

Annual Report 2015-16

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Foreword

From the Leader of the Council

A year ago, devolution was a buzzword. Now it is central to our thinking and working arrangements with our partners as we tackle the unprecedented challenges facing public services.

Straight after the General Election in 2015, I called on the Government to have the courage to put their trust in local government by devolving more decision-making and financial control.

It's a huge challenge. Surrey's ageing population alone adds more than £20m a year to our adult social care costs, while funding from Government continues to be reduced. Every year we are working hard to address this significant shortfall in funding.

I haven't wavered from the belief that we have the leadership, expertise and resourcefulness necessary to make the most of the exciting opportunities that devolution brings. After all, we are totally focused on what is important for our residents, and we have made significant progress in achieving savings of around £396 million over the last few years, while also improving services.

The Chancellor responded by throwing down the devolution gauntlet, and invited areas pressing for a deal to submit their proposals by last September. We produced a joint submission with East and West Sussex County Councils as the 3SC (three southern counties) devolution partnership. Together we have a combined population of over 2.5 million people and an economy worth £74 billion, bigger than Greater Manchester where the push for devolution is well underway.

We have set out for Ministers a positive case of how – by working together – devolution will allow us to bring decision-making down from Whitehall and closer to communities. We also want to go a step further within our devolution model to make sure we take decisions at the right level whether at county councils or at districts and boroughs.

This is about local decisions that better meet local priorities – and that better meet the needs of local businesses and residents.

We have had encouraging feedback from the Government, but there is a lot to do to ensure Surrey has the infrastructure to reduce congestion and support economic development, there are opportunities for young people, and employers can recruit and retain the skilled workforce they need.

The challenge remains to create a sustainable long-term budget. Devolution is an opportunity to have decision-making closer to residents and businesses, but most importantly we must never lose sight of the fact we are here to serve you, the residents of Surrey.

David Hodge
Leader of Surrey County Council
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Leader and Chief Executive Officer – Annual Review

David Hodge and David McNulty

Five years ago we began publishing a fuller annual report containing financial and governance information as well as our progress on performance. The format of the report has evolved over time in response to feedback from residents and councillors about its content and presentation.

The purpose of the annual report is to provide an overview of Surrey County Council's structure and performance over the last year, and a forward-looking commentary on the coming year.

As this is a general overview, if you require further information, there is a reference guide at the back directing you to further reading. Sometimes this document uses shortened website addresses (tinyurl) for simplicity and ease. These shortened websites direct you to Surrey County Council's website.

As the organisation has been doing important work across the county, we would like to draw your attention to three main areas to:

- consider the future financial outlook for Surrey;
- shape the future policy making through devolution; and
- achieve our corporate goals with our resources – culture and transformation of service delivery.

Future financial outlook for Surrey

To consider the future financial outlook for Surrey requires an understanding our current performance. Regular monitoring and involving elected Members and council officers in future service delivery planning meetings delivers a realistic and clear budget based on understandable assumptions and key milestones. Due to the complexity of the issues, the many financial challenges and limitations require careful consideration of the political and operational aspects and require sufficient time to plan and implement service adaptations.

The full details of the complex situation we are in can be found within our Director of Finance's review. However to summarise it would be finding a sustainable balance between the effects of demographic, central government funding reductions and our extensive savings programmes.

The council did agree a **balanced budget** for 2016-17. However, this balance was achieved by strong lobbying by the Leader for transitional support. Ministers listened to our case and we secured some additional funding for the next two years – a grant of £11.9m this year and £12.2m in 2017-18. This support is welcome, but still leaves us with very serious financial challenges for the foreseeable future.

Shape the future policy making through devolution

Within last year's report we briefly mentioned devolution, and it has very quickly risen up our list of priorities. As part of the Spending Review 2015, the Chancellor invited places wanting to agree a devolution deal to submit a proposal by 4 September 2015 – since then, devolution has become a significant part of our work. We think that devolution provides exciting opportunities for us as a local authority to have more choice and decision-making power over the services that are important to our residents.

The single most compelling argument for us is the sheer scale of investment required to ensure the infrastructure is sustainable. We have a large infrastructure deficit. A devolution deal is the only hope we have of securing the level of funding required to tackle that deficit.

We have joined up to work with East Sussex and West Sussex (we work in partnership as the three southern counties, or 3SC) to show just how important Sussex and Surrey are to supporting the growth not only of London and the south-east, but the whole country. Entering into this partnership allows us to make collective decisions on matters affecting the whole area. Together, we have a population of over 2.5 million. The economy of the 3SC area has a combined GVA (gross value added, or the measure for how much the economy is worth) of £74 billion, bigger than Wales or Greater Manchester.

But this growth is also putting a strain on the area: we have all experienced our creaking road and rail infrastructure; we are one of the most expensive areas in which to live (making it harder for people to stay in the area and harder to recruit and retain key workers such as social workers, nurses and teachers our public services need); and many employers are finding it hard to recruit people with the right skills.

Devolution gives us an opportunity to move more of the decisions and funding that affect all these issues down from central government, so that we can do things and use funding in a way that better meets our local need. And by working across Sussex and Surrey there will be more opportunities to do things differently as a result of working at the right scale.

The Partnership Review outlines further partnerships developments.

Achieve our corporate goals with our resources - Culture

We want to continue to develop a culture that upholds our four key values: listen; responsibility; trust, and respect. To achieve this, we have made a huge effort to include these values in our day-to-day activities and fundamental practices. Over the past five years we have invested in our training and development programme, providing a large range of opportunities for staff to develop their skills and expertise so that they can support the organisation in a time of change. Despite increasing budget constraints, we have managed to ringfence this as a priority for Surrey. We believe that investment in people is the best way to support each other and secure a strong future for Surrey as an organisation.

One of the strands of our work on culture focuses on strengthening leadership in the organisation through coaching programmes, including the high performance development programme and the 'my career' programme. Another aspect of this work focuses on succession planning and ensuring that we have strong deputies across all of our departments, so that there are people able to step-up as required.

The People, Performance and Development committee review provides more details of our staff work.

Achieve our corporate goals with our resources - transformation of service delivery

The council decided that an organisation-wide Public Value Transformation (PVT) programme was required to develop a sustainable medium-term financial plan. This builds on our successful Public Value Reviews that began in 2009. So far these reviews have identified savings of £267m by 2015-16. They have also helped us to focus on the things that matter most to our residents and to change the culture of the organisation and develop the skills of staff across the council.

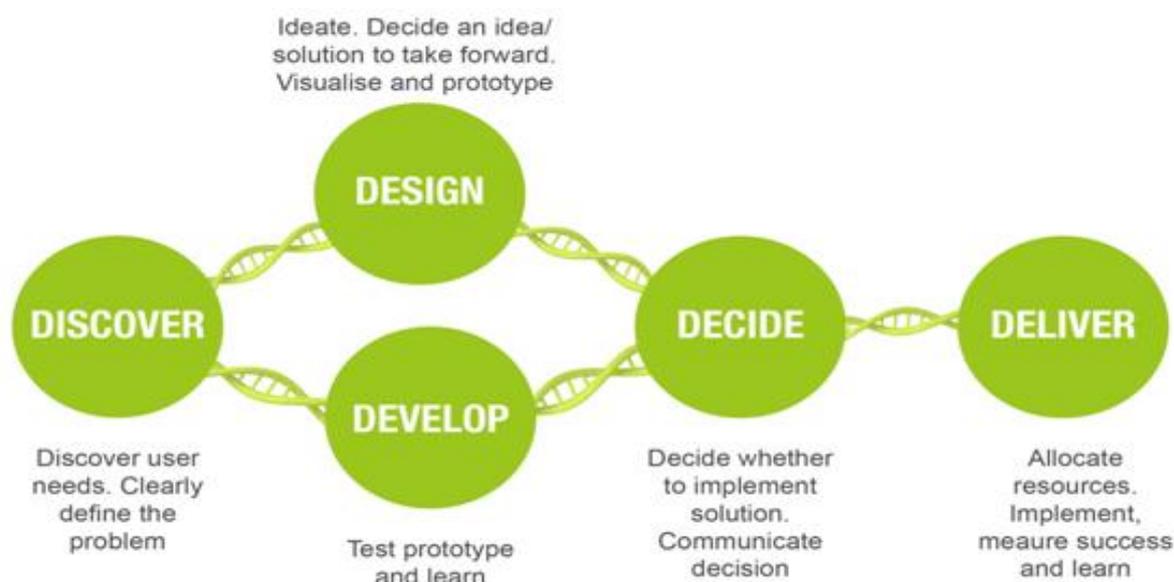
The work from those reviews and other efficiency work will continue, whilst the new PVT programme will focus on the innovation and transformation required for the next five years and beyond. We will work across the council and with partners with a clear focus on improving residents' experience. The scale of what we need to achieve with this programme goes beyond anything we have done previously. It will require a relentless focus and determination. We are in a good place to undertake this because of the skills we have developed within the council, our relationships with key partners, and our increasingly

sophisticated use of the data that is available about how and why residents access services. We will start with a focus on health and social care integration, SEND (Special Educational Needs and Disability), Early Help and Double Devolution.

Public Value is a specific methodology and tools designed to achieve better outcomes. It has three key principles namely that:

- there is evidence of a clear (measurable) benefit to those who are meant to benefit from our work;
- we have political and stakeholder support for what we propose; and
- we are able to deliver it.

We recognise that innovation happens in stages and based on best practice globally we have identified clear stages with supporting tools for each stage. Below is a simple schematic of the model that we are using to drive this systematic approach to innovation.



When it works Public Value clearly provides outcomes that residents want within the resources that are available to deliver them.

We must not underestimate the challenges ahead. We remain confident that we are in the best position we can be to tackle them. We believe we have the right strategy in place and that the learning culture we have developed over the past seven years will stand us in good stead. Above all we are encouraged by the talent and determination that staff, across the council, demonstrate every day. We have remarkable staff in every area of our work and working as One Team we are sure we can achieve our goals.

Please do tell us what you think of our latest annual report, covering our performance over the last year, 2015-16. We have structured the report to show how our 2015-16 achievements relate to our strategic goals (Wellbeing, Economic Prosperity and Resident Experience). As ever, your feedback is most welcome.

Leader of the Council, David Hodge

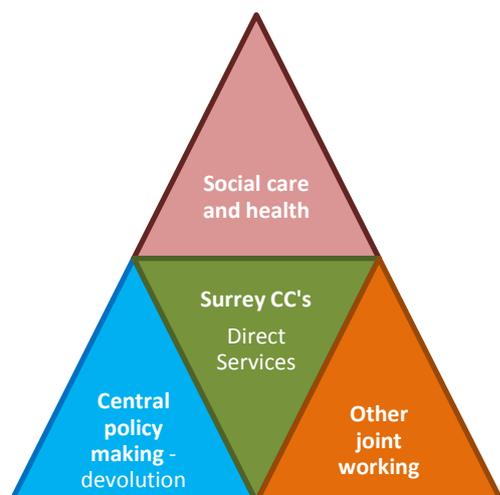
After 22 years in the British Army, David entered politics in 1992 when he was elected to Tandridge District Council. In 2005 he became a Surrey County Councillor and was elected Deputy Leader in 2009 with responsibility for the finance portfolio. In that role he led the council's Public Value Review (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". He was elected Chairman of the County Councils Network (CCN) 2013 - 15, representing 27 county councils across England. In July 2015, he was elected Conservative group leader for the Local Government Association (LGA)

David McNulty, Chief Executive Officer

David joined Surrey County Council in 2009. Since then he has led sustained work to improve the performance of the county council. Previously David was Chief Executive at Trafford MBC and was an Executive Director at Walsall MBC.

Chief Executive Officer - Partnership Review



The face of the public sector and especially local government is changing. As a consequence of residents' expectations and financial challenges, we are driven to be more collaborative in how we operate and create joined-up functions for our residents. Partnership working pushes the boundaries of what we can achieve, stretches our resources and enhances our working practices. To create joined-up functions means working closer together with our local public sector partners and residents.

Local can be functional or reputational as well as geographical. There are three distinct areas of partnership working. The diagram to the left illustrates that our direct services are interlinked with the three areas of partnership working. Here is an overview on the areas.

▲ **Central policy making - devolution**

Currently central government makes many decisions on spending that directly affect the well being and prosperity of Surrey residents and businesses – from funding for highways to decisions on training for young people aged 16+.

Surrey County Council, in partnership with East and West Sussex County Councils and the area's district and borough councils, believe these decisions could be better taken locally. The Three Southern Counties (3SC) bid for devolution seeks powers currently held by central government to deliver improvements for our residents and businesses – we want to ensure residents can afford to live here, and businesses can attract the staff they need with the right skills to continue to keep our area prosperous.

The 3SC submitted a devolution bid to the government in September last year. A meeting between Council Leaders, including our Leader, David Hodge, and Baroness Williams from the Department for Communities and Local Government took place in January, where our bid was well received. Government has recognised that our bid is unique and that our area plays an important role in the UK economy – making a significant net contribution to the Exchequer.

We are building on this strong position, with negotiations with Government continuing on issues such as infrastructure investment (including how to fund a £6 billion investment deficit), housing and planning and education and skills.

