Proposals to remove Sustainability Reports from Government’s Annual Reports and Accounts

The Environmental Audit Committee wish to comment on the Government’s proposals for changes to Sustainability Reporting within Departmental Annual Reports and Accounts set out in the paper “Simplifying and streamlining statutory Annual Reports and Accounts” published in July.

Separate sustainability reporting was an EAC recommendation in 2006, and during this Parliament we have supported and welcomed the Government’s previous commitment to detailed sustainability reporting. It is important that departments are able to demonstrate their approach to sustainable development and the results. With the abolition of the Sustainable Development Commission, we have continued to provide external scrutiny for Government performance on sustainable development, and that has included departments’ record on sustainability reporting.

Whilst the Committee understand and support the principle of making Annual Reports and Accounts as clear to understand as possible, we are concerned about the specific proposals to remove separate sustainability reporting. The justification for the Treasury proposed changes is that current reporting requirements are “onerous” and that this has led to departments focusing on “meeting disclosure requirements rather than embedding sustainable development.” This seems an odd logic: if departments were genuinely embedding sustainable development it would then be relatively straightforward to capture the results for reporting purposes. We would like to see the evidence that you have drawn on to reach your conclusion.

The Committee have previously observed that consistent reporting across Government departments is important for transparency and accountability but that compliance with the sustainability reporting requirements has been patchy. It is our view that the requirements should be managed as ‘business as usual’ for departments and that the Treasury should ensure compliance overall. We would like to know what actions the Treasury have taken to ensure sustainability reporting compliance. We would also like to have your thoughts on why a separate sustainability report could not be retained and accommodated alongside the other Annual Report rationalisations being proposed.

We would be happy of course to discuss these matters in more detail. Without this additional information and explanation, however, we cannot at this stage approve the proposed changes on sustainability reporting.

Joan Walley MP, Chair