seventh highest number of sign-ups in England.

Over 1,000 people in Surrey started the New Year by taking a break from the booze in the Dry January campaign. And in October 2014, 3,955 people signed up to quit smoking during the Stoptober campaign, the seventh highest number of all local authority areas in England and Wales.

Highlighting issue of head injuries in the young - Surrey's public health professionals have produced new guidance and advice on dealing with head injuries, which are the most common cause of death and disability in people up to the age of 40. Part of this drive to raise awareness of the risks of head injuries, particularly among children and young people, is an easy-to-use guide for parents, schools, nurseries, childminders and voluntary and sports groups. About half the 1.4 million people admitted to A&E in England and Wales last year with head injuries were children under 15. The guide gives a checklist of what to look for when a child suffers a head injury, along with a green, amber and red warning system, indicating whether the injury can be treated at home or requires a visit to A&E or a 999 call.

Boost for young people with autism - In October a new home for young people with autism was officially opened in Sunbury-on-Thames. The new building, in partnership with London Care Partnership, was created with families and staff to help people with autism stay among their friends and relatives in familiar surroundings.

And in a groundbreaking scheme with the National Autistic Society (NAS) and the Cullum Family Trust, Surrey is to open centres in four secondary schools to provide specialist support for 80 pupils with autism, enabling them to stay in mainstream education nearer home.

Surrey state schools are top of the class –The majority of pupils in Surrey state-funded schools continue to perform better across all key stages, and in the majority of performance areas, than most of their peers regionally and nationally. Last year the percentage of pupils achieving five or more GCSE grades at A*-C, including English and mathematics, was 63.5%, compared to 56.8% nationally. (Due to a change in the method of calculation, these figures are not comparable with previous years).

Improvements at Key Stage 4 this year mean that the proportion of disadvantaged pupils who achieved five or more GCSE grades at A*-C, including English and mathematics, is now higher in Surrey than nationally.

Over 85% of Surrey schools were rated by Ofsted as good or outstanding at the end of March 2015, compared with 80% last year, with 92% of secondary schools rated as good or outstanding.

In 2014, more than eight out of 10 parents got their first preference for their child's primary or secondary school, and more than 90% were offered one of their top four preferences.

School admission appeals - Parents who are unsuccessful in gaining a place for their child at one of their preferred schools have the right of appeal to an independent panel. The council's School Appeals Team held 533 appeals for the September 2014 intake (25% up on the total for the 2013-14 academic year). Their responsibility is to ensure the three-person panels, all made up of volunteers, conduct the appeals impartially and in line with legal requirements. 158 (30%) of these appeals were successful.

Energy efficiency means affordable warmth – The council has completed the second year of a partnership scheme with Surrey's clinical commissioning groups (CCGs) and district and borough councils to help vulnerable residents get warmer, healthier homes more cheaply and with lower carbon emissions. The scheme has provided better advice to residents and attracted £2.5m in extra funding for insulating the least efficient, older solid wall homes in Surrey. More than 6,000 households have been advised how to boost their energy efficiency, and over 1,000 have benefited from better insulation, more efficient boilers and other improvements.

Promoting independence – The objective of helping more people live at home with the support of community-based care services, instead of having to live in residential care homes, has continued. Over the last year, the council:

- reduced the number of adults aged 18-64 in residential and nursing homes to 1,188 in March 2015 - a 6% decrease from 2014
- supported 219 people with learning disabilities and eight people with Autistic Spectrum Disorder in paid jobs

Equipment assessment clinics - During 2014-15, 338 people opted to have an assessment at a local equipment clinic – an increase of 12% from 2013-14. Surrey now has 11 equipment clinics across the county, giving people access to faster clinic based assessments, reducing waiting times for equipment. Locations have been provided in partnership with district and borough council partners, demonstrating an integrated approach to supporting residents.

Rise in personal budgets – The council has increased the number of people receiving a personal budget to 11,134 to give people more choice and control over the care they receive. This is an increase of 629 people since March 2014.

Wellbeing centres - There are now nine Wellbeing Centres operating across Surrey. The centres provide a meeting place for carers, local information points for people living with dementia and telecare demonstration suites. The aim is to have 11 Wellbeing Centres in total - one in each borough and district. The 10th is due to open in 2015-16.

Supporting people living with dementia - During 2014-15, the council's Adult Social Care directorate:

- undertook a large-scale consultation seeking views on how to improve day services for people with dementia and their carers and to inform a new approach to bring more flexibility and choice
- worked with partners to develop 'dementia-friendly' towns and villages across Surrey
- completed a review of the 2010-2015 Joint Dementia and Older People's Mental Health Strategy and developed a toolkit to enable partners to develop their own area-based strategies and action plans.

Community Connections - At the end of December 2014, community services supported 3,367 people with mental health needs across Surrey. These local preventative services for people with mental health problems are run by the voluntary sector and funded by Surrey County Council and Surrey's six CCGs. There is a community connections service in each district and borough.

Supporting carers – Thousands of people care for loved ones and friends on a daily basis, which can take its toll on their own health and wellbeing. The council commissions a range of specialist carer services with NHS partners, provided by the voluntary sector, to enable carers to continue caring and have a life outside caring. Approximately 19,400 carers and 1,600 young carers were supported in the first half of 2014-15, with specialist services, including:

- Carer Back Care Service - 955 carers supported
- Carers and Employment Service - 198 carers supported
- Benefits Advice for Carers - 178 carers supported
- Rethink Mental Health Carer Support Service - 424 carers supported
- Surrey Young Carers - 1,633 carers supported

In addition, the council, NHS and carer organisations have developed schemes to support carers with cash payments. For example,

- carers' support organisations approved 869 payments of up to £500 to support carers' own needs, including young carers
- and GPs agreed 2,165 payments of up to £500 for residential and other breaks for carers, including young carers.

Helping people regain independence – The council arranged 3,370 people to have reablement services, which are designed to help them regain the skills necessary for daily living at home following an illness or setback.

Joining up health and social care – An £18.3m investment by the council with health partners aims to continue to improve health and social care outcomes for people with long-term conditions. The council and six CCGs together agreed the Surrey Better Care Fund Plan, setting out plans to deliver local integrated community-based health and social care services in 2015-16.

An electronic automated NHS number-matching system has also been introduced so that social care records now hold an individual's NHS number - this will support and enable the ongoing integration of health and social care services.

Adult social care information online – The adult social care and health online information directory, [Surrey Information Point](#), had more than 162,000 unique visitors during 2014-15.

Health and Wellbeing Board highlights - Surrey's Health and Wellbeing Board published a strategy in 2013 with five priorities for improving health and wellbeing in Surrey. These are:

- improving children's health and wellbeing
- developing a preventative approach
- promoting emotional wellbeing and mental health
- improving older adults' health
- and safeguarding the population.

Important achievements of 2014-15 include:

- Agreeing the Surrey mental health crisis Concordat (a national agreement) to ensure a joined-up approach among all the services and agencies supporting people in crisis
- Pooling £71.4m of health and social care budgets under the Better Care Fund to make it easier for people to get the right care and support
- Supporting 1,315 children and young people through an Early Help Assessment
- Developing a breastfeeding strategy
- Awarding £729,000 from the Social Innovation Fund to reduce placement breakdowns, out of county social care placements, inappropriate hospital admissions, stays in prison cells and inpatient admissions to psychiatric units
- Preventing 34 young people from admission to a psychiatric unit through the HOPE service
- Over 100 partners have agreed joint actions to tackle childhood obesity
- The Time to Change project has reached 1,600 people to reduce the stigma around mental health issues
- A Surrey suicide prevention plan has been developed
- A successful pilot involving placing mental health staff in the police call centre has been extended to seven nights a week
- The ambulance service now responds within an hour for people in need of a mental health assessment under section 136 of the Mental Health Act (which gives police the power to take someone to a place of safety on grounds of mental illness)
- The Dementia Friendly Surrey campaign has signed up 125 Dementia Friendly Champions from across local communities
- 14 projects across Surrey were awarded up to £5,000 each to deliver dementia-friendly projects



Economic Prosperity - Surrey's economy remains strong and sustainable

Local businesses scoop £1.3m a day from council's economic pledge - Local businesses have benefited to the tune of nearly £1.3 million a day as a result of Surrey County Council's pledge to help drive economic growth. Figures for 2014 reveal that £470m worth of contracts were secured from the council by 3,000 local businesses and organisations. That is the equivalent of £1.29m daily going into the Surrey economy from council spending on essential goods and services. Now 54% of council spending is directed to Surrey firms, up from around 30% just four years ago.

It follows the launch of a series of online initiatives, including the BuildSurrey and SupplytoSurrey websites, to make it easier for firms to bid for contracts and do business with the council. The council has also encouraged its contractors and suppliers to recruit apprentices, resulting in the creation of 1,500 apprenticeships.

University technical college approved - The Department for Education (DfE) has approved council plans for a new £10m university technical college (UTC) in Guildford. As well as helping to address the need to boost secondary school places, the curriculum is being designed to address local skills gaps and support future economic growth by focusing on computer science and engineering.

£100m road renewal plan on track as well as £23m flood repairs – Last year was particularly challenging as Surrey highways engineers pressed ahead with the council's £100m road rebuilding programme, while also having to repair extensive damage caused by the winter floods of 2013-14. The severe flooding across the county led to a massive rise in the number of potholes requiring immediate repairs, and damaged bridges and other structures, footways and drainage systems. The Department of Transport contributed £9m to the £23m flood bill, with the remainder coming from the county council.