▲ **Social care and health: closer working with our health partners**

The Council is working with partners to develop and deliver better, more joined-up health and care services across the County. Through 2015-16 the Surrey Health and Wellbeing Board has continued to provide strategic leadership and oversight to this work, encouraging integration and ensuring the alignment of plans with the Surrey Health and Wellbeing Strategy.

2015-16 was the first year of the Better Care Fund – the national programme aimed at incentivising the NHS and local government to work more closely together – and saw Surrey partners pooling over £70m to fund joint plans around health and social care services. Supporting this work, we have aligned Adult Social Care with our health partners and as a

result we have made good progress in joining up services. One example is the establishment of integrated care teams in various forms across the county – these are already delivering better, joined up care and we have been able to learn from pilots to shape and adapt our plans as we look ahead to next year.

Alongside the Better Care Fund work, we have also progressed work on a number of ‘enabling’ projects – examples include the work we have progressed around data and information sharing between partners and the launch of a project to develop a Surrey Shared Care Record.

As a result of strengthening relationships during 2015-16 supported by maturing local governance arrangements, we have committed with health partners to accelerate the implementation and scale of integration in 2016-17. The latter part of the year has seen us working closely with partners to agree the Surrey Better Care Fund plan for 2016-17, and we have been engaged in shaping the NHS’s emerging 5 year Sustainability and Transformation Plans across Surrey which are due to be completed early in 2016-17.

We have also strengthened the work we do with health partners to join up services for children and young people. For example, together with the NHS Clinical Commissioning Groups (CCGs) in Surrey, we undertook a widespread stakeholder engagement and an extensive procurement exercise to develop and award a new contract for the Surrey Child and Adolescent Mental Health Service (CAMHS) – this included additional investment from both the CCGs and the County Council.

We also launched a major change programme with our partners to improve special educational needs and disability (SEND) services in Surrey. The programme, called SEND 2020, is being led by the SEND Partnership Board and will address the main challenges within the SEND system which include making sure we give the right support to children and young people at the right time and deliver the right outcomes based on their personal needs.

Other joint work with other local authorities

There are many examples where we now are in partnership with other local authorities in providing and supporting our services.

Here are some of the joint working examples (financial figures are 2016-17 budgeted gross revenue expenditure for the partnership):

- ORBIS – our partnership with East Sussex and Brighton & Hove council in providing most administrative services (£62m)
- ORBIS Public Law – bring together our legal services with East and West Sussex and Brighton & Hove council (£10m).
- Trading Standards work together with Buckinghamshire County Council leading the way in Trading Standards (£4m).
- Basingstoke Canal – Hampshire and Surrey have shared management of the Basingstoke Canal
- Pension Fund – Through changes of central government we are part of a proposal to bring together local authority pensions across the country to create Border to Coast Pension Fund pool.
- Our Strategic Director for Communities is also Chief Executive of Mole Valley District Council

Other partnership working with other public sector bodies can be found within “Our performance” chapter.

Our business model

The strategic challenges facing the council stem from two significant and persisting trends. Firstly, population changes and 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 the council has made good progress since 2013 in meeting these challenges. The progress made confirms the value of staying true to the long-term strategy the council updated and confirmed in February 2015. 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 supports the strong case for Surrey to be granted greater local powers.

The list of key actions for the next financial year (2016-17) has also been updated. These actions have been grouped under the three headings of our strategic goals:

Wellbeing,
Economic prosperity, and
Resident Experience.

These goals 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.

Keeping track of our progress on our goals

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.

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

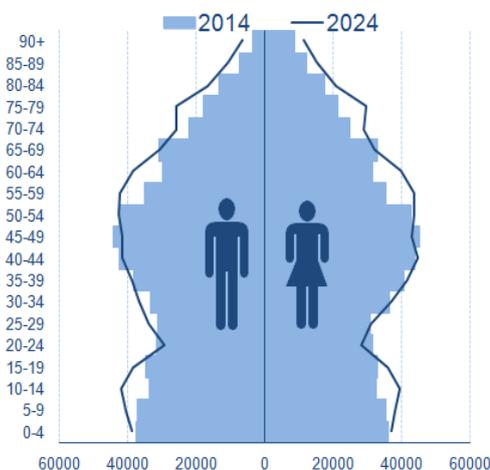
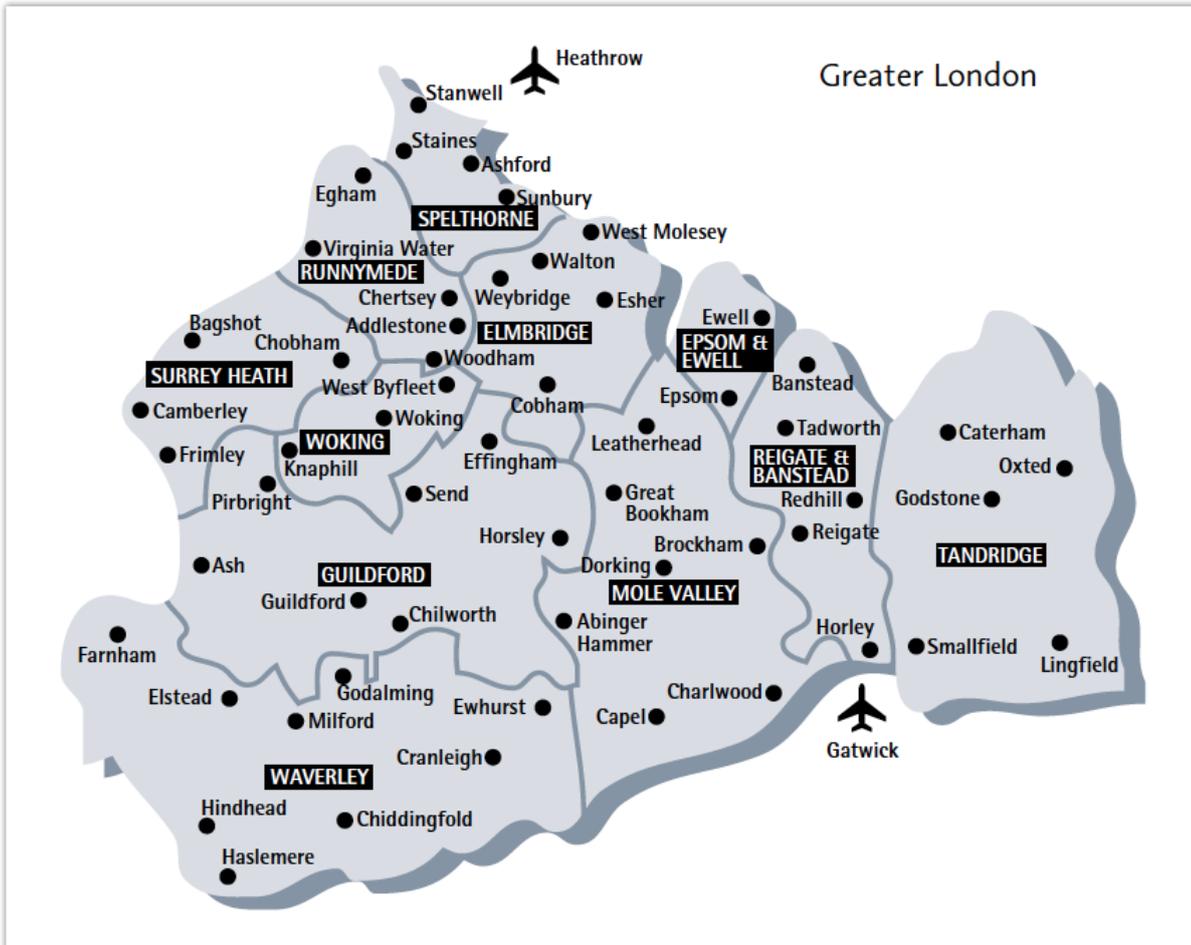
Residents in Surrey experience public services that are easy to use, responsive and value for money

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

Who we serve and how

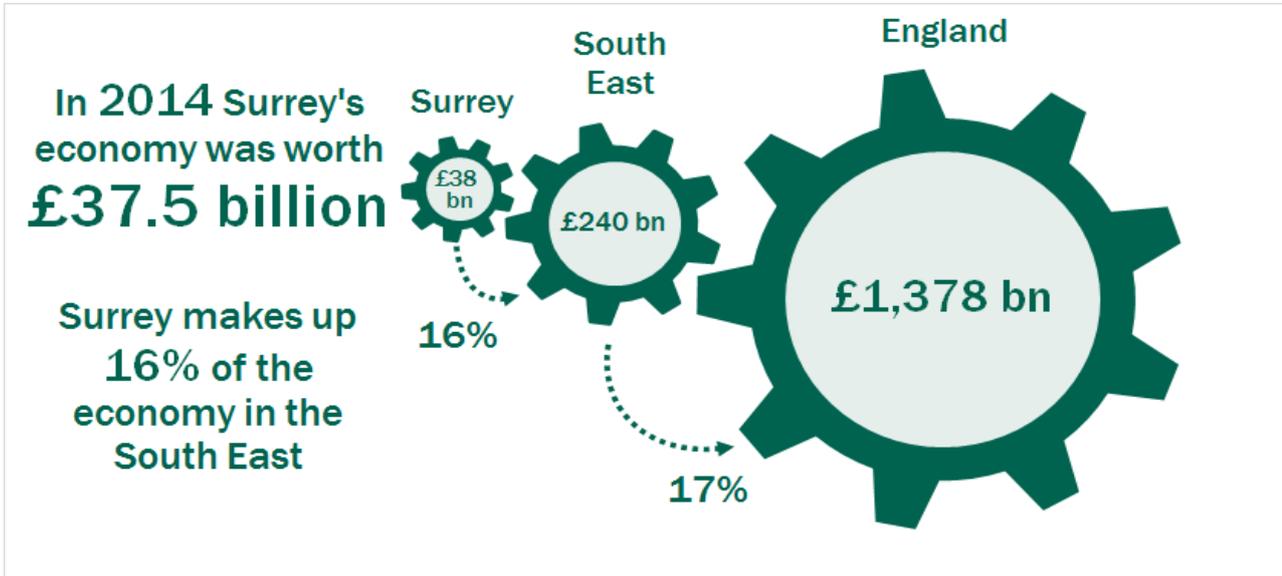
The county of Surrey is about 1,663 km² (650 m²), which is similar to the size of Greater London. Occasionally, delivery of services involves using facilities beyond our boundaries as a county, for example: care homes, fire stations and primary, secondary and special needs schools.



The current population estimate is 1.2m (¼ the size of New Zealand or Ireland). It is projected that Surrey’s population will increase to 1.4m by 2039. Predominantly this increase is due to improvements in lifestyle and medication to help people live fuller lives, birth rates and immigration.

Since 1889, we have spent public money in Surrey so that we can meet our local people’s needs and ensure that council tax and business rate payers get value for money. This is recognised through transparency, information and public accountability.

Our services to the people of Surrey include: education; supporting and protecting vulnerable people through social services, including assessing the needs of and providing support to children, older and disabled people in the community; managing the amount of waste Surrey people produce; ensuring that levies charged are minimised; maintaining and managing roads and public transport networks; libraries; strategic planning; consumer protection; public health; and fire and rescue services.



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

Financial highlights

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 2015-16 after identifying efficiency savings of £67m, the council’s Cabinet approved using reserves to meet the small revenue budget gap (£4m). Financial monitoring reports are presented to Cabinet monthly.

Over the last five years, the council has largely maintained its revenue and expenditure at around £1.7bn. This has been achieved through managing demographic and cost pressures by significant savings programmes. With the continuing pressures on our services forecast in to the future, and a continuing sharp fall in central government funding, we are carefully planning to ensure the future financial sustainability.

Key highlight

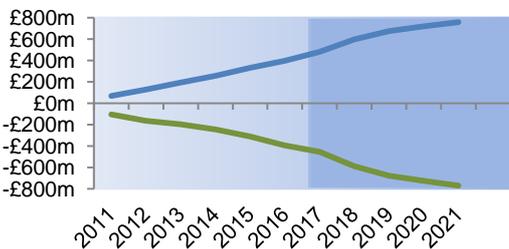
£1.7bn 2015-16 gross revenue expenditure

£1.7bn 2014-15 gross revenue expenditure

7th largest local authority,

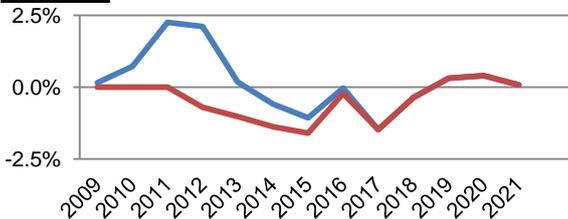
1/3 of £5.3bn Greater London Authority (GLA) or 1/3 size of BBC Trust (£5.1bn)

Cumulative revenue pressures and savings



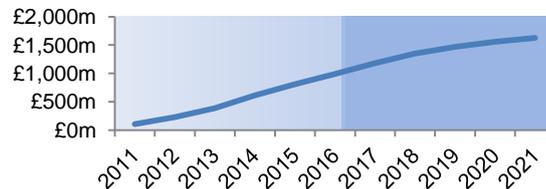
A key objective of the council is to increase the council’s financial resilience, including reducing long-term reliance on government grants. There is an ongoing sustainable savings programme (green line). Continuing to absorb service pressures (blue line) and maintaining service quality demonstrates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

% Planned & Actual +Surplus / - Deficit:



The actual result (blue line) demonstrates that previous reserves which have been built up over the past five years have been drawn upon. The red line shows what we estimated to draw on from general reserves over the next five years

Cumulative capital expenditure:



The council has continued to invested to school places and highway infrastructure. The next five years demonstrate the profile of the capital programme to continue this investment

Our performance, 2015-16

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

Council continues to boost school places – The council created 3,549 additional school places – equivalent to more than a dozen primary schools - on time for the start of the last academic year (September 2015). Of these new school places, 3,369 were primary and 180 secondary. The increase involved developing about 50 school expansion proposals, ranging from temporary classrooms to a major expansion of schools on existing sites.

