

SOUTH CAMBRIDGESHIRE DISTRICT COUNCIL

REPORT TO: Corporate Governance Committee
AUTHOR/S: Chief Executive / Principal Accountant

26 September 2007

AN ANNUAL REPORT?

Purpose

1. To consider whether the Council should publish an annual report.

Background

2. There is currently no statutory requirement for local authorities to produce an annual report and this Council has not produced an annual report for several years. There are expectations that local authorities should at least formally consider producing an annual report.
3. Some councils produce an annual report which is usually published in late summer and relates to the previous financial year ending on the 31 March. These reports typically cover;
 - an introduction and overview for the year;
 - the organisational structure of the Council;
 - objectives, priorities and goals;
 - key performance indicators; and
 - summarised financial accounts.

Considerations

4. Use of resources is an Audit Commission assessment of how well local authorities manage their financial resources. It considers five themes of financial reporting, financial management, financial standing, internal control and value for money. Each theme is scored on a scale of 1 to 4 (highest). This Council's score was level 2, minimum requirement – adequate performance, for 2006. The websites of shire district councils which achieved an overall score of 4 for 2006 were accessed to review the content of their annual reports:

Shire district	Annual report
Cambridge City	Could not find on website
Chichester	Strategic aims, strategic objectives and related key projects Financial review Glossary 40 pages; colour photographs and charts
Elmbridge	Could not find on website
Runnymede	Could not find on website
Sevenoaks	Council priorities and achievements related to those priorities External inspection and performance indicators Financial summary 16 pages; no photographs; colour charts
Vale Royal	Council priorities with narrative Statistics and some performance indicators Financial summary

	Cabinet, elected Members and management structure 29 pages; colour photographs
Wychavon	Basic statistics Achievements in each month of year Members and Committees Spending and achievements classified by priorities Performance indicators Promises classified by priorities 24 pages; colour photographs

5. The Council currently produces:
- a council tax leaflet;
 - performance plan (the publication of a performance plan will no longer be a statutory requirement after 2007/08);
 - detailed statement of accounts; and a
 - summary of the accounts.
6. The score for each theme in the Use of Resources is assessed using key lines of enquiry and the key lines in the 2008 assessments referring to annual reports are:
- i. the council can demonstrate that it is considering the views of a range of stakeholders in making its decision whether to publish an annual report (level 3);
 - ii. the council publishes summary financial information that meets the needs of a range of stakeholders (level 3);
 - iii. the council publishes in accessible format an annual report or similar document which includes summary accounts and an explanation of key financial information /technical terms designed to be understandable by members of the public (level 4); and
 - iv. the annual report or similar document includes information and analysis about the council's environmental footprint (level 4).
7. The recent "Delivering Good Governance in Local Government Framework" document also refers to the publication of an annual report. An annual report on a timely basis communicating the council's activities and achievements, its financial position and performance is quoted as being a means of demonstrating that it is "exercising strategic leadership by developing and clearly communicating the authority's purpose and vision and its intended outcome for citizens and service users".

Options

8. The results of an annual report survey were gathered over a period of three months, responses being invited through the Council's website and through postal questionnaires. It should be noted that the number of responses received and the views expressed may not be indicative of the views of all organisations and residents of the district. The results show that 58% of respondents were not in favour of the Council publishing an annual report.
9. If an annual report were to be published the preferred content should cover the Council's political and management structures, objectives, priorities, performance, financial summary and include cross-references to Council strategies and other publications.
10. Respondents voted against a printed annual report, with opinion divided equally with regard to providing an online report.

11. Should the Council decide to publish a printed Annual Report resources may need to be made available to cover the cost of publication. Alternately, the report could be made available solely on the Council website. If the Council chooses not to publish an annual report either printed or online the Council will be unable to achieve a Use of Resources level 4 assessment for financial reporting. However, as the Council considered the views of stakeholders through the annual report survey a decision not to publish would fulfil the requirements for Use of Resources level 3 financial reporting.
12. The options available are;
- (a) To print an annual report and make available online
 - (b) To publish an annual report online only
 - (c) To not publish an annual report either online or in print.

Implications

13. Financial	Cost of printed annual report has not been quantified; may be nil if produced in-house
Legal	None
Staffing	
Risk Management	
Equal Opportunities	

Consultations

14. Opinion was sought through mailing a selection of organisations representing local interests such as Cambridgeshire Chamber of Commerce, CALC, local businesses and Parish Councils; responses were also invited from residents, a questionnaire being available for on-line completion on the South Cambridgeshire website and its availability being reported in the South Cambs magazine.
15. The annual report survey addressed three main areas;
- Should the Council publish an annual report?
 - If the Council publishes an annual report what should be the content?
 - In what format should the annual report be published?
16. Only 12 replies were received. The results of the annual report survey are summarised below and detailed in Appendix A.
- (a) To publish an annual report
Of respondents to the survey 58% considered an annual report would not be useful to a significant number of stakeholders, 75% would not be prepared to see resources diverted from other services to meet the cost of producing an annual report.
 - (b) Content of an annual report
50% of respondents would like to see an overview of the Council's political structure and an outline of objectives, priorities and milestones, and 42% requesting an overview of the Council's management structure, key performance indicators and cross referencing to other relevant publications and strategies.
 - (c) Format of annual report
75% of respondents were against the use of a printed, full colour report, and 50% against a cheaper printed report (25% in favour). An online only report received equal votes both for and against, whilst a pdf email received 33% support.

Effect on Annual Priorities and Corporate Objectives

17.	Affordable Homes	An annual report may help in publicising the Council's annual priorities and corporate objectives and in reporting on the achievement of those priorities and objectives.
	Customer Service	
	Northstowe and other growth areas	
	Quality, Accessible Services	
	Village Life	
	Sustainability	
	Partnership	

Recommendations

18. It is recommended that an on-line annual report is produced commencing with the 2007-08 financial year.

Background Papers: the following background papers were used in the preparation of this report:

Completed surveys

Contact Officer: Sally Smart – Principal Accountant
Telephone: (01954) 713076