Over a five-month period, council road contractors had to:

- Permanently repair over 70km of roads
- Undertake 150 localised repair schemes on the road network
- Make safe over 50,000 potholes
- Repair 300 drainage systems
- Repair 38 bridges

The council's road renewal programme, known as Operation Horizon, continued during the flood recovery work so that it remains on schedule to replace 10% of Surrey's roads by 2018. To date £55m of resurfacing has been completed, providing 200km of roads with a new, high quality surface. Careful management has so far generated over £5m in savings, which has been re-invested in the overall road programme.

Key improvements in 2014-15 include:

- Resurfacing a large number of concrete roads in Epsom and Guildford, removing long-standing defects which had previously been too expensive to repair
- Completing the resurfacing of Reigate town centre
- Resurfacing busy junctions feeding the strategic road network, including Painshill Junction for the A3 and access to the M3 motorway.

High-speed broadband coverage makes Surrey best connected county - Surrey has become the best connected county in Britain following the completion of the main part of the council's £35m high-speed broadband project with BT. It means 82,000 businesses and homes, mainly in rural Surrey and excluded from the commercial broadband rollout areas, can now have access to the fibre broadband network.

In extending the fibre broadband infrastructure across Surrey, the project has involved:

- Laying more than 250 miles of fibre optic cable (the distance between London and Newcastle)
- Upgrading more than 30 rural telephone exchanges across the county to high speed fibre broadband
- Installing more than 600 green roadside cabinets and fibre structures and
- Helping Surrey record the second highest take-up of fibre broadband in the country.

County and districts plan £40m growth investment - Building on the success of the Redhill town centre regeneration scheme, the county council has worked with the district and borough councils and other partner organisations to secure £35.5m in external funding for Surrey's road network. This will enable over £40m in infrastructure investment over the next 4 years.

This funding covers 12 schemes focusing on reducing congestion, improving sustainable transport options (such as walking, cycling and public transport) and protecting the network against future flood damage, which is costly to repair and disrupts business. Key schemes will include:

- Major improvements to the Runnymede roundabout connecting the M25 with Windsor
- Regeneration of Epsom town centre's road network
- Major improvements to the wider Camberley road network
- Upgrading key drainage infrastructure in Tandridge and Mole Valley.

There are plans to submit further bids in January 2016 for about £20m to the Local Enterprise Partnerships (LEPs), which distribute government cash for projects to drive economic growth.

Technology improves road repair efficiency - Technology is playing a key role in speeding up the process of finding and fixing safety-related problems on the roads.

Examples include:

- Handheld devices enable details of highway defects to be digitally transmitted to the highway crews for repair, removing the need for manual administrators and paper records;
- Digital photographs taken before and after defects are repaired allow a clear quality audit of work carried out by contractors;

- Technology assists with real-time scheduling, which improves the productivity of road gangs, helps prioritise urgent repairs and ensures repair gangs are allocated to the defects closest to them to reduce travelling time;
- The frequency at which roads are inspected has also been increased in higher risk locations, with all primary routes now inspected on a monthly basis to further improve safety.

Wastebuster scheme recycles clothes into cash – Surrey County Council has set up a textiles recycling scheme, on a trial basis, that enables charities and community groups to raise funds by arranging collections of clothes and home textiles. It includes shirts, coats, tights, towels, sheets, bags and pairs of shoes. It doesn't matter if they are torn or tatty, as long as they are clean and dry. Groups can receive hundreds of pounds through Wastebuster, a not-for-profit organisation that promotes recycling and waste reduction in schools and communities. Wastebuster can provide materials to ensure collections are a success and will collect and pay for donations of used clothing and textiles. The effectiveness of the scheme will be reviewed after summer 2015.

Research by the council showed more than 10,000 tonnes of clothes and home textiles were thrown away in Surrey last year when they could have been reused or recycled. Visit recycleforsurrey.org.uk for more information. **Working together to improve recycling performance** - Working together as the Surrey Waste Partnership, the county council and the 11 borough and district councils have carried out a number of initiatives to encourage residents to waste less and recycle more. They include a calendar of coordinated Recycle for Surrey campaigns to encourage behaviour change and provide consistent information for households across Surrey to promote home composting, plastics recycling and food waste reduction and recycling. Evaluation of the food recycling campaign showed that 56% of residents increased the amount of food waste they recycled and 80% had an increased understanding of what happens to food waste that is collected.

Reducing waste sent to landfill – Surrey households produce more than 530,000 tonnes of waste a year that has to be collected and disposed of by the district and county councils. Burying the waste in the ground (known as landfill) is the most expensive and least environmentally-friendly way of dealing with waste so Surrey councils have continued their push to reduce landfill for the benefit of residents. This has proved highly successful with the amount sent to landfill dropping from 10.9% (58,000 tonnes) in 2013-14 to 6% (32,000 tonnes) in 2014-15. It costs about £112 per tonne to dispose of waste through landfill, but only £57 per tonne to recycle.

Maximising value from waste – The county council has agreed a new deal with its waste disposal contractor, SITA, to pre-treat 100,000 tonnes of residual waste a year to be used to power energy-from-waste plants. Around 2.5% of the waste processed will also be recycled, which will help improve Surrey's recycling rate and the deal will save around £2.5 million over four years, compared to sending the waste to landfill. The council has also secured better prices for other waste materials, including food waste and street sweepings.

Supporting local communities through reuse - The Surrey Reuse Network (SRN) is a consortium of charities working with the council's waste team to deliver sustainable reuse, recycling and repair services. In 2014 the SRN opened a new Hub in Addlestone which takes unwanted furniture, bric-a-brac and white goods for repair and resale. The Hub has started taking material from Lyne Lane Community Recycling Centre and will provide volunteering, training and employment opportunities for the local community. Altogether the

network provided low cost or free items to 4,989 low income households in 2014-15. They also had 403 volunteers and provided training and work placements to 122 people.

Improved waste facilities at Earlswood - A new waste transfer station and bulking facility at Earlswood (near Redhill) was opened in December 2014. The site provides bulking capacity for residual waste and recyclable materials collected by the district and borough councils in the east of the county, as well as materials collected at Community Recycling Centres. The new facility will help improve efficiencies and reduce costs for district and borough councils and the county council. Surrey produces about 461kg of waste per person a year. The average amount produced per person in England is 468kg.



Resident Experience - Residents in Surrey experience public services that are easy to use, responsive and value for money

Drive for savings continues - Surrey County Council achieved nearly £74 million of savings for Surrey council taxpayers in 2014-15 – the equivalent of about £190,000 a day. It's the fifth successive year annual savings have exceeded £60m, bringing total savings for the period to £330m. A big chunk of the savings comes from striking better procurement deals with contractors, working more effectively with other councils and organisations, sharing office space and expertise and introducing new operating models and smarter ways of working.

It is all part of the council's continuing commitment to do more for less at a time of rising demand for elderly care and more school places that alone will cost the council hundreds of millions of pounds more in the coming years.

Firefighters speed up access to critically ill patients - Surrey firefighters are stepping in to help ambulance crews gain quick access to the homes of patients too ill or injured to open their doors to paramedics. They have taken on a new role gaining entry to locked properties in medical emergencies to help save more lives. Traditionally it has been a police responsibility to force entry to private property on behalf of paramedics who lack the equipment and expertise to carry out the task themselves.

The initiative is part of a Surrey-wide 'blue light' collaboration, called Working Together, in which the emergency services have agreed new arrangements to make the best possible use of their combined resources for the benefit of their communities. Under the arrangements, the council's Surrey Fire and Rescue Service has assumed the main responsibility for gaining emergency entry to a home. They are better placed at gaining access because of their training and the specialist equipment they carry on fire engines.

In a further move towards closer co-operation among 999 services, all 35 Surrey fire engines carry defibrillators and life-saving kits and 180 firefighters have undergone enhanced training so that at some medical emergencies where they have been called to gain entry, they may be able to start administering care before the ambulance crew arrives. At the scene of fires or road accidents they are also able to start treating casualties as quickly as possible.

Defibrillators work by delivering an electric shock through the chest in an attempt to restore normal heart rhythm. Every minute that passes without defibrillation, a patient's chances of survival decrease by 10%. The life-saving kit now being carried by fire engines also includes cervical collars for spinal injury patients and treatments to stop severe bleeding.

Digital on the rise as readers flock to Surrey libraries - In the last year, Surrey's 52 libraries were visited 3.8 million times and 5.7 million books and 191,000 audio visual items were borrowed, with 69,010 e-books and e-audio books downloaded.

240,000 registered members used Surrey libraries in the past year. Library computers were used 1.1 million times with 4,600 newspapers read online. 2,136 people used the library classical music app and 12,000 people used the catalogue app.

- During 2014, Ewell Court library and Bramley library became the latest community-partnered libraries in Surrey. There are now nine community-run libraries managed by volunteers. In addition, the council opened three 'community link' sites, again run by volunteers, which act as mini-libraries. This involves providing a stock of books for the public to borrow in the village halls in Shere and Beare Green and the community centre in Old Woking.

Residents benefit from Travel SMART car alternatives – The council's sustainable travel programme, known as Travel SMART, has helped residents cut carbon, calories and costs over the last three years. Since winning £18m in funding from the Department for Transport, Travel SMART has allocated over £1m to 69 community groups in Guildford, Woking, Redhill and Reigate via an innovative funding scheme. The groups' projects have all aimed to improve access to sustainable travel to reduce congestion and carbon emissions and stimulate local jobs and skills.

One such example is the Guildford Bike Project, which collects abandoned bicycles from the local community (helping to improve the local environment), trains young people who are not in education, employment or training (known as NEET) how to repair and refurbish them and then sells the bikes for use within the local community.