Over the five years to 2020, the increasing demand for school places means that the county council will have to provide a further 11,000 extra school places.

Nine out of 10 Surrey schools good or outstanding - 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 64.7%, compared to 57.3% nationally. This places Surrey in the top 10% of local authorities nationally for this measure.

Over 91% of Surrey schools were rated by Ofsted as good or outstanding at the end of March 2016, compared with 85% last year. 94% of secondary schools and 90% of primary schools were rated as good or outstanding. In 2015, more than eight out of 10 parents got their first preference for their child's primary or secondary school, and 95% were offered one of their top preferences.

Published a Children's Improvement Plan - In September 2015 the council published a Children's Improvement Plan, addressing the key issues identified in the Ofsted Inspection Report published in June 2015. The Department for Education (DfE) accepted the Improvement Plan and progress has been made over the last year, as confirmed by periodic inspection by the DfE and Ofsted. Key improvements include the launch of the Safer Surrey approach to drive up the quality of social work and new arrangements with partner organisations to tackle Child Sexual Exploitation. Following changes to senior roles and responsibilities there is also stronger leadership capacity in place to drive sustained improvements. The Improvement Plan will be refreshed in September 2016 and progress will continue to be overseen by an Improvement Board, chaired by the Deputy Leader of the Council.

Support programme on target to help 3,600 families – Surrey's Family Support Programme is on target to help 3,600 families turn their lives around over the next five years. The programme was launched in response to the Government's commitment to help families with multiple problems improve their lives and future opportunities. Such problems may include poor school attendance, unemployment, alcohol or drug misuse, caring responsibilities or involvement in crime and anti-social behaviour. By focusing support on the needs of the whole family, the programme recognises that many of the issues are interlinked and are better tackled together rather than in isolation.

Surrey's programme, which is a partnership with the district and borough councils and other agencies, reached a significant milestone last year after the number of families it had helped passed the 1,000 mark. Professionals and practitioners from different agencies such as health, education and housing work as a 'Team Around the Family' to develop preventative services that support families to achieve their goals and avoid falling into crisis.

Surrey Virtual School sees good progress in attainment for children in care – The Surrey Virtual School supports, tracks and monitors children in the care of the council (known as looked after children) so they can learn more effectively as they often need to catch-up, and achieve better results in the schools they attend.

Looked after children are usually disadvantaged because of disrupted early lives, while an estimated 60% nationally also have learning difficulties, which means they often lag behind their classmates. With the support of the virtual school, Surrey's looked after children showed significant progress over the last year in reading, writing and mathematics across different age groups.

For example, a rise of 15% for those pupils at Key Stage 2 who achieved level 4+ in all three subjects from 29% to 44%, and at Key Stage 4 an increase for the third year running for those achieving five GCSEs at A*-C (including English and maths) continuing above the national average.

A key factor in this progress has been the introduction of the electronic Personal Education Plan (e-PEP), which enables the virtual school to work with social care professionals and schools to ensure they can keep on track and review individual progress effectively.

Surrey invests in tailor-made education for young people with autism – There are about 1,500 students with significant autistic needs in Surrey, a 50% increase since 2009. While many of these young people will attend mainstream secondary schools, high levels of stress and anxiety can make this difficult for some. As a result, young people may end up placed in independent schools that can be far from their homes.

The council in partnership with the National Autistic Society opened two NAS Cullum Centres last year and is opening a third in September 2016. A fourth is planned for 2017. These are highly specialist, purpose-built centres, located in outstanding local secondary schools. They are expected to achieve excellent outcomes for young people and save around £1.7m a year.

Safe havens provide mental health alternative to A&E and police cells – Surrey has set up a £1.5m scheme to transform mental health crisis services. Five "safe havens" have been set up in Camberley, Epsom, Guildford, Redhill and Woking to offer 24-hour support in an emotional or mental health crisis. The safe havens are community locations that provide a welcoming space for people with mental health issues to visit. They provide an alternative place of safety to Accident and Emergency (A&E) departments and detainment in police custody.

The first opened in November 2015, following a successful pilot of the Aldershot safe haven, which resulted in a significant drop in mental health A&E admissions. The other four opened in the following months. Early feedback suggests people value them as a safe place to go. They use them to spend time with other people who may be in a similar situation to get support and advice. They can talk through their problems, get a clinical assessment from a qualified professional if they need it, and support to find a solution, helping to prevent their problems from escalating.

The Department for Communities and Local Government (DCLG) funded the scheme, which is a partnership project between the council, clinical commissioning groups (CCGs), police, Surrey and Borders Partnership NHS Foundation Trust and South East Coast Ambulance Service.

500 each month check their alcohol levels – With an estimated 25% of Surrey adults (nearly 240,000 people) drinking above recommended levels, the council's public health team has been encouraging people to monitor their alcohol risk. In April 2015, they launched an online interactive alcohol screening tool called 'Don't Bottle It Up', which allows people to calculate their level of risk from drinking and get personalised advice on what to do about it.

About 500 Surrey people a month have been taking the online test, mainly people aged 35 to 54. Three units of alcohol is equivalent to a pint of strong lager or a large glass of wine. New UK safe drinking guidelines recommend men and women consume no more than 14 units of alcohol a week with at least two days alcohol-free.

- Surrey and Borders NHS Trust offer specialist support and treatment to people who want help with their problematic drug use or dependency on alcohol. Called 'i-access', the service offers advice and information, one-to-one sessions and group work to support people on their road to recovery.

Making children's play areas smoke-free – The county council's public health team has been working with Surrey's borough and district councils to introduce voluntary smoking bans in council-managed children's play areas. Nationally, more than 200,000 children in the UK start smoking each year, and research suggests many of them take up the habit because they copy adult behaviour. Seven borough and district councils have now implemented play area smoking bans – Spelthorne, Epsom & Ewell, Woking, Reigate & Banstead, Runnymede, Guildford and Mole Valley.

Training staff to tackle child obesity – More than 250 staff working with children and families have been trained in the last year to identify children at risk and help them tackle problems of excess weight. In Surrey, more than 62,000 children aged two to 15 are thought to have excess weight, storing up health problems for later in life because of the greater risk of type 2 diabetes, high blood pressure, heart disease and some cancers. Excess weight is a problem for nearly one in five children aged 4-5 years (18%) and over one in four (27%) of children aged 10-11.

Council takes over role to commission health visitors – A new responsibility for commissioning health visiting services for children, from newborns up to the age of five, transferred to the county council in October 2015. The council was already responsible for commissioning school nurses for five to 19-year-olds, so this represents an important step in integrating the Healthy Child Programme (HCP) and continued partnerships with colleagues in education and early years' services, including children's centres.

Health visiting services continue to be provided by the three NHS community health providers in Surrey - Central Surrey Health; First Community Health and Care; and Virgin Care Services Limited.

Core elements of the HCP include:

- health assessments and developmental reviews
- promoting positive relationships and good mental health
- signposting to sexual health and substance misuse services
- supporting children in mainstream schools with long term conditions.
- Early Help assessments and children's safeguarding.

Promoting independence remains a priority – Helping people live independently continues to be an important objective of the council. Last year, our Adult Social Care services:

- supported almost 8,500 older residents to live at home
- supported 11,451 carers of all ages to help them have a life beyond caring
- enabled 7,777 people to have more control of their care through personal budgets
- helped 2,778 people regain their independence through reablement services.

The demand for adult social care continues to rise with Surrey's ageing population. About 19% of the Surrey population (222,700 people) are over 65, and this is expected to rise to 25% by 2037. There are an estimated 113,100 unpaid carers in Surrey who look after family, partners or friends in need of help because they are ill, frail or disabled, nearly 10% of the population. Over the next 15 years, the number of people aged 65 years or over with dementia is likely to increase by 55%, further increasing demand for adult social care services.

More people using equipment to stay independent – More older people are able to stay in their own homes for longer, thanks to the equipment service jointly commissioned by the county council and clinical commissioning groups (CCGs). The service is provided by Millbrook Healthcare, which supplies, delivers, collects, cleans and maintains the equipment - including walking aids, hoists and bath lifts. This service has been extended to Saturdays to help people leave hospital more quickly. The number of people being helped to remain at home has risen from 22,000 to more than 27,100.

Satisfaction with care services grows - Residents who use adult social care services responded positively on a number of areas in the last survey asking about their experience. The survey drew a 35% response rate from a sample of 2,463 people. Findings include:

- The proportion of people who use services who have control over their daily life has remained at 80%
- more than two-thirds (67%) said that overall they were satisfied with their care and support (66% in 2014-15)
- the proportion of people who use services who feel safe has risen to 71% (66% in 2014-15)
- the proportion of people who use services who can easily find information about services has risen from 72% to 74%
- 93% (668) of respondents said care and support services gave them a better quality of life (91% last year)
- 77% (554) of respondents rated their quality of life "good" or "better" (up from 63% in 2014-15).

The Adult Social Care helpline received nearly 37,000 enquiries from residents last year. Top enquiries were about local preventative services and care provider information. 97% of enquirers were satisfied with the service they received.

Hundreds have their say on autism strategy – Nearly 500 people have been consulted through meetings in the community about developing a new learning disability and autism strategy. A further 1,500 people visited the web pages to comment on the draft strategy, and there have been more than 100 submissions from individuals and organisations. The strategy, which will be finalised later this year, aims to ensure that people with a learning disability and/or autism can have a voice, be safe, be informed, remain healthy and be confident to be part of their community.

New service for people with visual and hearing issues - Residents with visual impairments or who are deaf or hard of hearing can now get specialist support from Sensory Services by Sight for Surrey, a new service that went live on 1 February.

Annual information summit draws 200 – The latest annual information summit took place in March 2016 at Dorking Halls. It was attended by over 200 people who have a role in providing information and advice about social care and support to residents, parents and carers. The day focused on three key themes: health and social care integration, information for young people with disabilities, and financial wellbeing. The Summit's objective is to improve the quality and consistency of information, signposting and advice so residents can get the right support from whichever organisation they contact for help.

Seven Timebanks now operating in Surrey - Seven Timebanks run by local communities are now open in Surrey. The Timebanks enable residents to exchange their time and skills to help each other. The county council has helped with set-up costs, while the national charity Timebanking UK has provided advice and guidance to get the schemes up and running. Surrey's timebanks are in: Redhill, Farnham, Godalming, Guildford, Staines, Camberley and Woking.

Health and Wellbeing Board highlights - In 2015-16, the Health and Wellbeing Board reaffirmed the priority areas of its strategy:

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

Throughout the year it has promoted a number of activities to better integrate health care services, including:

- A Child Sexual Exploitation Strategy and Action Plan by the Surrey Safeguarding Children's Board
- the "Talk to Us" campaign to help young people recognise and report domestic abuse
- a county-wide awareness campaign around staying healthy over winter, which included information on flu jabs, staying safe in bad weather and avoiding the need to go to hospital – 57% of residents surveyed were aware of the campaign
- a 14% reduction in the number of mentally ill people held in police custody under a section 136 arrangement.
- a 33% reduction in hospital admissions for mental health patients
- a reduction in the number of people delayed when transferring from one health care setting to another
- reviewing child deaths and conducting serious case reviews to identify lessons to be learned
- agreement of a new multi-agency training framework.

In providing the policy direction for health care in Surrey, the board has also overseen better integration of health and social care services through joint commissioning of children's health services and mental health services and the pooled £70m budget of the Better Care Fund.

Economic Prosperity – Surrey’s economy remains strong and sustainable

Transport bid secures £20m for essential major road schemes – County highways and transport planners have secured £20m of Local Enterprise Partnership (LEP) funding for major road schemes to support the Surrey economy. These include:

- Greater Redhill sustainable travel package
- A22, A217 and A24 resilience works
- Guildford Town Centre package

The Redhill and Guildford schemes are designed to take cars off the road by making cycling, walking and going by bus easier and safer. The resilience works are aimed at preventing the roads from flooding. These follow the successful bid for road infrastructure projects last year for Epsom, Runnymede and Camberley.

Further opportunities to secure significant capital funding will arise as part of the LEP Growth Deal 3 where the county council and its partners have developed an ambitious programme of schemes in growth areas that should receive funding in 2016-17.

Long-term infrastructure needs will cost over £5bn – The scale of investment needed in roads, rail, flood defences and education to allow the Surrey economy to grow sustainably over the next 15 years will cost at least £5.4 billion. That’s according to the Surrey Infrastructure Study, commissioned last year by the council to get a clearer picture of the infrastructure needed to support development across the county to 2030 and beyond. Sustainable growth needs roads, schools, community and leisure facilities, healthcare and green space for well-functioning, well-connected communities to retain existing businesses and attract new ones.

