

Subject: 2009/10 Annual Report Summary

Prepared by: Harley Dibble (Planning & Performance Team Leader)

Meeting Date: 16 September 2010

Report to FINANCE & MONITORING Committee for decision

SUMMARY

Under the Local Government Act 2002 Gisborne District Council is required to produce an Annual Report and a summary of that report. These documents provide an opportunity to demonstrate the value Council delivers to the district, what we achieved with the rates collected, what we didn't achieve and why.

In August, the Finance & Monitoring Committee considered four presentation and delivery options for the 2009/10 Annual Report summary. The Committee opted for an eight page A4 brochure to be prepared and delivered to all residents in the district. Since this time Councillors' views have been sought on which 'highlights' for the 2009/10 should be included in both the Annual Report Summary and the full Annual Report. The draft summary is attached to this report for consideration and feedback.

This report also provides a brief progress update on the preparation of the full Annual Report. Both reports will be provided to Council at its September meeting for adoption.

RECOMMENDATIONS

That the Committee

1. receives the report.
2. advises staff of any changes required to the draft 2009/10 Annual Report summary.

Harley Dibble
Planning & Performance Team Leader

Nedine Thatcher-Swann
Community Planning & Development Manager

Encl.

1. BACKGROUND

Gisborne District Council has a statutory requirement to produce an Annual Report and a summary of that report. Annual reports provide a comparison of the Council's actual performance (both financial and non-financial) for the 2009/10 year against that forecasted in the 2009-2019 Ten Year Plan. A key objective for the Annual Report summary is for Council to demonstrate how the revenue it received from rates and other income sources translated into projects, activities and services for the community during the 2009/10 year.

Last year staff needed to produce Annual Report summary material that met audit requirements and was visually appealing so that it could be communicated effectively to the district's residents. This resulted in the production of two documents:

- A 16 page summary that met audit requirements which was made available on our website, Customer Service Centres and the HB Williams Memorial Library and also distributed to a small number of key agencies (funders, some community organisations, Statistics New Zealand etc.)
- A four page A4 Summary that was more accessible to the district's residents, was distributed with the rates demand in early November.

In August, the Finance & Monitoring Committee considered four presentation and delivery options for the 2009/10 Annual Report summary. The Committee opted for an eight page A4 brochure to be prepared and delivered to all residents in the district. Since this time Councillors' views have been sought on which 'highlights' for the 2009/10 should be included in both the Annual Report summary and the full Annual Report. An Annual Report summary has now been drafted, and its contents assessed by Audit to ensure consistency of message in terms of the full draft Annual Report.

This year's chosen approach is more effective in terms of costs (direct and indirect), reach and distribution. The tone of the summary is customer focused, language is simple and the photos are engaging.

This year's summary emphasises the Council's value proposition by using a smaller number of stories and focusing on how Council's actions have had an impact on the lives of people living in the district.

The draft summary is attached to this report for consideration and feedback.

The 2009/10 Annual Report

At the time of writing this report, the Auditors were still working through the full annual report accounts. Staff were therefore reluctant to present a draft Annual Report for consideration at the September Finance & Monitoring Committee because the figures are subject to change. Copies of the draft Annual Report will be available for Councillors at the September Finance & Monitoring Committee meeting.

However, at the very high level, the figures indicate that Council has ended the 2009/10 year in a strong financial position. Borrowings at \$19M were well below the planned level of \$37M. The key driver for this favourable position was timing differences in Council's capital works programs. The Council's underlying operational performance also produced a surplus, with additional income from Government subsidies and vesting assets only partly offset by increased bad debt provisions and increased roading costs.

2. DECISION MAKING AND TIMELINES

The table below provides a brief summary of the key milestones and decision points and timing in the Annual Reporting process.

Date	Meeting	Information to be Provided	Decision or Feedback Expected from Council
24 June	Council	Report on Annual Report process and timelines.	Elected Members approval and engagement with Annual Report Programme Plan.
15 July	Finance & Monitoring Committee	Annual Report Summary options.	Approval of preferred option.
16 September	Finance & Monitoring Committee	Report on Communitrak Results.	For noting.
16 September	Finance & Monitoring Committee	Draft Annual Report Summary reviewed by Finance & Monitoring Committee.	Committee to provide feedback and amendments to draft Annual Report Summary.
30 September	Council	Final Annual Report and Summary approved by Council.	Approval.
18 October	n/a	Annual Report and Summary made publicly available.	n/a

3. SIGNIFICANCE

This is not significant in terms of Council's Significance Policy.

4. CONSULTATION

Under the Local Government Act 2002, consultation is not required. However under Section 98 Council is required to make its Annual Report and an Annual Report summary publically available within one month of the Annual Report's adoption. These documents provide an opportunity to demonstrate the value Council delivers to the district, what we achieved with the rates collected, what we didn't achieve and why.

5. COMMUNITY OUTCOMES

The Annual Report sets out how Council activities contributed to all of the district's community outcomes during the 2009/10 financial year.

6. LEVELS OF SERVICE

The Annual Report process will assist with the achievement of the following level of service (LOS):

- "compliance with statutory requirements for the Annual Report, including all audit requirements, and specified timeframes."

The Annual Report will include 2009/10 LOS performance results for all Council activities. The results will be compared against the Year 2 LOS targets in the Ten Year Plan 2009-2019. Where targets have not been met, commentary will be provided on possible reasons why and measures planned to improve performance.

7. FINANCIAL

The design and distribution costs for the draft Annual Report summary are as follows:

- design and print costs \$7021
- distribution costs \$2108
- photography costs \$500

8. LEGAL

The Local Government Act (LGA) requires that Council must prepare an Annual Report and Annual Report summary; Schedule 10, Part 3 of the Act sets out the key requirements for the Annual Report.

9. POLICY

There are no policy implications.

10. APPENDICES

Draft Annual Report Summary.