A behaviour change campaign has been at the heart of the Travel SMART programme, promoting alternatives to the car by encouraging people to enjoy the benefits of cycling and walking, and the use of car clubs, lift-sharing and electric vehicles.

Travel SMART has also focused on improving transport information and infrastructure, including:

- Upgrading over 200 bus stops along key bus routes
- Improving urban traffic flow with enhanced traffic signals
- Constructing pedestrian and cycling facilities and infrastructure
- Opening a new park-and-ride scheme at Onslow in Guildford
- Building a new link road for Sheerwater in Woking.

The council has now secured an additional £1.7m in funding to expand Travel SMART's work into Staines, Camberley and the Blackwater Valley over the next year. More information is available at travelsmartsurrey.info

Surrey website rated top for local authorities – Surrey County Council's re-designed website has been judged the best in UK local government by the Society of Information Technology Management. It follows a project to improve the online experience of residents and customers by making council services easier, quicker and more convenient for users, with the added benefit of reduced costs for the council. A significant challenge was to ensure the website was accessible to smart phones and other digital devices, which is increasingly how people visit the website.

More opportunities than ever for adult learners – Surrey's Adult and Community Learning service supports more than 8,700 adult learners. In the last full academic year the service ran 1,823 courses, with about 57% of learners aged 50 or over.

In January 2015, Farnham Adult Learning Centre opened a new, professionally equipped studio at its premises in West Street, Farnham. It includes a large pottery area equipped with potters' wheels and a workspace for many other arts and crafts activities. The centre now offers courses in pottery, sculpture and mosaics, extending the quality and range of learning opportunities for local people.

Residents have their say on transport issues – Thousands of residents gave their views on a range of passenger transport issues in the county council's Local Transport Review last winter. The consultation, which covered a range of issues, including buses, community transport and concessionary fares, drew more than 6,800 responses between October 2014 and February 2015. While the council has to find £2m of savings, the public feedback is

essential to ensure residents can continue to have the services they rely on for essential journeys, such as shopping and getting to work, school and hospital appointments.

Following an analysis of the responses and ongoing discussions with transport operators, the council plans a second round of consultation on proposed changes to bus services in 2015 that will maintain key services and achieve the necessary savings.

App helps children and young people make their voice heard – Digital technology is helping children in care, as well as young people due to leave care when they are 18, cut through official processes to make their voices heard. The council initially developed a “self-advocacy” app with children in the care system to help them communicate more easily and effectively with social workers and others who work with them. The council’s special projects team, known as Shift Surrey, then saw the potential of developing the app (called Mind of my own or MOMO) to support young people leaving care and preparing for adulthood.

The MOMO app’s availability on a range of hand-held devices, such as smart phones, laptops, ipads and tablets, replaces a reliance on paper forms and provides them with a simpler, more reliable and structured way of expressing their views and identifying what support they need to help them become more independent.

It also helps them develop their communication skills and confidence to speak up and self-advocate.

Easier than ever to book registration slots – The council’s registration service has had another bumper year. Surrey registrars performed 3,750 marriage and civil partnership ceremonies. 1,718 were at Surrey Register Offices and 2,032 at outside venues. More than 9,000 notices of marriage were given at Surrey offices. Over 19,000 births and 11,000 deaths were registered and over 2,000 new citizen ceremonies were held by the council.

The introduction of a new online appointment-booking system has made it easier for members of the public to arrange appointments at Surrey register offices. The booking software allows time slots to be reserved at the convenience of the customer.

Thousands tune in to primary music festivals – Surrey Arts hosted a summer of musical celebration in 2014 with 11 highly successful primary music festivals taking place, attended by a combined audience of close to 10,000 people and participation by 3,000 Surrey schoolchildren.

Events point way to 800th anniversary of Magna Carta – Last June marked the start of a year of artistic and educational events, involving schools and the council’s Surrey Arts service, to mark the 800th anniversary of the sealing of the Magna Carta at Runnymede in 1215. A giant puppet show, with puppets built by four local schools, was the centre piece at a Giant’s Picnic event at the Runnymede memorial site to launch the programme of activities, leading up to the royal commemoration event on 15 June 2015.

The eight puppets, which appeared at a number of festivities around the Runnymede area, each depicted a historical figure famous for their role in promoting political and intellectual freedoms. Each in their own way has contributed to the growth of human rights and democracy since Magna Carta, which established the principle that no one is above the law. The puppet figures included: leader of the Peasants Revolt, Wat Tyler; inventor of the printing press, Johannes Gutenberg; Toussaint Louverture, who led the slaves’ revolt on Saint Domingue (Haiti); suffragette Emmeline Pankhurst; and Pakistani schoolgirl Malala Yousafzai, who now campaigns globally for increasing access to education.

Other events included The Freedom Games opera performed at the Albert Hall by a massed choir from 17 Surrey schools.

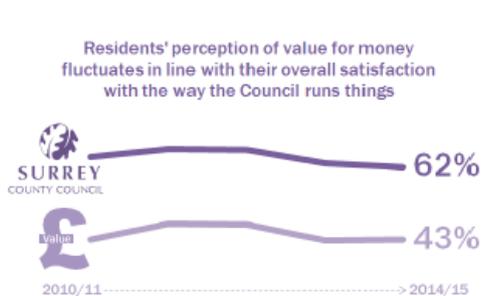
Leith Hill mountain trail open to bikers – A mountain bike trail, called Summer Lightning, has been created on Leith Hill, offering bikers a segregated route through Surrey’s highest beauty spot. It’s the result of four years of work by a group of organisations in the Surrey Hills Area of Outstanding Natural Beauty looking at the impact of mountain biking on the area. The intention of the trail is to avoid potential conflicts between mountain bike enthusiasts and other visitors to Leith Hill, promoting wider enjoyment of the countryside while also protecting the wildlife of the commons.

20 million local history records online – People delving into the local history of the county now have access to 20 million local history records as the council continues the task of putting Surrey’s rich history online. The online records have already proved hugely popular, with around six million online views so far. All of this material can be accessed free of charge at Surrey History Centre or at any of the county’s main libraries.

Surrey’s Heritage Service has also been making digital copies of Surrey historical parish records, such as baptisms, marriages and burials, available to the public through the Ancestry.co.uk website, since 2013. As of March 2015 these records had been viewed over 10 million times.

Anti-fraud board set up – The county and its district and borough council partners have set up the Surrey Counter Fraud Partnership to tackle non-benefit fraud. A partnership board now coordinates their work to investigate fraudulent housing applications, tenancy fraud and business rates avoidance, which is expected to save the public purse £1.5m by 2016-17.

Residents’ survey shows satisfaction with Surrey – The regular survey of 6,600 residents from across all Surrey’s districts and boroughs, shows:



62% of surveyed residents are satisfied with the way the council runs things.

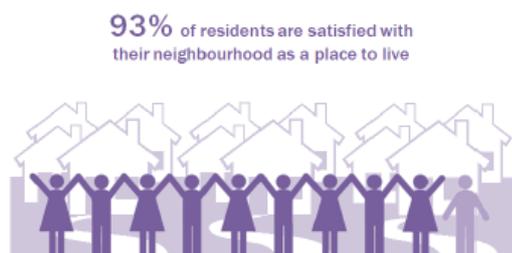
43% of residents perceive that we are value for money. This is in line with the residents’ satisfaction results

56% think the council keeps people informed through a variety of channels



56% of residents feel well informed about the services and benefits provided by the council

When residents have contacted the council, 66% were satisfied with the way they had been served

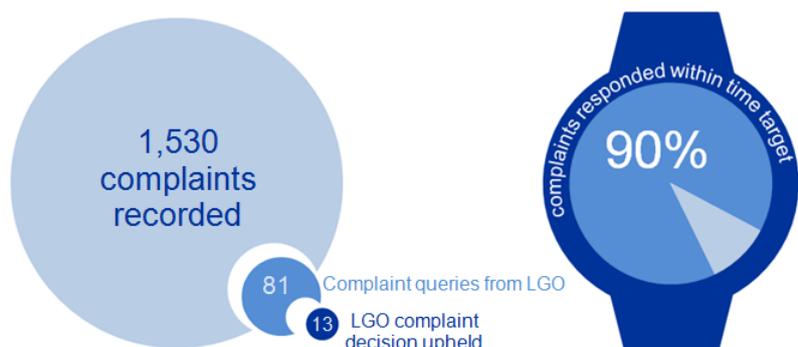


93% of residents are satisfied with their neighbourhood as a place to live

93% are satisfied with their local area as a place to live

Keeping the Customer Promise (complaints)

Also aside from the residents' surveys, there are the results and outcomes from formal complaints. This is an opportunity to understand if there is a gap between a resident's expectations and the standard of their public services. The 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 (LGO agreed with the complainant).



	Complaints recorded	Complaints responded within time target	Complaints queries from LGO	LGO complaint decision upheld
Adult Social Care	192	93%	27	12
Children, Schools & Families	372	79%	33	0
Customers & Communities	72	92%	0	0
Environment & Infrastructure	726	94%	16	1
Business Services	30	97%	3	0
Central support	138	87%	2	0
2014-15 Total	1,530	90%	81	13
2013-14 Total	1,487	88%	69	1
2014-15 Members	14	100%	0	0
2013-14 Members	20	100%	1	0

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.

Children, Schools, Adults and Corporate Complaints annual reports provide more information on the themes, timing, and outcomes. These reports will be formally presented to Audit & Governance Committee in September.