So far only about £2.2 billion in potential funding has been identified, leaving a significant gap.

The findings of the infrastructure study will now be used to develop the 3SC devolution proposals for Surrey, West Sussex and East Sussex. It will also inform local, regional and national discussions with other councils, the Government and infrastructure companies about funding and economic growth opportunities.

Winter planning keeps Surrey moving safely – The council’s winter highways programme runs every year from October to April to ensure Surrey residents can travel safely during cold spells. As part of the preparations, 16,000 tonnes of salt is stored ready to use by the county’s fleet of gritters, and around 1,800 grit bins are filled across the county. The council’s highways contractor, Kier, receives hourly weather information from roadside weather stations, where sensors monitor rainfall, air and road surface temperatures, road conditions, and any salt already on the road. These hourly updates are compiled by 3pm each day, when the decision on whether to grit is made.

The council also has arrangements in place with 100 local farmers, who are supplied with snowploughs so they can clear areas away from the main gritting routes that are difficult to access. When they are needed they can be mobilised by text message, otherwise they will start snow clearance automatically once there is 50mm (2 inches) of snow on the ground.

When weather conditions are so severe that residents and businesses need advice on if it is safe to travel at all, a rolling information service about gritting and snow clearance operates on Twitter from @surreytravel 24 hours a day, seven days a week. This is in addition to the live roadworks and traffic information that goes out all year round.

University Technical College (UTC) plans move ahead – Plans for Surrey’s £13m University Technical College (UTC) have made major strides during 2015-16. Highlights include:

- designing a computer science and engineering curriculum
- developing a marketing and communications strategy for when student and public engagement begins
- and procuring a contractor for the work.

The UTC is being developed by Surrey County Council with Royal Holloway University, IT management consultancy CGI, Guildford Education Partnership (a multi-academy trust) and Guildford College. The UTC will be based in the Park Barn area of north Guildford. It is scheduled to open in September 2018.

Thumbs-up for road works information service – Residents have responded positively to a new service launched last October to keep them informed about planned road works across the county. There have been 32 compliments so far, response times have improved and a backlog of enquiries cleared quickly. Residents now also have the option of submitting questions, comments or feedback via www.roadworks.org, the primary source of road works information.

£100m Operation Horizon road renewal programme continues – Since it began in 2013, the council’s innovative £100m road renewal programme, Operation Horizon, has continued to raise the quality of Surrey roads. Some of the achievements include:

- 400kms (240 miles) of roads will have been treated by the end of this year
- 12% savings on contract rates
- 95% of the roads treated have 10-year guarantees
- improvements to drainage and kerbing where necessary
- a reduction in ‘red’ condition roads from 17% to 13% since 2013
- an improvement in customer satisfaction with roads.

Opportunities for young people cut NEETs to record low – The proportion of 16 to 19-year-olds in Surrey who are not in education, employment or training (NEET) fell to 1.6% last year, the lowest ever. Surrey also has the lowest proportion of young people who are NEET of any large local authority area in England.

At the same time, the proportion of 16 and 17-year-olds participating in apprenticeships increased in December 2015 to 3.9% compared to 2.8% a year earlier, reflecting the growing number of apprenticeship opportunities offered by Surrey employers.

For example, the council has been working with its contractors and suppliers to provide apprenticeships for young people. During last year the county council and its highways maintenance contractor, Kier, agreed to develop an Education and Skills Development Plan, including a highways apprenticeship programme, as part of the extension of their highways contract.

This has resulted in the creation of an Apprentice First culture within Surrey’s highways service, which undertakes programmes of visits to schools, colleges and other learning providers to attract students into the industry. They also offer pre-apprenticeship training opportunities for young people to prepare them for the workplace with a recognised qualification.

County highlights benefits of employing military - Surrey County Council's efforts to promote the benefits of employing military reservists and ex-service personnel have proved so effective that the council has been awarded the Silver Employer Recognition Award for support to the military. In addition, it has raised awareness of their issues through briefing Surrey MPs and holding a county-wide conference that drew more than 150 attendees.

The council has also supported six organisations that have been awarded grants from the Armed Forces Covenant Fund totalling nearly £100,000 to support the integration of civilian and military communities and those ex-service personnel in the Criminal Justice System.

Under the Armed Forces Covenant, signed by the council in 2012, Surrey supports the Armed Forces community to ensure they and their families are not disadvantaged when it comes to public services. Military personnel and their families often have disrupted lives because of overseas postings or transfers within the UK, and can have a number of issues arising from military service in the world's trouble spots.

There are four military bases in Surrey, which are home to approximately 6,200 serving military (680 families with 1,100 children), as well as 250 reservists, 1,700 cadets and 95,000 veterans.

The county council has worked closely with district and borough council partners, the military, service charities and businesses through the Surrey Civilian Military Partnership Board to address many of their issues, including access to school places and helping with the transition to civilian life, such as support with employment, housing and health care. The approach has been recognised as a model of good practice by the Local Government Association and the Ministry of Defence.

Superfast Surrey broadband focuses on hard-to-reach areas - The main phase of the £35 million contract to extend the fibre broadband network to parts of Surrey not covered by commercial suppliers (known as the intervention area) was completed in December 2014. The Superfast Surrey programme has focused efforts in 2015-16 to connect harder-to-reach premises, largely in rural areas, where it is more difficult to install the broadband infrastructure. This has succeeded in extending the broadband network so that it now covers more than 86,000 homes and businesses in Surrey. The independent broadband monitoring group, Think Broadband, says Surrey is currently the best connected county in the UK. Take-up of fibre broadband services in the intervention area is over 40%, exceeding expectations and securing additional funding for the county council that can be invested in extending the network to those homes and businesses that are still unable to access a fibre service.

To understand the Surrey broadband market and deployment plans of commercial providers, the council carried out an open market review in April 2015. Several stages in this process have been completed, including analysis of the data supplied by service providers. This was followed by a public consultation inviting broadband providers and Surrey residents to give their feedback on the council's understanding of broadband coverage across the county.

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

More than 40,000 births, deaths and marriages registered – It's been a busy year for the council's registration and nationality service, with more than 40,000 registrations. These include:

- 9,000 notices of marriage
- 20,000 birth registrations
- 11,000 death registrations

In addition, Surrey registrars performed around 4,000 marriage and civil partnership ceremonies in 2015-16, with nearly 2,000 at Surrey's three register offices (in Guildford, Leatherhead and Weybridge) and a similar number at more than 100 other registered venues. They also played a key role in supporting 27 couples to arrange new wedding venues when their first choice venue, Clandon Park House, was devastated by fire in April 2015.

Since the introduction of a new online registration appointment booking system in Sept 2014, the number of appointments booked online has increased from 13% in March 2015 (417 out of 3,120) to 38% in March 2016 (1,103 out of 2,926). This enables Surrey residents to book their appointments at a time that is convenient to them. 2,000 new citizenship ceremonies were also held.

Restorative justice sparks 95% drop in criminal records for young people – The use of restorative justice by the council's Youth Support Service has had such an impact on offending by young people that it is becoming a template from which others can learn. Surrey has been using the restorative approach, which gives victims a greater role in the justice system and requires those who have caused harm to make amends to their victims, as an alternative to more traditional criminal justice proceedings.

Over the last five years, restorative justice has resulted in a 95% drop in the number of young people receiving a criminal record, and a 50% drop in youth crime. In 2015-16 Surrey had the lowest number of children and young people entering the formal criminal justice system than anywhere else in England and Wales. Victims of crime have benefited significantly, with satisfaction levels at 85-90%, and eight out of 10 victims recommend the approach over traditional responses.

The move to a restorative approach has also reduced costs by around £3 million a year. Surrey has given evidence to the House of Commons Justice Select Committee on how it has transformed the local youth justice system, and has won prestigious awards from the Youth Justice Board for England and Wales and The Howard League for Penal Reform this year.

'Blue light' services more efficient in responding to emergencies - Police, fire and ambulance service colleagues in Surrey and Sussex can help people more quickly and efficiently thanks to their collaboration programme, called Working Together. Since last September, Surrey Fire & Rescue Service has been trialling an Immediate Emergency Care Response initiative. This involves responding to 999 calls for ambulances where they can get a fire crew more quickly to a life-threatening situation, such as a cardiac arrest. All incidents are backed up by an ambulance but the fire crew is able to start treatment in the critical few minutes before the paramedics arrive.

For the first six months of the pilot, Surrey Fire & Rescue staff responded to over 500 calls for assistance. Feedback from the South East Coast Ambulance Service and the public has been extremely positive.

This builds on the success of the fire service taking over responsibility for gaining entry to properties to allow ambulance crews to treat ill or injured occupants. Previously the police used to be the lead agency for gaining access, but fire crews are usually able to get to the scene more quickly and have the expertise and specialist equipment to gain entry with less damage to property. This has resulted in patients being treated more quickly, as well as savings through fewer call-outs for contractors to secure the property afterwards. In addition, police time is being freed up to focus on other emergencies.

Thousands flock to Magna Carta celebrations - The 800th anniversary of King John's sealing of the Magna Carta was marked on 15 June 2015 on Runnymede Meadows, drawing around 3,000 guests, including more than 900 from overseas. The commemoration of the historic event, organised by Surrey County Council, Runnymede Borough Council and the National Trust, was a state occasion, held in the presence of the Queen and other members of the Royal Family, including the Duke of Edinburgh, the Duke of Cambridge and the Princess Royal. The Prime Minister and the Archbishop of Canterbury were also in the official party.

An acclaimed public art installation, called The Jurors, by sculptor Hew Locke, was also unveiled on Runnymede Meadows by the Duke of Cambridge.

The day was the culmination of a year-long programme of cultural and educational events, including a specially commissioned musical event - The Freedom Game - performed at the Royal Albert Hall by 1,000 Surrey residents in front of the Earl and Countess of Wessex. There were also exhibitions, lectures and other performances and activities, including a Magna Carta-themed garden at the Chelsea Flower Show.

Affordable warmth and lower carbon emissions – More than 9,000 households have been advised on how to improve their energy efficiency, as the council's partnership with Action Surrey and the district and borough councils has completed its third year. More than 1,400 householders have also benefited from better insulation – particularly for those with solid walls – and more efficient boilers. The initiative aims to help all residents, including vulnerable people, to achieve warmer, healthier homes more cheaply and with lower carbon emissions. This has saved Surrey householders, tenants and landlords an estimated £2.2m in energy costs over the period.

Residents have their say on buses – Thousands of residents have had their say as part of the council's three-year review of dozens of local bus services. This has secured annual savings of about £1 million, while keeping the bus routes of most value to local communities. A second passenger consultation was carried out from January to March 2016. The findings have been published and further bus changes were agreed in May that will deliver further annual savings of £750,000. The council is therefore on track to deliver the overall savings target at the end of the three-year period of £2 million.

Now you can go online for free bus passes – Surrey residents can now complete their free bus pass applications online, making the process quicker and more efficient. Alternatively, 42 of Surrey's libraries offer face-to-face support for residents who prefer to complete their concessionary fare applications in person.

Waste partnership reaps benefits for council taxpayers - Working together as the Surrey Waste Partnership, the county council and the 11 borough and district councils have achieved notable cost savings over the last year, including:

- £91,000 by securing better prices for composting garden waste from kerbside collections and community recycling centres
- £100,000 from new disposal arrangements for non-hazardous and non-infectious healthcare waste
- new joint waste collection contracts that will yield savings for Elmbridge and Woking in 2017, and Surrey Heath and Mole Valley in 2018.

Food waste campaign boosts recycling by 20% – A county-wide campaign to encourage residents to put their food waste into their kitchen caddies for recycling, instead of dumping it in the general waste, has led to a 20% jump in recycling food waste. County council waste disposal staff found that almost 50,000 tonnes of food waste were thrown into the general waste instead of being recycled. This prompted the county and district and borough councils to run a public awareness campaign to highlight the issue with residents. In the three months following the campaign, more than 1,800 additional tonnes of food waste were recycled than in the same months of the previous year, saving almost £124,000 in avoidable disposal costs.

Eco Park construction underway - Construction of the council's state-of-the art Eco Park at Shepperton started during winter 2015. The Eco Park is an innovative development to treat residual waste from households in northern Surrey in a sustainable way, together with food waste from homes around the county and some waste from local businesses. The Eco Park is a key part of the council's approach to managing household waste and will provide a more environmentally sustainable and cost effective means of treating the waste produced in northern Surrey, using it to generate electricity and fertiliser. The whole site is expected to be fully operational by November 2017.

Textiles recycling campaign scoops awards – A campaign to promote recycling of clothes and textiles has won two awards. An independent evaluation showed that 88% of people responded to the campaign, with an increase of 113 tonnes (27%) of textiles that were recycled during the campaign period (compared to the previous year), saving Surrey council taxpayers £45,000 in disposal costs. The campaign was prompted by research that showed more than 10,000 tonnes of textiles were thrown away a year when they could have been recycled or reused.

The awards were in recognition of the impact of the campaign and the partnership working approach through the Surrey Waste Partnership. They were awarded by the Chartered Institute of Waste Management for the most effective marketing or communications campaign, and the Local Government Chronicle for campaign of the year.

