

APPENDIX B

Amendments to the 2009/10 Annual Governance Statement

Amendments proposed are underlined

(1) Code of Corporate Governance core principle:

Focusing on the purpose of the authority, on outcomes for the community and creating and implementing a vision for the area

Issues identified during review which affect effectiveness:

1. We need to strengthen our Code of Corporate Governance to reflect more fully the Chief Finance Officer role using the guidance produced by CIPFA in March 2010 'Application note to delivering good governance in Local Government' and explain the CFO reporting arrangements in our Annual Governance Statement.

2. We will allocate extra resources to address outstanding work related to the proposed procurement manual and changes to Standing Orders if this is not completed within existing resources by October 2010.

3. We had planned to submit the core strategy to the Secretary of State by September 2010. However we are currently now waiting for advice from the Department of Communities and Local Government about transitional arrangements to cover the abolition of Regional Spatial Strategies and this will require an adjustment to the project plan times for submission. This should not be a significant governance issue i.e. there will not be a policy vacuum but we have to wait for the advice to be fully satisfied on this issue¹.

4. We have been notified by the Department for Environment, Food and Rural Affairs (Defra) of a 5% in-year cut to our 2010/11 budget which we have addressed (see report to the Authority 25 June 2010). We have also been asked by Defra to plan for a possible 30% reduction in our funding over the 4 year period 2011/12 to 2014/15. We have started to do this working with staff and Members developing a vision for the future shape and size of the Authority and working out the detail. However this is highlighted as a significant governance issue which will be monitored carefully over the year because of: a) the uncertainty on the exact size of any reduction (we are not likely to know until November/December 2010), b) the uncertainty of the profiling of the total reduction over the 4 year period, c) the lead in time required to implement some of the reductions and d) the impact of the reduction in public finances on our partners. The risk is reflected in our 2010/11 corporate risk register. Current action to mitigate the risk focuses on ensuring our plan for addressing the possible reduction is agreed by Members in the Autumn to give time for implementation by 1 April 2011 to ensure a balanced budget can be achieved².

Significant Governance Issues:

Over the coming year we will take steps to address the issues identified during our review of effectiveness as detailed above to further enhance our governance arrangements. We are satisfied that these steps will address the need for improvements that have been identified and will monitor their implementation and operation as part of our next annual review. We have highlighted the possible 30% reduction in our funding over the 4 year period 2011/12 to 2014/15 and the impact this would have on the future shape and size of the Authority as a **significant** governance issue and will be monitoring this more closely through Resource Management Team³.

¹ Updated and agreed by the Authority on 25 June 2010

² subject to approval by the Authority on 24 September 2010

³ subject to approval by the Authority on 24 September 2010