Director of Finance review

Read more pg 31 and 46



Sheila Little

Sheila is Director of Finance with responsibility to ensure the council has proper financial management and control systems in place. While she is part of the senior management of the organisation, she also has the power under Section 151 of the Local Government Act 1972 to act independently of the council if she has any concerns about safeguarding public finances.

As well as the statutory finance role as Director of Finance, Sheila is the strategic advisor to the Surrey Pension Fund Board and provides strategic leadership for risk, insurance and governance across the authority.

Sustaining financial resilience requires maintaining a financial strategy and continuously reviewing potential issues that could impinge on delivering a high quality and consistent service. We have a long term financial strategy to ensure sound governance, effective management of the council's finances and compliance with best practice. The key points are:

- keep any additional call on the council taxpayer to a minimum, consistent with delivery of key services through continuously driving the efficiency agenda;
- develop a funding strategy to reduce the council's reliance on council tax and government grant income;
- balance the council's 2014-15 budget by maintaining a prudent level of general balances and applying reserves as appropriate; and
- continue to maximise our investment in Surrey.

Keep the additional call on the council tax payer to a minimum, consistent with delivery of key services

Monitoring the budget and demonstrating a tight grip on financial management ensures that the current financial position is sustainable. For the last five years, the revenue position on operating activities has been better than budget. We planned to bridge the revenue gap by drawing on £26m of reserves set aside in the previous couple of years for 2014-15 and ensuring our position is within a 2.5% tolerance of expenditure. In fact the position improved by £13m (1.0% of income).

In setting the 2014-19 Medium Term Financial Plan (MTFP), Cabinet required the Chief Executive and me to establish a mechanism to track and monitor progress on the sustainability of the five year budget. This led to support sessions with senior leaders focused on the areas of the MTFP presenting the biggest risk. Combining the rigour of the support sessions and the services' savings plans have over achieved the planned savings (£73m) by £1m ensuring that the services delivered meet residents' value for money expectations.

Continuously drive the efficiency agenda

Alongside the budget and savings monitoring achievements has been the significant improvement in the timeliness and quality of the external monitoring information. The 2014-15 final financial monitoring position was reported formally to Cabinet a month earlier than for 2013-14 (respectively April 2015, May 2014). Consistent reporting schedules and processes, continuous monitoring and regular reporting combined with an efficient and effective closing programme enabled this step change in improvement.

The Government set up an award to reflect that organisations (and parts of organisations) that are efficient, effective, excellent, equitable and empowering – with the citizen always and everywhere at the heart of service provision. With this in mind Customer Service Excellence ® was developed to provide organisations practical tools to drive customer-focused change within their organisation. In March 2015, Finance team achieved this accreditation demonstrating that our Finance team puts its customers whether resident or internal at the heart of our service provision. It is a fantastic achievement and to attain it on the first attempt is a real testament to the high levels of customer focus within the finance service.

Maintain a prudent level of general balances and apply reserves appropriately

In addition to meeting on-going demand and funding pressures, the council ensures it is prepared for emergencies, such as severe weather and flooding. In previous years, our general reserves increased and now are being used to meet austerity measures and assist whilst sustainable operations are implemented. The council maintained £21m in general balances throughout 2014-15.

Maximising our investment in Surrey

The council planned to spend £209m (2014-15) on capital investments. The actual spend was over 90% of plan (£191m). Timing delays such as archaeological digs, vehicle deliveries and re-phasing of IT and premises works resulted £18m being redistributed across the existing life of the programme.

Forward planning to reduce the reliance on council tax or central government grants by generating other income from the capital investment (eg: rental properties) commenced in 2013-14 when we invested £40m on long term capital assets and have added a further investment of £8m (2014-15). Therefore the actual total 2014-15 capital spend including the redistribution and investments was £217m.

Another way of generating more income and maximising our investment in Surrey is through two local authority trading subsidiaries:

- S.E. Business Services Ltd - set up for the provision of business services and was incorporated on 20 June 2013.
- Surrey Choices Ltd - 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 and began trading in August 2014.

Both trading companies results are incorporated within our statement of accounts.

Continuously reviewing potential issues

The main risks facing the authority at the moment are: ensuring financial resilience through the MTFP and Comprehensive Spending Review; and Adult's and Children's Social Care demand and policy changes. We are heavily reliant on central government policies and partnership working for mitigating these key risks. Cabinet and Statutory Responsibility Network (led by Chief Executive) monitor and update and act to manage these risks as far as is possible. Keeping ahead of the strategic risks facing the council ensures it strives to fulfil its purpose to ensure Surrey residents remain healthy, safe and confident about their future.

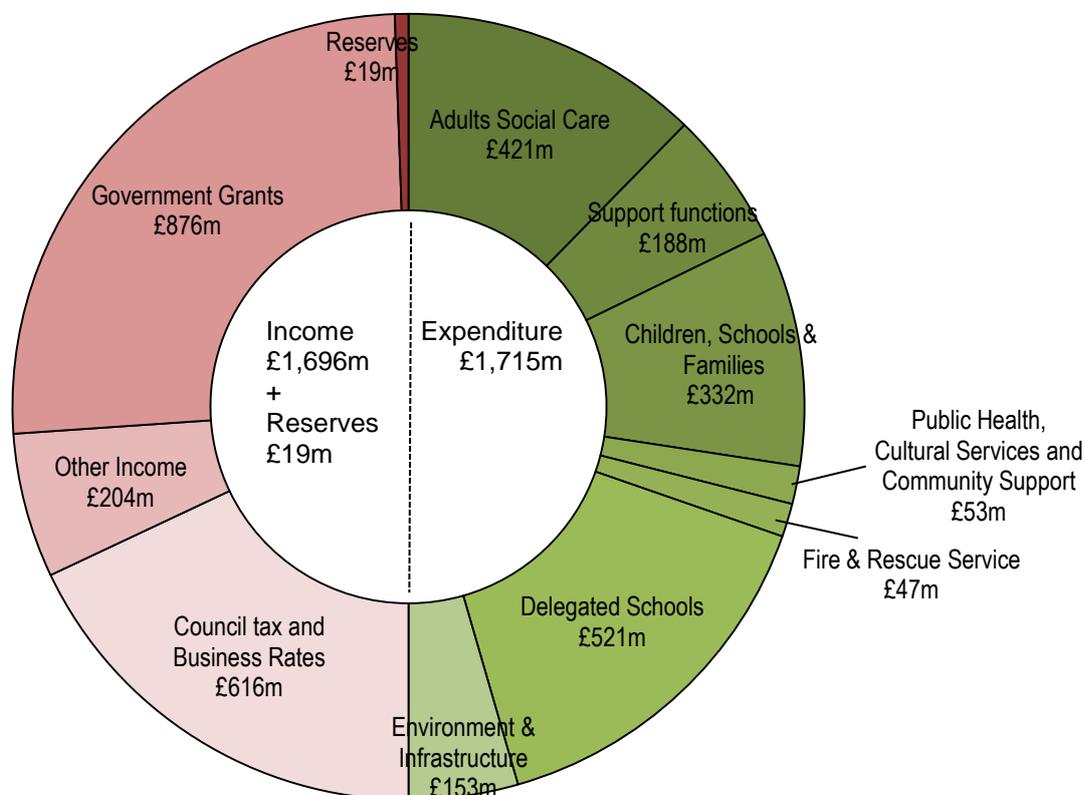
Looking forward to 2015-16 and beyond

Despite a new majority government, the financial pressures and uncertainty of central government funding remain. In February 2015 we set out our revised five year financial plan. Austerity and unprecedented growth and volatility in demand for the council's services makes planning for financial sustainability and resilience challenging. Together with operational processes (the service support sessions, regular robust and timely monitoring and experience of working under these conditions) and assured financial resilience (earmarked reserves), I believe that the corporate strategy goals - residents experience, wellbeing and economic prosperity goals are achievable and sustainable.

Financial Results

Overall revenue position

2014-15 Actual revenue income and expenditure across the council balanced by funding sources



The net revenue outturn position over the last five years

	2010-11	2011-12	2012-13	2013-14	2014-15
	£m	£m	£m	£m	£m
Planned Net position	0	-12	-17	-23	-26
Actual Net position	38	-5	3	-10	-19
% Actual v Income	2.3%	-0.3%	0.2%	-0.6%	-1.0%

Revenue savings

The revenue savings over the last five years

	2010-11	2011-12	2012-13	2013-14	2014-15	2010-15
	£m	£m	£m	£m	£m	£m
Planned Savings	61	59	71	68	73	332
Actual Savings	67	61	66	62	74	330
Over- -Under achievement	6	2	-5	-6	1	2

Capital Expenditure

The 2014-15 Capital programme position

	Revised full year budget £m	Actual £m	Full year variance £m	Revised carry forwards £m	Full year variance £m
Adult Social Care	2	1	-1	0	-0
Children, Schools & Families	11	9	-2	1	-1
Fire & Rescue service	5	2	-3	3	0
Environment & Infrastructure	76	68	-8	9	+1
School Basic Need	54	58	+4	-4	0
Support functions	49	44	-5	5	0
Superfast Broadband	12	9	-3	3	0
Total service programme	209	191	-18	18	0
Long term investment assets	0	8	+8		+8
Total overall	209	199	-10	18	+8

How we manage our principal strategic risks

The principal strategic 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 Statutory Responsibility Network on a monthly basis. Formally, the risk register is regularly reviewed by Audit & Governance Committee (every meeting) and Cabinet (quarterly).

The principal strategic risk are in order of inherent risk ratings.