Trial identifies more recycling opportunities – A trial conducted by staff at Surrey's community recycling centres (CRCs) has shown a significant amount of household 'black bag' waste is recyclable. The council is now exploring the potential for separating out more recyclable materials on a much bigger scale, which could result in bigger savings. In addition, following the success of the reuse shop at Leatherhead CRC, which has been selling items such as furniture, bric-a-brac and bicycles brought to the site, the council is looking to develop further reuse shops at different sites.

Surrey remembers the Great War - Surrey Heritage, part of Surrey County Council, has launched a new website to document the experiences of Surrey residents during the First World War. Over the next three years, the website aims to publish thousands of stories about Surrey towns, villages, organisations and individuals to serve as an enduring record of the county's contribution to Britain's war effort 100 years ago.

The website is the centrepiece of **Surrey in the Great War: A County Remembers**, a four-year First World War commemoration project launched by Surrey Heritage with a £460,000 grant from the Heritage Lottery Fund.

Surrey residents are invited to post memories, photographs, letters and records chronicling the impact of the war years on the county. They will also be able to search through the website's records from the period including indexes to local newspapers to find out more about wartime life in the county. The project wants to hear about Surrey as it was configured at the time of the war - when the London boroughs of Croydon, Kingston, Merton, Sutton and Richmond were still part of the county.

Notable wartime stories linked to Surrey are still emerging and the project hopes to uncover more. Stories brought to light in recent years include the exploits of Flora Sandes from Thornton Heath, who pretended to be man and became a captain in the Serbian Army, and insights into the life of renowned war poet Wilfred Owen, who trained at Witley North Camp near Godalming in 1916, where he wrote a precursor to his famous 1917 poem 'Anthem for Doomed Youth'.

Surrey's online history viewed 16m times – There are more than 20 million historical documents, some dating back to the 12th century, in the Surrey History Centre. These include parish records of baptisms, marriages and burials, and have been viewed 16,297,981 times (about five million views a year) mainly through the Ancestry.com and Findmypast websites.

Surrey libraries buck national trend as book loans rise – Surrey's 53 libraries issued nearly six million books and other items last year, a 5% increase, in contrast to a near 5% drop in borrowing nationally from UK libraries.

Children's reading is surging ahead, with issues for junior fiction passing the two million mark over the last year. Encouraging children to read has been a priority for Surrey libraries over the last decade. Books borrowed by children have increased by 500,000 in that time. Promoting non-fiction books has also proved popular with Surrey children. New stock and eye-catching displays have led to 30,000 more factual books a year now being borrowed by young readers. Nearly 15,000 children participated in last year's Summer Reading Challenge.

One in three Surrey residents is a library member, with one in six using their library regularly. There were 3.8 million visits to Surrey libraries last year.

- The Surrey Performing Arts Library at Denbies vineyard near Dorking has received its fourth excellence award from the International Association of Music Librarians (UK and Ireland).

PENfriend device enables visually impaired to choose their audiobooks – Visually impaired library visitors no longer have to rely on someone else to help them find the right audiobook on the library shelves. Library users in Woking, Camberley, Horsley and Farnham can now point an electronic device, called PENfriend, at the code on an audio book and hear the title and author of the book, as well as a synopsis of the story. By the end of 2016, PENfriend will be available in all Surrey libraries.

18,000 take part in weekly music activities – The council's Surrey Arts Service engages about 18,000 young people up to the age of 25 in weekly music education activities at 250 venues. It also loans 5,000 musical instruments to schools and individuals.

Nearly 19,000 enrol for adult and community learning courses – In the last academic year, there were 18,853 enrolments in adult and community learning (ACL) classes, 800 of which were for adults with learning difficulties or mental health issues and 1,300 adults supported by the family learning team because of low attainment. The ACL service operates from seven adult learning centres (in Guildford, Molesey, Sunbury, Farnham, Esher, Camberley and Woking), supplemented by 115 other venues, including schools, children centres and community venues.

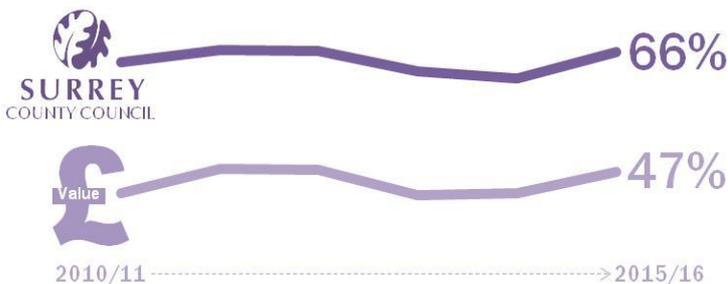
Councillors use allocations to fund community projects - Projects to help young people preparing for the world of work were among scores to benefit from more than £800,000 of grants awarded to community groups by Surrey County Councillors last year. Each of the council’s 81 elected Members receives an allocation every year to donate to projects in their local area that help promote the social, economic and environmental wellbeing of their community. Some highlights from last year were:

- £6,600 from six Members representing the Tandridge area, including council leader David Hodge and chairman Sally Marks, to Farm Buddies for helping vulnerable young people get work experience on a local farm
- Nearly £10,000 from nine Members towards installing public defibrillators
- Almost £5,500 from 12 Members towards helping Surrey Search and Rescue find and rescue vulnerable people.

Community groups looking to apply for money from Members’ Allocations should contact their local county councillor.

Residents’ survey shows satisfaction with Surrey – A regular survey gathers the views of 6,600 residents from all Surrey’s districts and boroughs with interviews taking place throughout the year. For 2015-16 the results show:

Residents' perception of value for money fluctuates in line with their overall satisfaction with the way the Council runs things



Two thirds (66%) of residents surveyed during 2015-16 were satisfied (very or fairly) with the way the council runs things.

Just under half (47%) of residents surveyed thought that the council gave residents good value for money.

Both of these measures have improved since 2014-15.

Half (50%) of residents surveyed during 2015-16 said they felt the council kept them very well informed or fairly well informed about the services and benefits it provides.

When residents who were surveyed had contacted the council in the last 12 months, just over two thirds (68%) said they felt that staff tried to understand their needs.

More than 9 out of 10 (94%) of residents surveyed were very or fairly satisfied with their local areas 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	200	86%	31	12
Children, Schools & Families	538	60%	41	7
Customers & Communities	21	84%	1	0
Environment & Infrastructure	614	88%	13	0
Business Services	57	98%	1	0
Central support	117	76%	1	0
2015-16 Total	1,547	82%	88	19
2014-15 Total	1,530	90%	81	13
2015-16 Members	8	100%	0	0
2014-15 Members	14	100%	0	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

Sheila Little



Sheila is Director of Finance with responsibility to ensure the council has proper financial management and control systems in place and she is a member of the senior leadership team of the council. As Director of Finance, Sheila 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 committee and provides strategic leadership for risk, insurance and governance across the authority.

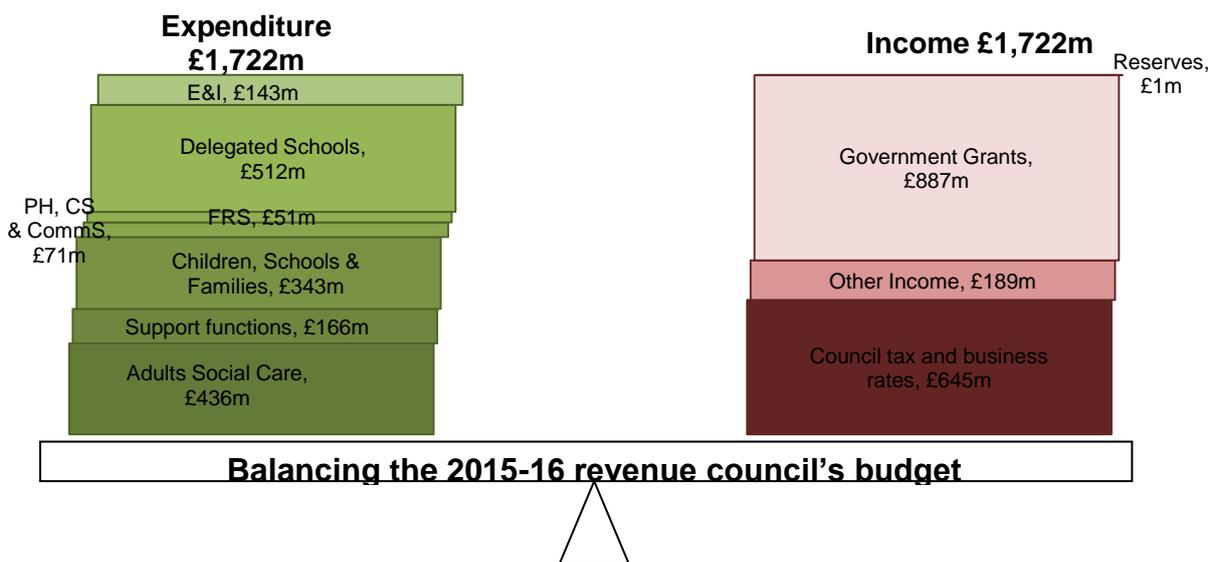
During 2015-16 the council has delivered over £67m of efficiency savings to off-set the impact of demand pressures and funding cuts. Sustaining this financial resilience requires maintaining a financial strategy that ensures delivering a high quality and consistent service with fewer resources. The council’s long term financial strategy highlights we have sound governance, effective management of the council’s finances and compliance with best practice. The key points of the financial strategy 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 2015-16 budget by maintaining a prudent level of general balances and applying reserves as appropriate; and
- continue to maximise our investment in Surrey.

Continuously driving the efficiency agenda - 2015-16 results

The 2015-16 results would impressive compared to previous years considering the duration the council has been amidst austerity.

Overall revenue position



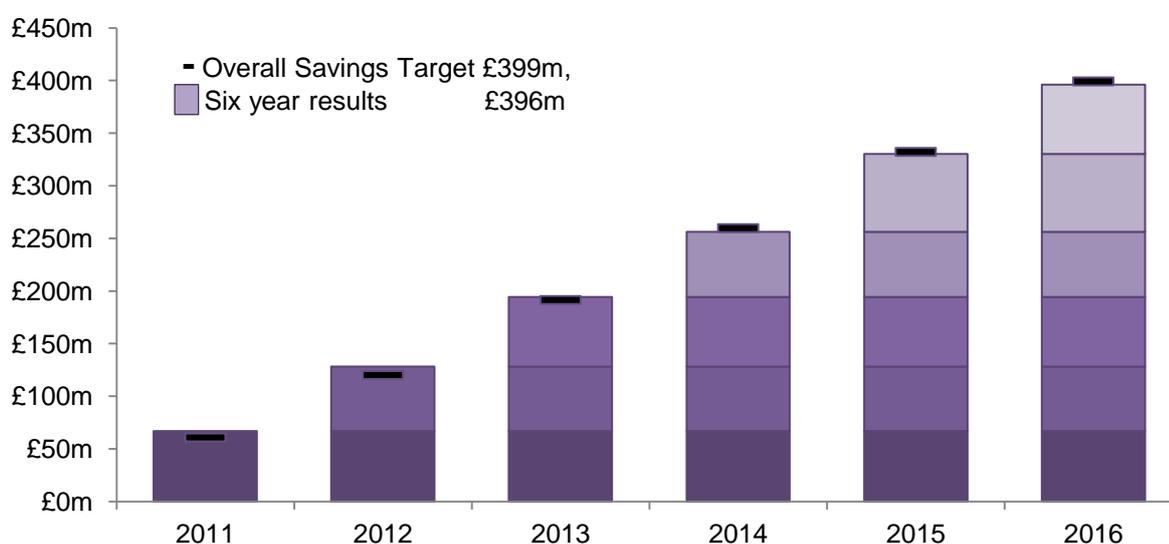
Note: E&I – Environment & Infrastructure, FRS – Surrey Fire & Rescue Service, PH, CS & CommS – Public Health Cultural services and Community Support

Over the past five years, the council has been resolute in maintaining its expenditure within what we planned. The table below demonstrates this.

The net revenue outturn position over the last five years.

	2011-12	2012-13	2013-14	2014-15	2015-16
	£m	£m	£m	£m	£m
Planned call on general reserves	12	17	23	26	4
Actual call on /(- replenish) reserves	5	-3	10	19	1
% Variance	0.3%	-0.2%	0.6%	1.0%	0.1%

The savings programme of the last six years has achieved £396m, more than 99% of a very stringent saving target, with an average yearly programme of £66m.