Principal strategic risk (linked to corporate goals)



Wellbeing



Economic Prosperity



Resident experience

Medium Term Financial Plan 2015-20 (MTFP)

Failure to achieve the MTFP as a result of not achieving savings, additional service demand and/or over optimistic funding levels lowers financial resilience.



- Monthly reporting to Continuous Improvement and Productivity Network and Cabinet
- Budget support meetings (Chief Executive and Director of Finance) to review and challenge delivery plans
- Clear management action taken and reported promptly
- Formal review of MTFP
- Necessary decisions made by Members to implement action plans

Safeguarding - Children's Services

Avoidable failure in Children's Services, through action or inaction, including child sexual exploitation, leads to serious harm, death or a major impact on well being.



- Work with the frameworks established by the Children's Safeguarding Board
- Timely interventions by professionals
- Actively respond to feedback from regulators
- Robust quality assurance and management systems in place
- Develop the Multi-Agency Safeguarding Hub

Safeguarding - Adult Social Care

Avoidable failure in Adult Social Care, through action or inaction, leads to serious harm, death or a major impact on wellbeing



- Work with the frameworks established by the Surrey Safeguarding Adults Board
- Develop the Multi-Agency Safeguarding Hub
- Ensure feedback and recommendations from case reviews inform learning and social work practice
- Actively respond to feedback from regulators
- Embed agreed changes resulting from Care Act consultation

National policy development

Continuing national policy changes puts additional pressure on demand for all public services



- Effective horizon scanning
- Welfare reform programme with districts and boroughs
- Take opportunities to influence central government
- Work in partnership to maximise opportunities for communities

Integration of health and social care

Failure in partnership working reduces the ability to integrate services, improve health outcomes and develop a financially sustainable model.



- Robust partnership governance arrangements
- Regular monitoring of workstream progress and risks
- Continued focus on building and maintaining strong relationships
- Clear leadership and prioritisation of resources

Comprehensive Spending Review (CSR) 2015

CSR 2015 reduces available funding further and introduces a revised distribution mechanism which lowers financial resilience.



- Contribute to Local Government Commission to review funding and develop scenarios
- Sustain pro-active horizon scanning
- Cabinet fully consider implications

Principal strategic risk (linked to corporate goals)



Wellbeing

Key controls



Economic Prosperity



Resident experience

Senior Leadership Succession Planning

A significant number of senior leaders leave the organisation within a short space of time and cannot be replaced effectively



- Transparent and effective succession plans
- High Performance Development programme to increase skills, resilience and effectiveness
- Career conversations built into appraisal process looking forward five years

Waste

Failure to deliver the key elements of the waste strategy leads to negative financial and reputational impact



- Monitoring by the Waste Programme Delivery Board and Strategic Waste Board
- Strong resourcing and project management
- Collaborative working with Districts and Boroughs
- Support from external strategic advisors assists management and mitigation of risks

Future Funding

Ability to increase Council Tax in real terms is constrained by current Government policy leads to reduction in financial resilience.



- Ensure Government understanding of Council Tax strategy
- Member decisions on funding made in a timely manner
- Development of alternative / new sources of funding

Reputation

A significant failure to deliver within the organisation leads to loss of confidence and trust



- Active learning, strong corporate values and a robust governance framework
- Regular monitoring of effectiveness of processes

Staff Resilience

Scale of public service transformation and budget challenge leads to loss of productivity, increased sickness and staff turnover.



- Communication, consultation and engagement with staff
- Training and development courses offered along with trained coaches
- Promotion of support mechanisms for staff

Business Continuity, Emergency Planning

Failure to respond effectively to a known event or major incident results in an inability to deliver key services.



- Business continuity plans are in place and regularly reviewed and moderated
- Close working between services to update plans and share learning
- External risks assessed through the Local Resilience Forum

Supply chain / contractor resilience

Supply chain failure leads to increased costs, time delays and failure to promote service delivery.



- Required standards for critical contract business continuity plans
- Consistent management of supply chain risks
- Regular supplier intelligence reporting

Information Governance

Loss of protected data by the council leads to financial penalties, safeguarding issues and erosion of public trust.



- Secure data environment
- Communications campaigns and staff training
- Information Governance Board oversees controls and processes



Strategic Director Environment & Infrastructure - Environmental Sustainability Report

Further reading links on pg 55

Trevor Pugh



Trevor Pugh is the Strategic Director for Environment and Infrastructure and responsible for the council's annual environmental sustainability statement

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 Department of Communities and Local Government sets out the requirements for local authority emissions and consumption reporting and Internal Audit reviews our submission to ensure we have provided the information as required. 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 are excluded from our reporting. We will continue to work with all Surrey schools on energy saving initiatives such as Eco-schools.

Further information on our greenhouse gases emission reporting via our external website. The link can be found at the back of this document.

Sustainable Procurement

The delivery of social value, including environmental sustainability, is a key element of our procurement approach. All major procurements are assessed to identify opportunities for driving greater sustainability.

Corporate Environment Sustainability Headlines

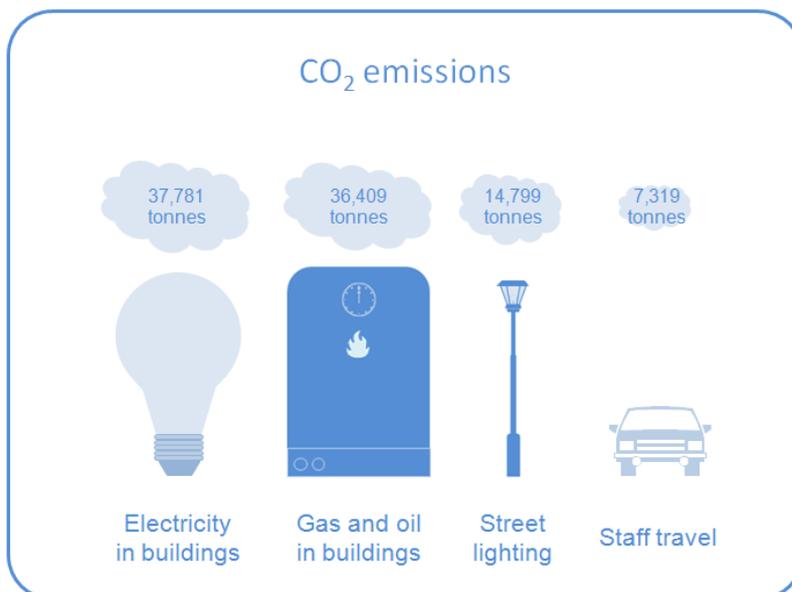
Green house gas emissions including CO₂ (tonnes CO₂equivalent)

Carbon emissions have reduced by X% from 60,000 tonnes in 2013-14 to 60,000 in 2014-15.

Some of the recent projects

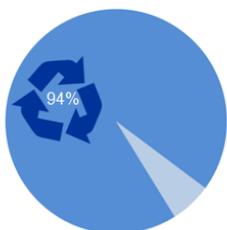
Energy efficiency schemes like installing LED lighting and replacing inefficient gas boilers are contributing to energy, carbon and cost savings throughout the estate. We also installed voltage optimisers at our largest sites, for more efficient use of electricity.

We have continued to facilitate schools to install solar panels to help reduce emissions and energy costs and we have replaced a fossil fuel boiler with carbon neutral wood fuel at a Highways depot.



Waste Consumption – from our buildings

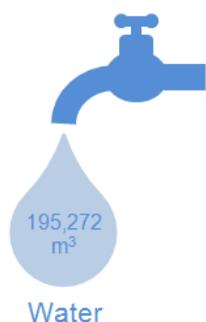
We are recycling 94% of our waste



From our direct contract, we had 750 tonnes of waste (2014-15). We are diverting 94% of our waste from landfill. This is through recycling 35% and sending 59% for use in an energy from waste plant for electricity generation.

Water Consumption and Business Travel

Water usage excludes schools but includes gypsy and care home usage.



Staff travel is miles driven for business, including out of county visits such as visiting children in care.



(Note: GHG, waste and travel infographics will be updated and this page tabled at the meeting. The GHG figures will not be ready until 27 July 2015).



Director of Legal & Democratic Services - Governance Review

Ann Charlton

Further reading links pg 55



Ann is Director of Legal and Democratic Services. She is the council's senior legal adviser and ensures that the council acts within its powers and is legally compliant. She also holds the statutory position of Monitoring Officer (Local Government and Housing Act 1989 section 5) and will investigate any concerns about the actions undertaken by council officers or elected Members on behalf of the council, including possible conflicts of interest.

Overview of Governance

Surrey County Council is split into two distinct parts.



Political administration: Surrey County Council is, composed of 81 councillors (or “Members”) elected every four years. Councillors are democratically accountable to residents (electors) in their electoral divisions. The Leader of the Council – David Hodge - and his appointed cabinet set policies that determine the delivery of services to residents. The Chairman of the Council, currently Sally Marks, is the council’s civic leader.

Operational: Surrey County Council is led by a Chief Executive Officer, who is the head of the paid service. The Chief Executive Officer and other senior officers determine the best way for the organisation to operate to deliver the corporate strategy and policies set by the administration.

Summary of Annual Governance Statement

We have a responsibility 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. We are required to prepare an Annual Governance Statement (AGS) under the Accounts and Audit (England) Regulations 2011.

The council is committed to fulfilling its responsibilities in accordance with the highest standards of good governance to support its Corporate Strategy “Confident in Surrey’s future” and the council has adopted a Code of Corporate Governance through which good governance is evidenced. The AGS outlines the council’s governance arrangements and achievements during 2014-15 and highlights areas to continue to strengthen governance in 2015-16.

During 2014-15 concerns emerged regarding performance in Children’s Services. As a result an Improvement Board was established chaired by the Deputy Leader and comprising the Lead Member for Children and representatives from the Liberal Democrats, Independents and UKIP. This Board will continue in 2015-16 to provide oversight of a detailed improvement programme.

Governance arrangements have been strengthened through the implementation of Management Action Plans in all the areas highlighted in the 2013-14 AGS, which were information governance, social care debt and children in care health and dental checks. Improvements have also been made in the procedures for profiling and monitoring capital spend.

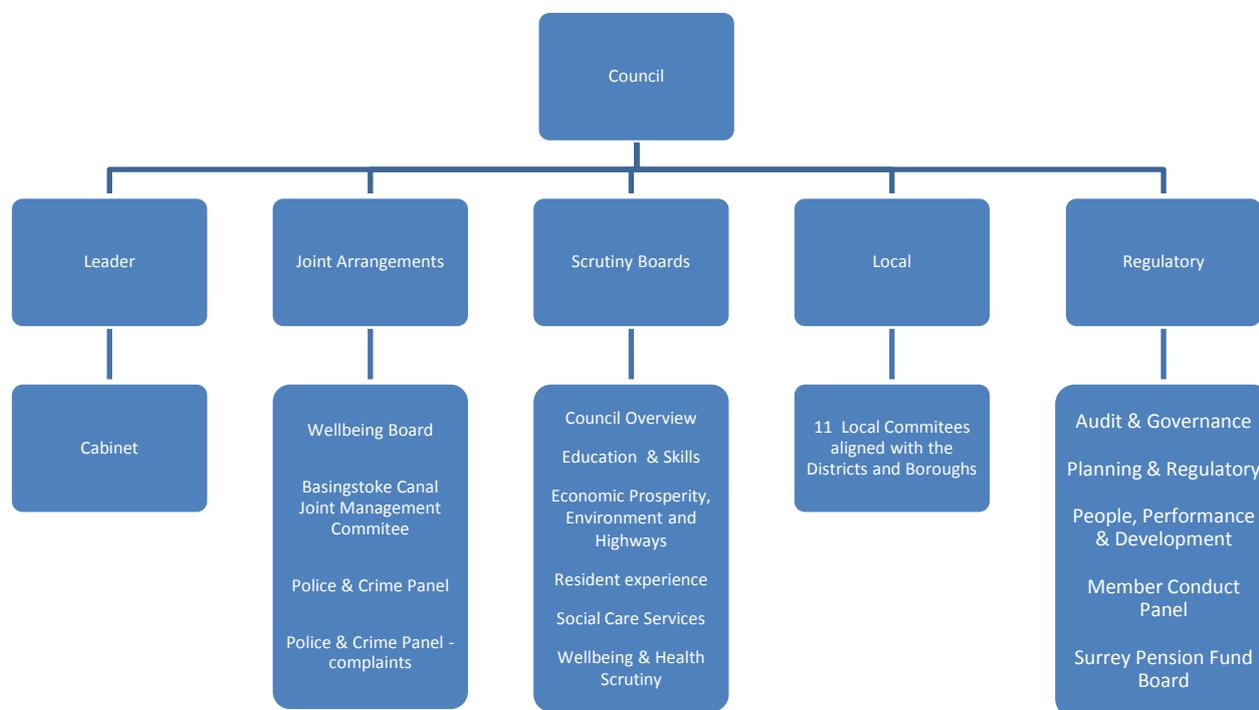
There are a number of areas where there is a need to enhance the governance arrangements during 2015-16, in particular:

- **Children’s and Safeguarding Service**
 - There is a need to reduce reliance on long term agency resource particularly in management/supervisory roles;
 - As the number of children in receipt of direct payments increases, the council must ensure it has robust systems in place to demonstrate that social care reviews are conducted in a timely manner in line with stated policy; and
 - The council needs to improve its administration of looked after children’s personal finances to ensure it meets its statutory duty as the corporate parent.
- **Contract Management** – there is a need to ensure that the council’s central contract management system contains key information on significant contracts to enable effective contract monitoring and timely procurement.

The annual review of governance is overseen by the Governance Panel. The panel comprises of myself (Director of Legal and Democratic Services [chair]), the Director of Finance, senior representatives from HR and Organisational Development and Policy and Performance, the Chief Internal Auditor and the Risk and Governance Manager. The panel meets four times a year and reports to the Statutory Responsibilities Network and the Audit and Governance Committee. The 2014-15 review has provided a satisfactory level of assurance on the governance arrangements for the year.

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. After the general election, there have been some constitutional committee changes. For simplicity, the structure below and details reflect these changes.



Member Attendance

The attendance record of the senior member leadership during the year is set out below. The senior leadership may have other meetings to attend like Select Committees or their local committees as well as Cabinet and Council. Note that 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.

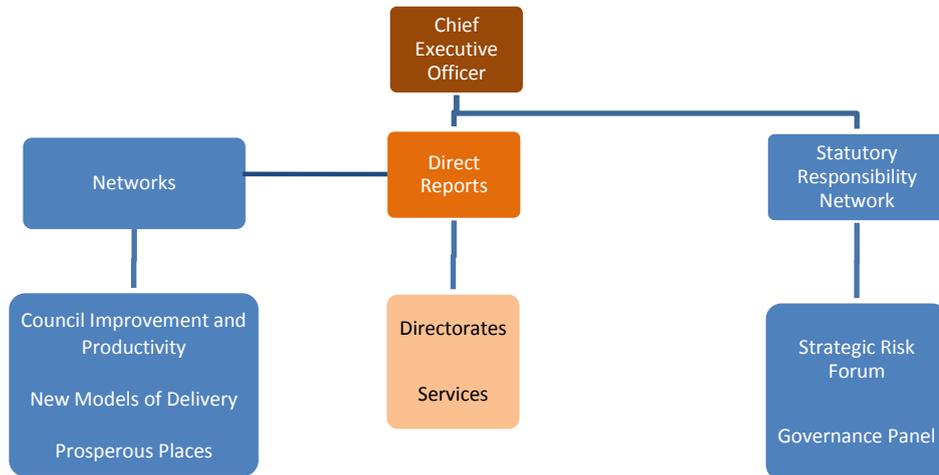
Member	Position	2014-15	2013-14
Mr David Hodge	Leader	30/30	31/32
Mr Peter Martin	Deputy Leader	26/30	27/30
<u>2014-15 Cabinet Members</u>			
Mrs Mary Angell	Children and Families	19/31	23/29
Mrs Helyn Clack	Community Services	18/22	23/24
Mr Mel Few	Adult Social Care	26/33	22/25
Mr John Furey	Highways, Transport & Flooding	24/24	25/25
Mr Michael Goodman	Environment & Planning	20/22	25/27
Mr Michael Gosling	Public Health & Health and Wellbeing Board	20/24	22/24
Mrs Linda Kemeny	Schools & Learning	24/25	24/25
Ms Denise Le Gal	Business Services	28/34	29/34
<u>2014-15 Civic Leadership</u>			
Mr David Munro	Chairman	12/12	13/13
Mrs Sally Marks	Vice Chairman	11/12	14/16

Details of Member Responsibilities

2015-16 Council	Cabinet	2015-16 Regulatory
<p>The Council is composed of 81 councillors (or “Members”) elected every four years. Councillors are democratically accountable to electors in their electoral division.</p> <p>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.</p> <p>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).</p> <p>Chairman of the Council: Sally Marks</p> <p>Leader of the Council: David Hodge</p>	<p>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.</p> <p>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.</p> <p>The council produces a forward plan containing notice of key decisions to be taken by the Cabinet and Cabinet Members 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.</p>	<p>The Council appoints these committees with terms of reference within the Constitution. Council appoints chairmen for each:</p> <p>Audit & Governance: Stuart Selleck; Planning & Regulatory: Tim Hall; People, Performance & Development: David Hodge; Member Conduct Panel: Sally Marks; Surrey Pension Fund Board: Denise Le Gal</p> <p>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.</p> <p>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.</p>
Joint Arrangements	2015-16 Scrutiny boards	2015-16 Local
<p>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.</p>	<p>There are six select & scrutiny boards.</p> <p>Council appoints chairmen for each: Council Overview: David Munro; Education and skills: Mark Brett-Warbuton; Economic Prosperity, Environment and Highways: David Harmer; Resident Experience: Colin Kemp; Social Care Services: Keith Witham; Wellbeing and Health Scrutiny: Bill Chapman</p> <p>Role: To provide challenge to the Cabinet and to strengthen their policy development and review role</p>	<p>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: Keith Taylor; Mole Valley: Tim Hall; Reigate and Banstead: Dorothy Ross-Tomlin; Runnymede: Yvonne Lay; Spelthorne: Denise Saliagopoulos; Surrey Heath: David Ivison; Tandridge: Nick Skellett; Waverley: Pat Frost; Woking: Liz Bowes</p>

Officer Governance

The Council appoints the Chief Executive, the Director of Legal & Democratic Services and the Director of Finance as statutory officers. The People Performance and Development Committee appoints other Chief Officers and Heads of Service with the appointment of a Director of Public Health being made jointly with the Secretary of State for Health. The Constitution delegates responsibility as set out below for a number of different functions.



Details of Officer Committees:

Statutory Responsibility Network: 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 Statutory Officers (Strategic Directors of Adult Social Care & Children, Schools & Families), Chief Fire Officer and the Directors of Finance, Legal & Democratic Services and Public Health, and Chief Internal Auditor.

Strategic Risk Forum meets on a bi-monthly basis and membership includes Director of Finance (chair), strategic risk leads, Chief Internal Auditor, Head of Emergency Management and Risk and Governance Manager.