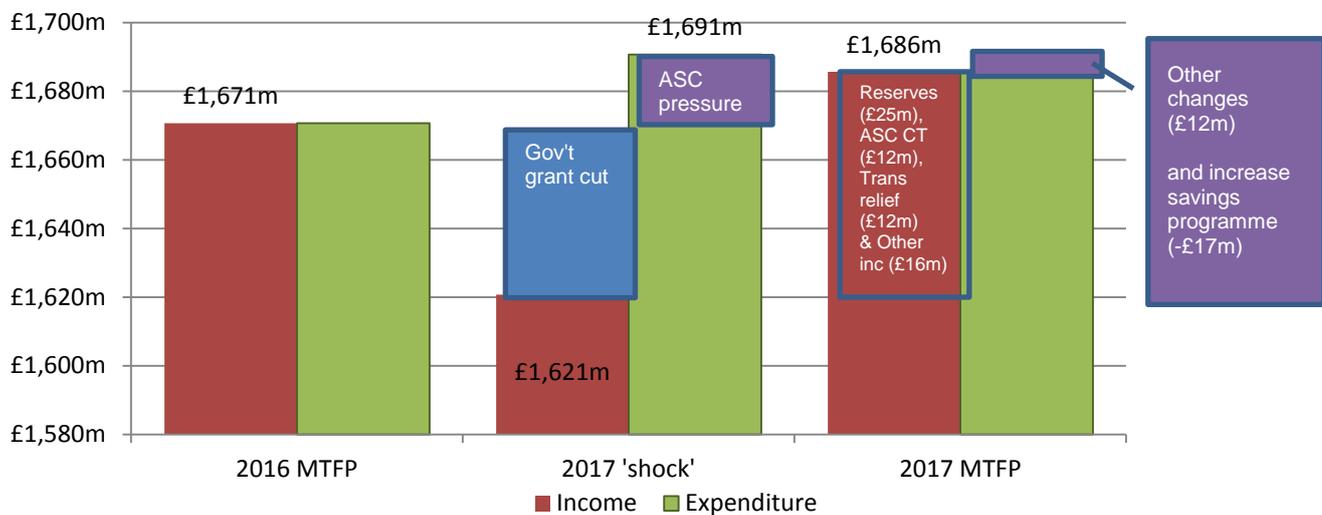
Developing a funding strategy -Future financial outlook for Surrey

However, this continuation of financial achievements required planning and understanding of the council and service funding and demands. To consider the future financial outlook for Surrey, it requires an understanding our current performance by senior leadership and members. We have worked closely with Cabinet / elected members to develop the service budgets, plan efficiency programme, develop the transformation programme and understand the challenges to longer financial sustainability. Due to the complexity of the issues, the many financial challenges require careful consideration of the political and operational aspects and require sufficient time to plan and implement service adaptations.

The challenges we face have continued to increase in scale. The demographic demand pressures continue to grow relentlessly as seen by the demography graph in the Leaders and Chief Executive review (page 3). At the same time our resources, particularly from central government, decline in both actual and real terms. This pincer movement means that we face significant risks to our sustainability as an organisation.

Surrey is one of the councils most under strain in the country when it comes to increasing demand for services, especially given the extremely high cost of living in the south-east of England. It is clear that current ways of allocating national funding do not take proper account of the genuine costs of delivering services in different parts of the country, and this will be a strong focus of our work to influence national decision-making over the next year. Our biggest spend comes from Adult Social Care. The number of elderly people in our county is set to increase by another 20,000 by 2020. This demand results in a £20 million increase each year to cover the demographic pressure.

We anticipated that our grant from government would be cut over four years and that we would be expected to do more for less. Just before Christmas 2015, central government announced that £50m would be cut from Surrey’s central government grant in a single year, nearly double the amount that we had been led to expect. This presented enormous challenges to balance the budget for 2016-17, not least because the key decisions regarding that budget needed to be made at the start of February 2016.



The council did agree a balanced budget for 2016-17. However, this balance was achieved by assuming full delivery of a very significant level of savings, use of a significant level of reserves, and provision of transitional relief from the government to compensate for the degree of ‘shock’ in the Provisional Settlement. Balancing the 2017-18 budget will require a similar challenging mix. At the same time, the council agreed to establish the public value transformation programme to provide greater focus to ensure longer term sustainability.

At present our balanced budget is dependent upon a series of one-off savings measures. We will not be in a sustainable position until we have replaced them with permanent cost reductions or continuing sources of funding. We have already made some very large efficiency gains over the past six years and therefore the scope for further efficiencies on the scale required is reduced. Given that context, our current way of trying to achieve the outcomes we want to see for residents in Surrey is simply not sustainable. We will have to accelerate our partnership working, particularly with health colleagues. We will have to accelerate our work to transform how our systems work, although our collaboration with the NHS has been helpful.

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 earmarked 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 2015-16.

	Actual					Estimate
	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17
General fund balance	29	32	21	21	21	21
Earmarked reserves	162	181	200	174	171	146
Other earmarked reserves	78	76	56	72	124	124
Useable reserves	269	289	278	268	316	291
Unusable reserves	-199	-328	-376	-467	-235	-235
Net reserves	70	-39	-98	-199	81	56

Maximising our investment in Surrey - Capital

During the 2015-16 financial year, the council has invested and delivered significantly, especially on highways infrastructure and school places. Over the year the budget was revised to £198m, due to additional grant funding.

In addition, the council has continued its programme of investment in revenue generating assets that will improve its self sufficiency and reduced reliance on government funding over the longer term. During 2015-16 the council invested a further £63m.

	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	-1
Children, Schools & Families	11	8	-3	1	-2
Fire & Rescue service	11	3	-8	6	-2
Environment & Infrastructure	62	56	-6	2	-4
School Basic Need	58	66	+8	-8	0
Support functions	51	39	-12	11	-1
Superfast Broadband	3	1	-2	3	+1
Total service programme	198	174	-24	15	-9
Long term investment assets	0	63	+63	0	+63
Total overall	198	237	+39	15	+54

The council has several properties purchased for future service needs which are currently being leased to private tenants, producing rental income. As the properties were solely being used to generate income at the 31 March 2016, under the code of practice they are classed as investment properties.

Maximising our investment in Surrey – Subsidiaries and Property investments

Another way of generating more income and maximising our investment in Surrey is through three 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.
- Halsey Garton Ltd - to make property investments. It is a holding company and has three subsidiaries: Halsey Garton Investments Ltd, Halsey Garton Developments Ltd and Halsey Garton Residential Ltd. During 2015-16 only the holding company and Halsey Garton Investments Ltd commenced trading.

All operating trading companies' results are incorporated within our statement of accounts.

Keep the call on council tax payer to a minimum - Pension Fund

The council contributes to four pension schemes on behalf of current employees (the Local Government Pension Scheme (LGPS), the Department of Communities and Local Government (DCLG) Fire fighters' pension scheme, the Teachers Pension Scheme, and the NHS pension scheme). There are deficits on both the LGPS and Fire fighters' pension schemes. The LGPS actuary and the DCLG have revised their underlying actuarial assumptions regarding pension increase rates, salary increase rates and other variables (discount rate). These assumption changes result in a reduction in the pension liability valuation. The liability does not need to be met within the next year but over the working lifetime of the scheme members. The council is making appropriate lump sum payments to the pension fund in addition to the on-going contributions related to current employees. Further details of this reduction can be found within the Statement of Accounts Note 38 and our payments in the Medium Term Financial Plan 2016-21 Central Income and Expenditure.

As well as the monitoring the performance of the pension funds, there is a policy change currently underway. Central Government decided to reduce the number of administering authorities of local authority pension schemes by requesting schemes pool together. We are in the process of pooling our investment assets (£3.2bn) with twelve other LGPS administering authorities to form the Border to Coast Pensions Partnership (total estimate asset value of £36bn). The proposal was submitted to Government on 15 July 2016, with a target implementation date of 1 April 2017.

So, as part of the council's long term planning in a period of austerity, services have sought to maximise underspends as part of a deliberate strategy to manage revenue and capital spending in light of the serious financial challenges the council faces in 2016-17 to achieve a sustainable budget. Planning for the 2016-17 and beyond remains significant and the position is very serious, taking all of the above into account the longer term budget that is sustainable so long as:

- All existing savings plans are delivered in full, and;
- That the public value transformation programme is adopted, managed and monitored rigorously by the chief executive and director of finance to ensure it identifies considerable base budget reductions in costs and income generation opportunities as soon as is manageable.

If you would like to keep track of our progress regarding these challenges and how we are planning for the next budget period, this will be reported through the formal committee process. We work and engage with the elective member at Cabinet and at scrutiny boards. The information will be in the coming month's Cabinet and scrutiny board papers.

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 Statutory Responsibility Network on a monthly basis and also by the Strategic Risk Forum (chaired by the Director of Finance). Formally, the risk register is regularly reviewed by Audit & Governance Committee (every meeting) and Cabinet (quarterly).

The principal strategic risks are shown below in risk level order.

Principal strategic risk	Key controls
<p>Financial outlook</p> <p>Lack of funding, due to constraints in the ability to raise local funding and/or distribution of funding, results in significant adverse long term consequences for services</p>	<ul style="list-style-type: none"> • Structured approach to ensuring Government understands the council's Council Tax strategy and high gearing • Targeted focus with Government to secure a greater share of funding for specific demand led pressures (in particular Adult Social Care) • Proactive engagement with Government departments to influence Government policy changes • Continued horizon scanning of the financial implications of existing and future Government policy changes • Development of alternative / new sources of funding
<p>Safeguarding - Children's Services</p> <p>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</p>	<ul style="list-style-type: none"> • Work with the frameworks established by the Children's Safeguarding Board • Further development of the Multi-Agency Safeguarding Hub • Robust quality assurance and management systems in place to identify and implement any key areas of learning • Children's Services Improvement Plan is being delivered to address the improvement notice dated 26 January 2016 and strengthen service and whole system capability and capacity. Ofsted visit on a monthly basis to monitor progress • The Improvement Board oversees progress on the Improvement Plan
<p>Safeguarding - Adult Social Care</p> <p>Avoidable failure in Adult Social Care, through action or inaction, leads to serious harm, death or a major impact on wellbeing</p>	<ul style="list-style-type: none"> • Work with the frameworks established by the Surrey Safeguarding Adults Board • Further development of the the Multi-Agency Safeguarding Hub • Locality safeguarding advisor assures quality control • Actively respond to feedback from regulators • Implementation of strategic plan for safeguarding
<p>Devolution</p> <p>Failure to achieve a 3SC devolution deal leaves SCC without a coherent response to the strategic challenges facing the county</p>	<ul style="list-style-type: none"> • 3SC internal governance arrangements in place, including a Strategic Oversight Group • Programme office and workstream sponsors and leads in place with roles and responsibilities defined • Regular meetings of local authority Leaders and Chief Executives • Regular engagement with 3SC partners • Regular engagement with central government at both political and official level

Principal strategic risk**Key controls****Medium Term Financial Plan (MTFP) 2016-21**

Failure to achieve the MTFP, which could be a result of:

- Not achieving savings
- Additional service demand and/or
- Over optimistic funding levels

as a consequence, lowers the council's financial resilience and could lead to adverse long term consequences for services if Members fail to take necessary decisions

- Monthly reporting to Continuous Improvement and Productivity Network and Cabinet on the forecast outturn position
- Budget Support meetings (Chief Executive and Director of Finance) continue to review and challenge the robustness of MTFP delivery plans and report back to Cabinet as necessary.
- A Public Value Transformation Board has been established, as required by Cabinet, and the Terms of Reference agreed. Members of the Board are the Leader of the Council (Chair), Chief Executive and Director of Finance.
- Early conversations with all relevant stakeholders to ensure consultations about service changes are effective and timely
- Cross service networking and timely escalation of issues to ensure lawfulness and good governance

New ways of working

Failure to identify and manage the impacts / consequences of implementing a range of new models of delivery leads to severe service disruption and reputational damage

- Shared and aligned strategies to ensure no unintended consequences
- Robust governance arrangements (eg. Inter Authority Agreements, Better Care Board, Health and Wellbeing Board, financial governance framework) in place with early warning mechanisms
- Regular monitoring of progress and risks against work streams
- Continuous focus on building and maintaining strong relationships with partners through regular formal and informal dialogue
- Close liaison and communication with customers

Organisational resilience

Failure to plan for and/or respond effectively to a significant event results in severe and prolonged service disruption and loss of trust in the organisation

- Employment framework supports flexibility in service delivery and organisational resilience
- Robust governance framework (including codes of conduct, IT security policies, health and safety policies, complaints tracking)
- External risks regularly assessed through the Local Resilience Forum and reviewed by the Statutory Responsibilities Network
- Active learning by senior leaders from external experiences / incidents informs continual improvement within the council
- Close working between key services and the Emergency Management Team to proactively update and communicate business continuity plans and share learning

Senior leadership succession planning

A significant number of senior leaders leave the organisation within a short space of time and cannot be replaced effectively resulting in a reduction in the ability to deliver services to the level required.

- Workforce planning linked to business continuity plans
- High Performance Development Programme in place to increase skills, resilience and effectiveness of leaders
- Career conversations built into appraisal process looking forward five years
- Shaping leaders programme in place



Strategic Director Environment & Infrastructure - Environmental Sustainability Report

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. To align with our maintenance responsibilities, emissions from Academies and voluntary aided schools are excluded from our reporting, although we will continue to work with all Surrey schools on energy saving initiatives such as Eco-schools.

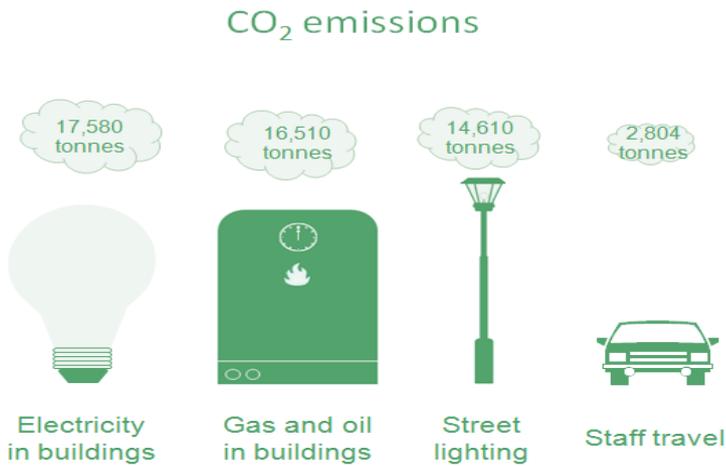
Our external website provides further information on our greenhouse gas emissions reporting via. The link can be found at the back of this document.