Governance Panel (chaired by Director of Legal and Democratic Services) and reports to the Statutory Responsibility Network and the Audit and Governance Committee. The panel provides robust scrutiny and appraisal of governance.

Continuous Improvement and Productivity Network 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

New Models of Delivery Network looking ahead and developing innovative responses to the inexorable growth in demand that key services face over the foreseeable future

Prosper Places network work with partners across Surrey to ensure every place can be prosperous and sustainable.



Review from People, Performance and Development Committee Chair – David Hodge

Further reading links pg 55

I am please to present the Council's leadership remuneration report for 2014-15. This report combines the senior officer's remuneration and the members' allowances.

The People, Performance and Development Committee's remit includes policies on staff pay & conditions, arrangements for consultation with unions, resolving disputes and promoting development and training. The Committee is also responsible for appointing and dismissing chief officers. The Council's Constitution sets out the terms of reference for the Committee, detailing their remit in greater detail.

Over the last two years the committee has agreed an affordable two year pay award for officers, taking into consideration the economic climate and the need to ensure the council can continue to recruit and retain scarce skills and top talent. The committee has endorsed the Equality, Fairness and Respect Strategy of the organisation, to enable the council to grow a talented, inclusive and diverse workforce which better reflects the diversity of Surrey. Over the last two years, a priority for the committee has been to champion staff wellness, wellbeing and health and safety at work. The committee has also endorsed a programme of leadership development to ensure the council can continue to shape a customer focused and values-driven council to ensure you, the resident, receives great service from skilled, motivated and engaged staff.

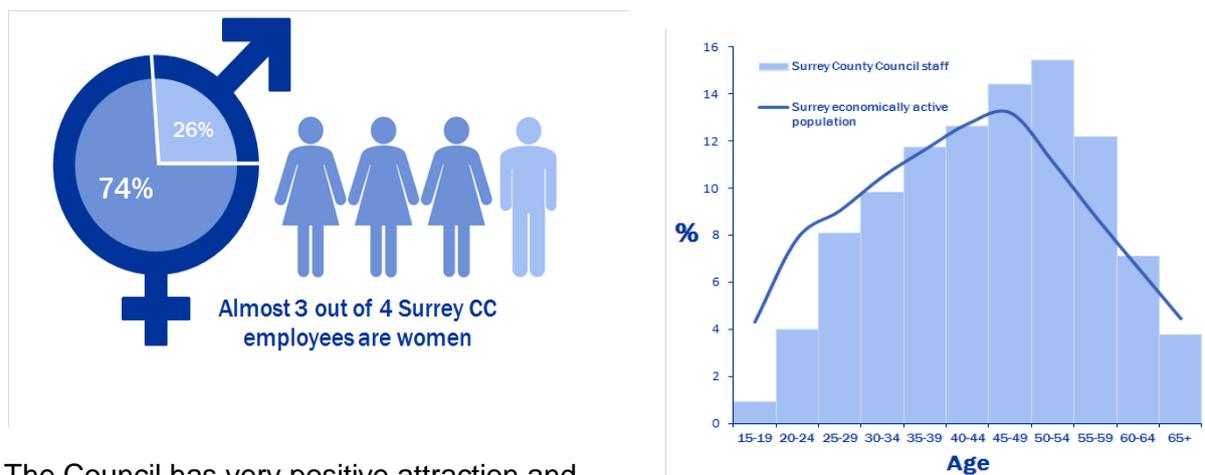
Employment costs

For three years the employment costs have reduced through operating new models of delivery, and embedding continual Improvement culture and sustainable savings programmes.

	2015-16 Estimate	Change %	2014-15 Actual	Change %	2013-14 Actual
Staffing cost (excl Schools)	£301m	-0.3%	£302m	↓ -1.6%	£307m
Staffing cost (incl Schools)	£699m	↓ -0.1%	£700m	↓ -4.1%	£730m
Surrey Contracted FTEs (excl Schools)	7,285		7,267	↓ -1.2%	7,357

*

Equalities



The Council has very positive attraction and retention of women employees, with family friendly policies, benefits and good training and development. The Equality, Fairness and Respect Strategy is working towards the workforce reflecting our local population. It is focussing in particular on disabled and younger people (under 24), currently at 2.7% and 5.5% where we have some way to go still to reflect Surrey's population. There is a programme of activity and community engagement underway, to improve and make further progress.

Wellbeing - The Council has a very popular workplace wellbeing offer, including flexible working, a Benefits programme, volunteering, employee assistance programmes and various health initiatives. An example includes on site comprehensive NHS Health Checks, which so far 719 employees have completed.

Senior Officers remuneration

Remuneration includes salary/ wages, expenses, allowances and benefits (chargeable to UK income tax), compensation for loss of office and employer pension contributions even though these are excluded from the general definition of remuneration.

Position in numerical order	2014-15 £	2013-14 £
Chief Executive Officer	246,970	246,109
Strategic Director - Children, Schools & Families	166,977	166,116
Strategic Director - Environment & Infrastructure	162,557	153,010
Strategic Director - Customer & Communities *	149,683	149,913
Strategic Director - Business Services	147,920	145,813
Strategic Director - Adult Social Care **	146,540	181,986
Assistant Chief Executive Officer	135,791	132,888
Director of Finance	134,930	121,516
Chief Fire Officer	129,982	126,195
Director of Public Health	116,548	97,607
Director of Legal & Democratic Services	116,337	115,776
Total remuneration for senior officers	1,654,534	1,636,929
Compensation for loss of office		89,329
Total Senior Officers	1,654,534	1,726,258
% of total employment costs	0.6%	0.6%

* Position is full time but 80% is seconded to Mole Valley District Council

** In 2013/14 Strategic Director - Adult Social Care left and was replaced.

Officers pay index and multiplier

The minimum Surrey Pay rate paid on grade S1/2 is currently set at £8.01 per hour as at 1 April 2015, this compares with the statutory National Minimum Wage of £6.50 per hour and the "UK Living Wage", of £7.85 per hour, which is advocated by the Living Wage Foundation.

Based on existing salaries as at April 2015 it is estimated that the council will have the following ratios, between the lowest and highest paid staff on Surrey Pay, for the 2015-16 financial year. This is unchanged and comparable within local government

Surrey Pay Salary Ratios 2015-16

Salary	Amount per annum £'s	Ratio to the highest salary
Highest Basic Salary	211,900	n/a
Median Basic Salary	24,040	8.81:1
Lowest Basic Salary	15,039	14.09:1

Members' allowances and 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.

Summary Member allowances and travel & subsistence expenses

	Allowances		Travel & Subsistence expenses	
	2014-15 £	2013-14 £	2014-15 £	2013-14 £
Current members	1,754,816	1,314,649	92,869	87,542
Stood Down members and Standard Committee	12,492	41,869	0	2,254
Employer NI & pension contributions	333,682	226,316		
Total actual expenditure	2,100,991	1,582,834	92,869	89,796
One off payment for previous year (note 1)	-227,084	227,084		
Adjusted expenditure for one off payment	1,873,906	1,809,919	92,869	89,796

Note 1: Council approves a scheme of members' allowances having taken account of recommendations from the Independent Remuneration Panel. At its meeting on 6 May 2014, Council approved a new scheme that is payable from 2014-15. The new allowances related to 2014-15 until 2017-18 and a clear intention that the amended scheme should take effect from 21 May 2013, a one-off payment, equivalent to any increase that the Member would have been eligible for, be made to each Member.

2014-17 Member Allowances

Annual allowance	£
Basic Allowance	£12,418
Special responsibility allowances:	
Leader of the Council *	£43,000
Deputy Leader *	£31,250
Cabinet Member	£22,500
Cabinet Associate	£12,500
Planning & Regulatory Committee Chairman & Council Overview Board	£12,000
Scrutiny Board Chairmen	£10,000
Audit & Governance Chairman	£9,000
Lead Member for Scrutiny of the Police & Crime Commissioner	£8,000
Local Committee Chairmen	£8,000
Pension Fund Board Chairman	£8,000
Pension Fund Board Vice-Chairman	£1,500
Committee Vice-Chairmen	£1,500
Opposition Group Leader *	£5,000
Officers of Political Groups (per member of the group)	£170
Members of the Adoption and Fostering Panels	£1,000
Chairman of Council	£18,000
Vice-Chairman of Council	£8,000

* The Leader and Deputy Leader have declined the published allowance but receive the Independent Panel recommended allowance of £35,548 and £30,333 respectively. The Residents Association Leader chose not to take the opposition Group Leader allowance £5,000.

Member Diversity

Currently there are 81 current members.

Number	Male	Female
81	62%	38%

Financial highlights

Further reading links pg 55

Presented here is an overview of financial information for the council for the year ended 31 March 2015.

Full financial information can be found in the audited Statement of Accounts for 2014-15.

Changes in accounting policies (restatement)

In the 2014-15 accounts there has been a change in the accounting policy for foundation schools. In line with guidance produced by CIPFA for recognising school non-current assets, the council has determined that foundation schools meet the recognition requirements in the code for Property, Plant and Equipment and has recognised these assets on the balance sheet in the 2014-15 accounts. Previously these assets were not included on the county council's balance sheet. This change in accounting policy has led to the restatement of the balance sheet for 2013-14 so the accounts presented here are produced on a consistent basis between financial years.

The main elements of the Statement of Accounts and explanatory notes of that have been used are:

- Movement in reserves statement
- Comprehensive income & expenditure statement
- Balance sheet
- Cashflow statement
- Selected notes to the accounts
 - Note a – Earmarked usable reserves
 - Note b – Unusable reserves

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 2014-15 was -£163m (-£189m 2013-14). 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 overall deficit is the writing off of -£34m of assets in relation to schools which have transferred to academy status and -£50m adjustment for the current service cost of pensions required under International Accounting Standard 19 compared to actual employer pension contributions paid

Summarised income & expenditure statement

	2014- 15	2013-14
	£m	Restated £m
<u>Income:</u>		
Income from local taxation (council tax)	616	600
Formula grant	191	208
Schools & other general and specific grants	723	734
Fees, charges & other service income	166	165
Total income	1,696	1,707
<u>Net directorate revenue expenditure:</u>		
Staffing	-701	-730
Non staffing	-1,014	-987
Total net directorate revenue expenditure	-1,715	-1,717
Outturn deficit	-19	-10
<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)	-144	-179
	-144	-179
Total expenditure	-1,859	-1,896
Gross deficit before accounting adjustments	-163	-189
<u>Accounting adjustments:</u>		
Deficit on revaluation of non-current assets (e.g.: buildings)	305	85
Actuarial losses on pension assets / liabilities	-243	-96
Net deficit on income and expenditure statement	-101	-200

Balance sheet as at 31 March 2015

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 £199m, 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.

Balance sheet as at 31 March 2015

	As At 31.03.2015 £m	Restated 31.03.2014 £m
Property, plant & equipment	1,725	1,463
Investment property	31	29
Heritage assets (historical collections and notable paintings)	1	1
Intangible assets (IT software & licences)	5	4
Long term investments	0	0
Long term debtors	15	11
Long term assets	1,777	1,508
Short term investments	108	74
Intangible assets (eg carbon reduction credits)	1	0
Assets held for sale	34	6
Inventories (e.g.: salt and grit store)	1	1
Short term debtors	119	124
Cash & cash equivalents	17	7
Current assets	280	212
Short term borrowing	-33	-51
Short term creditors	-188	-212
Short term provisions (e.g.: redundancy provision)	-3	-5
Receipts in advance (capital and revenue)	-0	-1
Other current liabilities (eg: PFI Lease, liabilities repayable within 12 months)	-7	-6
Current liabilities	-231	-275
Long term provisions (e.g.: insurance)	-22	-9
Long term borrowing (e.g.: capital loans to fund capital expenditure)	-398	-238
Other long term liabilities (e.g.: pension fund & PFI and lease liabilities)	-1,605	-1,296
Long term liabilities	-2,025	-1,543
Net liabilities	-199	-98
<u>Funded by:</u>		
Usable reserves (e.g.: general balances, earmarked reserves)	-268	-278
Unusable reserves (e.g.: pension, capital financing & revaluation reserves)	467	376
Net reserves	199	98

Cashflow statement

This shows the changes in cash and cash equivalents during the financial year. The total increase in cash and cash equivalents for the council during 2014-15 was £9m (2013-14 an decrease of -£107m) 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.

Increased investments into asset infrastructure and financial sustainability (-£221m) offset against non cash adjustments like depreciation (£210m) and reallocation of expenditure from revenue to capital (£31m) accounts for the small increase in cash.

Cash flow statement for 31 March 2015

	2014-15	Restated 2013-14
	£m	£m
Net deficit (-) on the provision of services	-163	-189
Adjustments to net deficit on the provision of services for non-cash movements (e.g.: Depreciation)	228	264
Adjustments for items included in the net deficit on the provision of services that are investing and financing activities (e.g.: Revenue funded capital items)	32	42
Net cash flows from operating activities	97	117
Investing activities (e.g.: purchasing property, plant and equipment)	-223	-186
Financing activities (e.g.: Public Financing Initiative (PFI) payments)	135	-38
Net increase/ (-) decrease in cash & cash equivalents	9	-107
Cash and cash equivalents at the beginning of the reporting period	8	114
Cash and cash equivalents at the end of the reporting period	17	7

Movement in reserves

Movement in the reserves statement shows the movement during the 2014-15 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 increase in the council's reserves during 2014-15 is £101million (a decrease of £10m in usable reserves, and a decrease of £91m in unusable reserves). This increase is predominately due to increases in the revaluation reserve -£298m and the pensions liability of +£293m & decrease in the Capital Adjustment Account +£103m offset including school assets in relation to schools which have transferred to academy status and an increase.

Summarised movement in reserves as at 31 March 2015

	Balance 1 Apr 2014	Movement a	Balance 31 Mar 2015
	£m	£m	£m
General fund balance (GFB)	-21	0	-21
Earmarked reserves (ER) (further details in note b)	-200	26	-174
Capital receipts reserve (CRR)	-20	-10	-30
Capital grants and contributions unapplied (CGCU)	-36	-6	-42
Total usable reserves	-278	10	-268
Total unusable reserves (UR) (further details in note c)	376	91	467
Net reserves	98	101	199

Note a: Details of the net movements:

	GFB £m	ER £m	CRR £m	CGCU £m	UR £m
Gross deficit before accounting adjustment	163				
Other accounting adjustments					-61
Total comprehensive income & expenditure	163				-61
Adjustments between accounting basis and funding basis under regulations	-137		-10	-6	152
Net increase/ (-) decrease before transfers to earmarked reserves	26		-10	-6	91
Transfers to/from earmarked reserves	-26	26			
Increase/decrease in year	0	26	-10	-6	91

Selected notes to the accounts

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.

List of earmarked usable reserves

	Opening balance 1 Apr 2014 £m	Transfers from reserves £m	Transfers into reserves £m	Closing balance 31 March 2015 £m
Earmarked revenue reserves				
Budget equalisation reserve	33	16	-33	16
Business rate appeal reserve		1		1
Child protection reserve	3		-1	2
Economic downturn reserve	6	2	-4	4
Economic prosperity reserve		3		3
Eco park sinking fund	15	6	-5	16
Equipment replacement reserve	3	2	-3	2
Financial investment reserve	2		-2	0
General capital reserve	8	0	0	8
Insurance reserve	9	2		11
Interest rate reserve	5		-4	1
Investment and renewals reserve	13		-3	10
Pension stabilisation reserve		1		1
Public Health unapplied grant		3		3
Revenue grants unapplied reserve	26	18	-26	18
Revolving Infrastructure fund	20	1		21
Schools balances	45	10	-10	46
Street Lighting PFI sinking fund	6		0	6
Vehicle replacement reserve	5	1	-1	5
Waste site contingency reserve	0		0	0
Total earmarked reserves	200	66	-92	174

Note: Zero depicts 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 £8m service budget carry forwards into 2015-16.

Business rate appeals reserve: As part of the localisation of business rates the council is liable to refund businesses for its share of business rates if it is determined that a business has been overcharged rates. This reserve will be used to fund any successful appeals.

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.

Economic prosperity reserve: This reserve will be used to fund projects that will increase economic development in the county.

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). During 2014-15 the council sold the remaining Icelandic debt at auction and the balance on the reserve was utilised in year.

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 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.

Pension stabilisation reserve: This reserve is to help fund potential future increases in pension contributions paid by the council.

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 2014-15 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.

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.

List of unusable reserves

Unusable reserves	Balance at 1 April 2014 £m	Movement £m	Balance at 31 March 2015 £m
Revaluation reserve	-331	-298	-629
Capital adjustment account	-501	103	-398
Financial instruments adjustment account	0	0	0
Pensions reserve	1,203	293	1,496
Collection fund adjustment account	-7	-5	-12
Accumulated absences account	12	-2	10
Total unusual reserves	376	91	467

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. Liabilities recognized on the Balance Sheet are updated to reflect inflation, changed assumptions and investment returns on any resources set aside to meet the costs. Statutory arrangements require benefits earned to be financed as the council makes employer contributions to pension funds or when it 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 council 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.

Further reading and references

About us

- Corporate Strategy <http://tinyurl.com/SCCCorpStrategy>
- Year in Surrey – News articles <http://news.surreycc.gov.uk>
- Keeping track on progress of our goals <https://performance.surreycc.gov.uk/>
- Info-graphics and online resources www.surreyi.gov.uk

Performance

- Surrey Information point <http://www.surreyinformationpoint.org.uk/>
- Resident Survey results <https://performance.surreycc.gov.uk/>
- Complaints..... <http://tinyurl.com/SCCComplaints>
- Budget: 2015-20 Medium Term Financial Plan..... <http://tinyurl.com/SCCMTFP>
- 2014-15 Outturn Report (item 7 – 83/15)..... <http://tinyurl.com/SCCOutturn2015>
- 2014-15 Statutory Statement of audited accounts..... <http://tinyurl.com/SCCSOA>
- Leadership risk register - Audit & Governance Committee Papers (Item 44/15).
..... <http://tinyurl.com/SCCRiskReg2015>
- Environmental Highlights <http://tinyurl.com/SCCNaturalAsset>

Governance

- Member Governance <http://tinyurl.com/SurreyConstitution>
- Member Attendance – Details of each member’s attendance is available for any period from
20 October 2012 <http://tinyurl.com/Surrey-Memattend>

People, Performance & Development

- Chief Officers’ Salary Bands <http://tinyurl.com/SCCSOA>
- Employment Costs – Pay statement & Indices <http://tinyurl.com/SCCPayStatement>
- Member Allowances – List of each member allowances
..... <http://tinyurl.com/SCCMemberAllowance>
- People Strategy and Travel expenses..... <http://tinyurl.com/Surreytransparency>

Financials

- 2014-15 audited Statutory Statement of accounts..... <http://tinyurl.com/SCCSOA>

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