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)



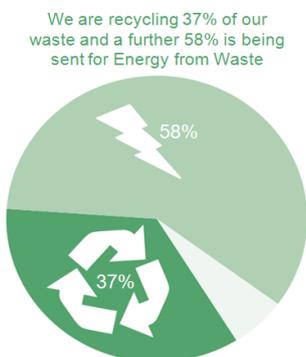
Net carbon emissions have reduced by 13.0% from 63,583 tonnes in 2014-15 to 55,313 in 15-16.

The Council's carbon emissions from its operations and estate, excluding non maintained schools, decreased by 13.0% in 2015-16 compared to 2014-15. This figure reflects not only reductions in actual consumption in electricity and heating but also changes in our corporate estate, predominantly more schools

continuing to convert to academy status. When taking into account the increase in academies and for the colder weather recorded in 2015-16, our comparable decrease in emissions is 10.8%.

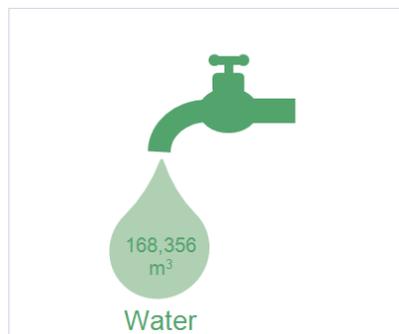
Energy and carbon saving projects undertaken during 2015-16 may be summarised primarily as being lighting replacement/retrofitting, boiler replacement and hot water equipment/ system replacement. We have continued to support schools in energy management (eg through Ashden LESS CO₂ programmes) and identifying carbon and energy reduction projects and appropriate finance options.

Waste Consumption



From our buildings and through our direct contract, we had 691 tonnes of waste (750 tonnes 2014/2015). We are diverting 95% (94%) of our waste from landfill. This is through recycling 37% (35%) and sending 58% (59%) for use in energy from waste plant for electricity generation

Water Consumption



Water usage excludes schools but includes gypsy and care home usage

Business Travel



Staff travel is miles driven for business, including out of county visits such as visiting children in care. Increase in distance (4%) but a reduction in cost (-2%) could infer that staff are become more environmentally friendly with their journey planning by going further for less.

Public transport usage has increased (£1.4m 2015-16, £1.3m 2014-15) and staff travel has also decreased (£4.4m 2015-16, £4.6m 2014-15). Overall cost was £5.8m (2015-16) whereas last year cost was £5.9m.



Director of Legal, Democratic and Cultural Services - Governance Review

Ann Charlton



Ann is Director of Legal, Democratic and Cultural 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 the council's 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." The council's Governance Strategy sets out its approach to good governance and is supplemented by a Code of Corporate Governance. The AGS outlines the council's governance arrangements and achievements during 2015/16, and focus for 2016/17.

, The council's external auditors' 2014/15 report on value for money published in July 2015 evaluated our governance arrangements and concluded that 'the council has good arrangements in place across a number of key areas with the exception of the arrangements for promoting and demonstrating the principles and values of good governance within the council's Children's Services directorate.' A Children's improvement plan is being delivered to address the January 2016 improvement notice issued by the Department for Education following the Ofsted inspection report published in June 2015. The plan aims to strengthen service and whole system capability and capacity.

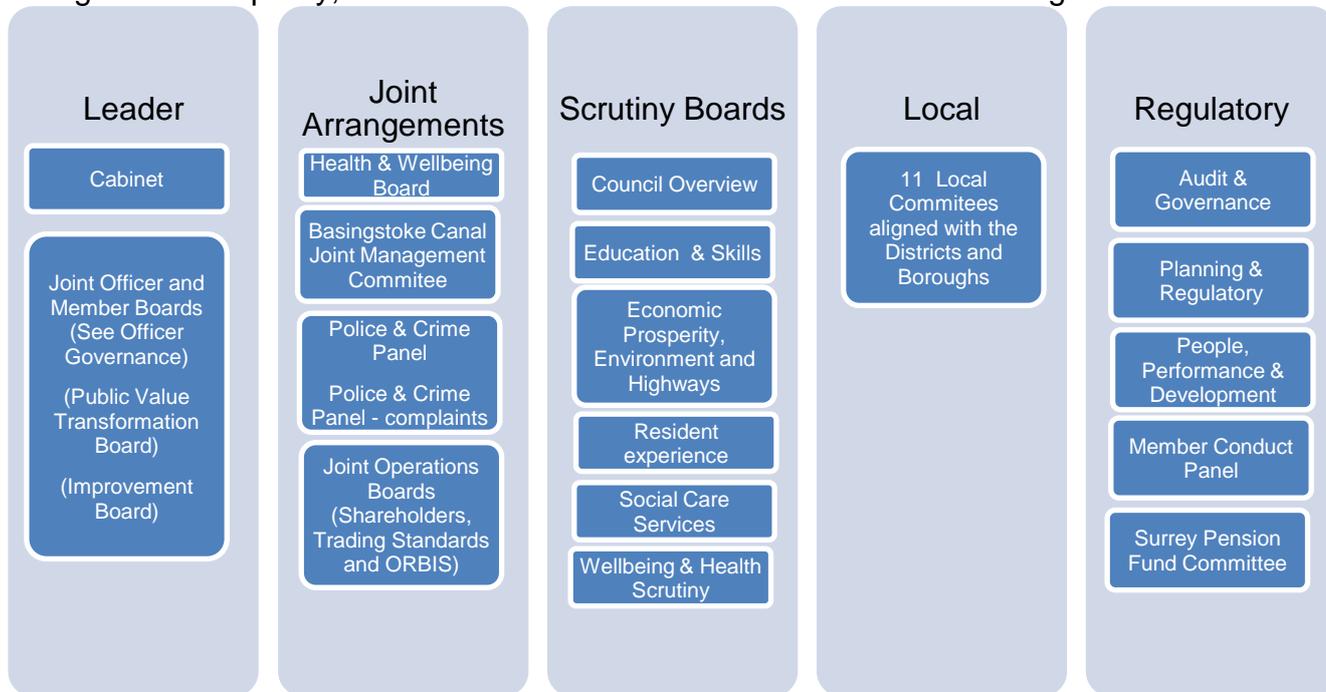
Our Children's Services Improvement Board oversees the systematic approach to improving services for children. Partner agencies are key members of the board and make a significant contribution to its work.

Governance arrangements continue to be strengthened through the implementation of management action plans in the focus areas including children's direct payments, looked after children's personal finances, long term agency resource and contract management. Positive progress has been made in these areas.

The annual review of governance is overseen by the Governance Panel. The panel comprises of myself (Director of Legal, Democratic and Cultural Services [chair]), the Director of Finance, senior representatives from HR and Organisational Development and Strategy 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 2015-16 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.



Details of Member Responsibilities

2015-16 Council

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

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

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

Chairman of the Council: Sally Marks

Leader of the Council: David Hodge

Cabinet

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

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

The council produces a forward plan containing notice of key decisions to be taken by the Cabinet and Cabinet Members 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.

2015-16 Regulatory

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

Audit & Governance: Stuart Selleck; **Planning & Regulatory:** Tim Hall; **People, Performance & Development:** David Hodge; **Member Conduct Panel:** Sally Marks; **Surrey Pension Fund Committee:** Denise Le Gal

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

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

Joint Arrangements

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

2015-16 Scrutiny boards

There are six select & scrutiny boards.

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

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

2015-16 Local

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

Elmbridge: Margaret Hicks; **Epsom & Ewell:** Eber Kington; **Guildford:** 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

Member Attendance

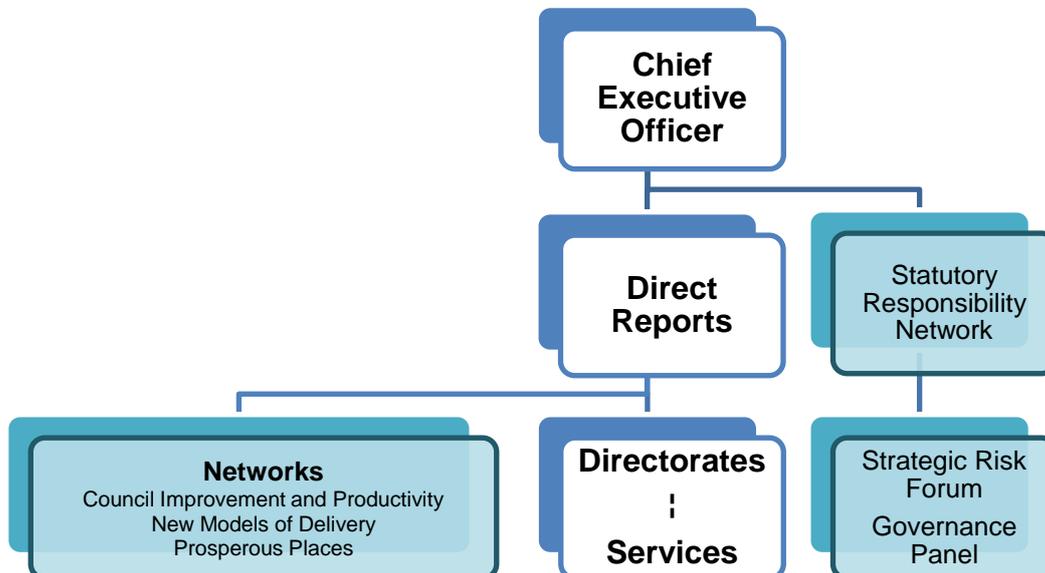
The attendance record of the senior member leadership during the year is set out below. The senior leadership may have other meetings to attend like Select Committees or their local committees as well as Cabinet and Council. Note that under statute, if a member has not attended a meeting for a period 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	2015-16	2014-15
Mr David Hodge	Leader	31/31	30/30
Mr Peter Martin	Deputy Leader	28/32	26/30
<u>2015-16 Cabinet Members</u>			
Mrs Helyn Clack	Wellbeing and Health	23/24	18/22
Mrs Clare Curran*	Children and Families Wellbeing	11/26	21/22
Mr Mel Few	Adult Social Care, Wellbeing and Independence	25/28	26/33
Mr John Furey	Highways, Transport & Flooding	17/21	24/24
Mr Michael Goodman	Environment & Planning	21/21	20/22
Mrs Linda Kemeny	Schools, Skills and Educational Achievement	23/24	24/25
Ms Denise Le Gal	Business Services and Resident Experience	31/40	28/34
Mr Richard Walsh	Localities and community Wellbeing	26/27	32/34
<u>2015-16 Civic Leadership</u>			
Mrs Sally Marks	Chairman	11/11	11/12
Mr Nick Skellett CBE	Vice Chairman	10/12	25/26

* Council approved absence for Mrs Clare Curran due to health reasons.

Officer Governance

The Council appoints the Chief Executive, the Director of Legal, Democratic and Cultural 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 (Deputy Chief Executive and Strategic Director Children's, Schools and Families, and Strategic Director Adult Social Care and Public Health, Chief Fire Officer, Director of Finance, Director of Legal, Democratic and Cultural Services, 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, Democratic and Cultural 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 enabling and assisting services in identifying and assessing opportunities in a structured way to respond to changing expectations and to manage the impact of reduced funding.

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

In the Chief Executive Progress report (March 2016), the networks outline some key achievements from 2015 and plans for the year ahead. Each network meets regularly and has the overall goal of finding new ways for the organisation to be more effective and efficient.

To provide the basis for longer term sustainability, the council has established an extensive transformation programme. A **Public Value Transformation Board** comprising the Leader of the Council (Chair), the Chief Executive and the Director of Finance provides strategic oversight and challenge to ensure the transformation programme is driven by public value and contributes significantly to the council's financial sustainability.



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

I am pleased to present the Council's leadership remuneration report for 2015-16. 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.

The committee have supported a comprehensive review of the Pay and Reward strategy and considered consultation feedback to agree an offer for staff that will enable a strategic shift in the way the council attracts, develops and rewards staff in a challenging employment market.

As part of the committee's role to champion staff welfare, wellbeing and health and safety at work, the committee endorsed an enhanced Health and Safety Policy and endorsed and broadened the scope and partnership working of the Assaults, Violence and Threats project to prevent and improve safety at work in critical front line areas.

The committee have agreed policy and best practice improvements in family friendly policies, increasing special leave for adopters and foster carers, improving maternity and paternity provision and enhancements for foster carers.

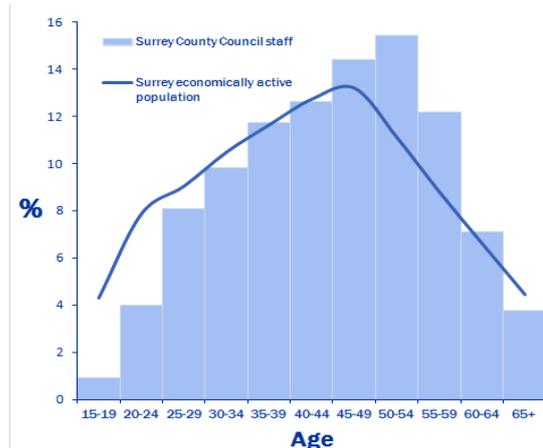
The committee have also agreed a number of changes to senior roles and leadership teams and led the appointment of 2 Strategic Director roles. They fully supported the achievements of the Employee Engagement campaign including the 'Leading with confidence' programme.

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.

	2016-17 Estimate	Change %	2015-16 Actual	Change %	2014-15 Actual
Staffing cost (incl Schools)	£721m	↑ +4.8%	£688m	↓ -1.8%	£701m
Surrey Contracted FTEs (excl Schools)			7,308	↑ +0.6%	7,267
Estimate of Surrey Staffing (excl schools) required if all post were filled FTEs	7,968		7,935		8,057

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 3.2% and 4.8% where we have some way to go still to reflect Surrey's population of 8.5% and 13.9%. Reflecting black and minority ethnic communities continues to improve, currently 7.4% vs 7.7%. There is a programme of activity and community engagement underway, to improve and make further progress.

The Council has a popular workplace wellbeing offer, including flexible working, a Benefits programme, volunteering, a new Occupational Health and Employee Assistance Programmes and in-house health initiatives. An example includes on site comprehensive NHS Health Checks, which to date almost 1,000 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	2015-16 £	2014-15 £
Chief Executive Officer	220,295	215,653
Deputy Chief Executive and Strategic Director - Children, Schools & Families *	154,753	128,363
Strategic Director - Environment & Infrastructure	144,883	142,000
Strategic Director - Customer & Communities **	130,838	130,438
Chief Fire Officer	122,498	118,076
Director of Finance	118,335	117,535
Strategic Director – Adult Social Care & Public Health ***	108,488	102,384
Director of Legal & Democratic Services and Cultural Services ****	106,400	101,600
Strategic Director - Adult Social Care *****	97,426	127,895
Assistant Chief Executive Officer *****	59,543	116,181
Strategic Director - Children, Schools & Families *****	48,750	145,450
Total remuneration for senior officers	1,312,209	1,445,575

% of total employment costs 0.2% 0.2%

*In July 2015, the post moved from Strategic Director – Business Services

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

*** In December 2015, the position title changed from Director of Public Health

**** In January 2016, the position title changed from Director of Legal & Democratic Services

***** In July 2015, Strategic Director - Children, Schools & Families left his post; in December 2015 Strategic Director - Adult Social Care retired, and in September 2016 left her post.

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	
	2015-16 £	2014-15 £	2015-16 £	2014-15 £
Current members	1,584,988	1,754,816	41,993	92,869
Stood Down members and Standard Committee	18,209	12,492	0	0
Employer NI & pension contributions	280,880	333,682		
Total actual expenditure	1,884,068	2,100,991	41,993	92,869
One off payment for previous year (note 1)		-227,084		
Adjusted expenditure for one off payment	1,884,068	1,873,906	41,993	92,869

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.

When the current Scheme was approved, it was agreed that it would be adjusted annually in accordance with the Consumer Price Index (CPI). Changes have been made to the Basic Allowance (paid to all Members) and Special Responsibility Allowances (paid to Members holding posts which have significant additional responsibility) to reflect the changes in the CPI in the year to 1 April 2015.

2014-17 Member Allowances

Annual allowance	£
Basic Allowance	£12,406
Special responsibility allowances drawn down by:	
Leader of the Council *	£35,548
Deputy Leader *	£30,333
Cabinet Member	£22,478
Cabinet Associate	£12,488
Planning & Regulatory Committee Chairman & Council Overview Board	£11,988
Scrutiny Board Chairmen	£9,990
Audit & Governance Chairman	£8,991
Lead Member for Scrutiny of the Police & Crime Commissioner	£7,992
Local Committee Chairmen	£7,992
Pension Fund Board Chairman	£7,992
Pension Fund Board Vice-Chairman	£1,498
Committee Vice-Chairmen	£1,498
Opposition Group Leader *	£4,995
Officers of Political Groups (per member of the group)	£170
Members of the Adoption and Fostering Panels	£999
Chairman of Council	£17,982
Vice-Chairman of Council	£7,992

* The Leader and Deputy Leader have declined the published allowance of £42,957 and £31,219 and receive the Independent Panel recommended allowance. The Residents Association Leader chose not to take the opposition Group Leader allowance £4,995.

Member Diversity

Currently there are 81 current members.

Number	Male	Female
81	62%	38%

Financial highlights

Presented here is an overview of financial information for the council for the year ended 31 March 2016.

Full financial information can be found in the audited Statement of Accounts for 2015-16.

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 - Details of the net movements
 - Note b – Earmarked usable reserves
 - Note c – 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 2015-16 was £130m (-£163m 2014-15). 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 -£75m 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

	2015-16	2014-15
	£m	£m
<u>Income:</u>		
Income from local taxation (council tax)	645	616
Formula grant	168	191
Schools & other general and specific grants	719	723
Fees, charges & other service income	189	166
Total income	1,721	1,696
<u>Net directorate revenue expenditure:</u>		
Staffing	-688	-701
Non staffing	-1,034	-1,014
Total net directorate revenue expenditure	-1,722	-1,715
Outturn deficit	-1	-19
<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)	-129	-144
	-129	-144
Total expenditure	-1,851	-1,859
Gross deficit before accounting adjustments	-130	-163
<u>Accounting adjustments:</u>		
Deficit on revaluation of non-current assets (e.g.: buildings)	111	305
Actuarial losses on pension assets / liabilities	300	-243
Net surplus / - deficit on income and expenditure statement	281	-101

Balance sheet as at 31 March 2016

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 asset of £82m, which is matched by reserves (as set out in the movement in reserves statement). The pension fund deficit has reduced by £245m (£1,251m 2014-15, £1,496m 2015-16) which is the main reason for the balance sheet movement.

The council contributes to four pension schemes on behalf of current employees (the Local Government Pension Scheme (LGPS), the Department of Communities and Local Government (DCLG) Fire fighters' pension scheme, the Teachers Pension Scheme, and the NHS pension scheme). There are deficits on both the LGPS and Fire fighters' pension schemes. The LGPS actuary and the DCLG have revised their initial estimates due to investment yields and returns. The liability does not need to be met within the next year but over the working lifetime of the scheme members. The council is making appropriate lump sum payments to the pension fund in addition to the contributions related to current employees.

Balance sheet as at 31 March 2016

	As at 31.03.16 £m	As At 31.03.2015 £m
Property, plant & equipment	1,793	1,725
Investment property	63	31
Heritage assets (historical collections and notable paintings)	1	1
Intangible assets (IT software & licences)	5	5
Long term investments	3	0
Long term debtors	29	15
Long term assets	1,894	1,777
Short term investments	65	108
Intangible assets (eg carbon reduction credits)	1	1
Assets held for sale	24	34
Inventories (e.g.: salt and grit store)	1	1
Short term debtors	152	119
Cash & cash equivalents		17
Current assets	243	280
Cash & cash equivalents	-19	
Short term borrowing	-31	-33
Short term creditors	-182	-188
Short term provisions (e.g.: redundancy provision)	-3	-3
Receipts in advance (capital and revenue)	0	-0
Other current liabilities (eg: PFI Lease, liabilities repayable within 12 months)	-8	-7
Current liabilities	-243	-231

	As at 31.03.16 £m	As At 31.03.2015 £m
Long term provisions (e.g.: insurance)	-31	-22
Long term borrowing (e.g.: capital loans to fund capital expenditure)	-398	-398
Other long term liabilities (e.g.: pension fund & PFI and lease liabilities)	-1,383	-1,605
Long term liabilities	-1,812	-2,025
Net assets / - liabilities	82	-199
<u>Funded by:</u>		
Usable reserves (e.g.: general balances, earmarked reserves)	-317	-268
Unusable reserves (e.g.: pension, capital financing & revaluation reserves)	235	467
Net reserves	-82	199

Cashflow statement

This shows the changes in cash and cash equivalents during the financial year. The total decrease in cash and cash equivalents for the council during 2015-16 was -£36m (2014-15 an increase of £9m) 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.

The reason for this decrease was due to the internal borrowing policy adopted by the council to help fund capital and manage cash flows. More information on this can be on page 12 of the Statement of Accounts.

Cash flow statement for 31 March 2016

	2015-16 £m	2014-15 £m
Net deficit (-) on the provision of services	-130	-163
Adjustments to net deficit on the provision of services for non-cash movements (e.g.: Depreciation)	226	228
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)	24	32
Net cash flows from operating activities	120	97
Investing activities (e.g.: purchasing property, plant and equipment)	-147	-223
Financing activities (e.g.: Public Financing Initiative (PFI) payments)	-9	135
Net increase/ (-) decrease in cash & cash equivalents	-36	9
Cash and cash equivalents at the beginning of the reporting period	17	8
Cash and cash equivalents at the end of the reporting period	-19	17

Movement in reserves

Movement in the reserves statement shows the movement during the 2015-16 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 2015-16 is -£281million (increase of -£49m in usable reserves, and an increase of -£232m in unusable reserves). This increase is predominately due to decreases in the pension's liability (£245m) & increase in the Capital receipts reserve (£45m).

Summarised movement in reserves as at 31 March 2016

	Balance 1 Apr 2015	Movement ^a	Balance 31 Mar 2016
	£m	£m	£m
General fund balance (GFB)	-21	0	-21
Earmarked reserves (ER) (further details in note b)	-174	3	-171
Capital receipts reserve (CRR)	-30	-45	-75
Capital grants and contributions unapplied (CGCU)	-42	-7	-49
Total usable reserves	-268	-49	-317
Total unusable reserves (UR) (further details in note c)	467	-232	235
Net reserves	199	-281	-82

Note a: Details of the net movements:

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.

	GFB £m	ER £m	CRR £m	CGCU £m	UR £m
Gross deficit before accounting adjustment	130				
Other accounting adjustments					-411
Total comprehensive income & expenditure	130				-411
Adjustments between accounting basis and funding basis under regulations	-127		-45	-7	179
Net increase/ (-) decrease before transfers to earmarked reserves	3		-45	-7	-232
Transfers to/from earmarked reserves	-3	3	0		
Increase/decrease in year	0	3	-45	-7	-232

Note b: Earmarked usable reservesList of earmarked usable reserves

	Opening balance 1 Apr 2015 £m	Transfers from reserves £m	Transfers into reserves £m	Closing balance 31 March 2016 £m
Earmarked revenue reserves				
Budget equalisation reserve	16	8	-11	13
Business rate appeal reserve	1			1
Child protection reserve	2	0	-1	1
Economic downturn reserve	4	5		9
Economic prosperity reserve	3			3
Eco park sinking fund	16		-4	12
Equipment replacement reserve	2	2	-2	2
General capital reserve	8	1	-4	5
Insurance reserve	11	2	-1	12
Interest rate reserve	1			1
Investment and renewals reserve	10	1	-2	9
Pension stabilisation reserve	1			1
Public Health unapplied grant	3	4	-4	3
Revenue grants unapplied reserve	18	18	-18	18
Revolving Infrastructure fund	21	0		21
Schools balances	46	9	-4	51
Street Lighting PFI sinking fund	6		-1	5
Vehicle replacement reserve	5	1	-2	4
Total earmarked reserves	174	51	-54	171

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 £3.9m service budget carry forwards into 2016-17.

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.

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 £4.2m 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 2015-16 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.

Note c: 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 2015 £m	Movement £m	Balance at 31 March 2016 £m
Revaluation reserve	-629	-102	-731
Capital adjustment account	-398	115	-283
Financial instruments adjustment account	0		0
Pensions reserve	1,496	-245	1,251
Collection fund adjustment account	-12	2	-10
Accumulated absences account	10	-2	8
Total unusable reserves	467	-232	235

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
Devolution	http://tinyurl.com/SurreyDevolution
Keeping track on progress of our goals	https://performance.surreycc.gov.uk/
Info-graphics and online resources	www.surreyi.gov.uk
Surrey News articles	http://news.surreycc.gov.uk

Performance

Children's Improvement Plan,	http://tinyurl.com/ChildImpProgress
Safer Surrey approach	http://tinyurl.com/SCCSaferSurrey
Improvement Board	http://tinyurl.com/ChildImpBoard

Surrey Information point	http://www.surreyinformationpoint.org.uk/
Resident Survey results	https://performance.surreycc.gov.uk/
Complaints.....	http://tinyurl.com/SCCComplaints
Budget: 2016-21 Medium Term Financial Plan.....	http://tinyurl.com/SCCMTFP
2015-16 Outturn Report (Cabinet - Item 72).....	http://tinyurl.com/SCCOutturn2016
2015-16 Statutory Statement of audited accounts.....	http://tinyurl.com/SCCSOA
Leadership risk register (Audit & Governance Committee - Item 21).	http://tinyurl.com/SCCRiskReg2016
Environmental Highlights	http://tinyurl.com/SCCNaturalAsset

Governance

Annual Governance Statement (Cabinet - Item 133).....	http://tinyurl.com/SCCAGS2016
Member Governance	http://tinyurl.com/SurreyConstitution
Member Attendance – 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

2015-16 audited Statutory Statement of accounts.....	http://tinyurl.com/SCCSOA
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