

Hyndburn  
Borough Council

Code of Corporate Governance

January 2026

## **Introduction: What is Corporate Governance?**

Corporate governance is the system of rules, practices, and processes by which an organisation is directed and controlled. Corporate governance refers to how the Council governs itself and to what purpose. It defines who has authority and accountability and how decisions are made. In summary, it is a toolkit that enables the Council to deal more effectively with the many and varied challenges of running an organisation as diverse as a local authority. Governance is about how the Council ensures that it does the right things in the right way and in a timely, open, honest, and accountable manner.

The Council's corporate governance framework comprises its culture and values, as well as the rules, practices and procedures, by which the Council is directed and controlled and through which it accounts to, engages with, and leads the community. It enables the Council to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate, cost-effective services.

The Council is committed to having an effective governance framework and has developed a Code of Corporate Governance which identifies the arrangements the Council has in place to support good governance. The Code is based on the seven core principles of good governance produced by the Chartered Institute of Public Finance Accountancy (CIPFA) and the Society of Local Authority Chief Executives (SOLACE). The seven core principles are as follows:

- A. Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law
- B. Ensuring openness and comprehensive stakeholder engagement.
- C. Defining outcomes in terms of sustainable economic, social, and environmental benefits.
- D. Determining the interventions necessary to optimise the achievement of the intended outcomes.
- E. Developing the entity's capacity, including the capability of its leadership and the individuals within it.
- F. Managing risks and performance through robust internal control and strong public financial management.
- G. Implementing good practices in transparency, reporting, and audit, to deliver effective accountability.

The Council's governance framework will be reviewed annually to ensure its ongoing effectiveness.

## Principles of Good Governance

<b>Principle A: Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law</b>	
<b>Behaving with integrity</b>	
<b>How we achieve this</b>	<b>Priorities for 2026/27</b>
<ul style="list-style-type: none"> <li>• The Council has a set of corporate values</li> <li>• Code of conduct for councillors.</li> <li>• Supplementary codes of conduct for members dealing with planning and licensing matters</li> <li>• Members' Registers of Interests published on the Council's website.</li> <li>• Members Register of Gifts and Hospitality</li> <li>• Annual code of conduct training for councillors and training on the code of conduct is included in the induction programme for all new councillors</li> <li>• Standards Committee in place, together with procedures for dealing with complaints about members</li> <li>• Annual training for the members of the Planning Committee and Judicial Committee</li> <li>• Code of Conduct for Employees.</li> <li>• Member / Officer relations protocol</li> <li>• Equality, &amp; Diversity Policy.</li> <li>• Equality Impact Assessments.</li> <li>• Anti-Fraud, Bribery and Corruption Policy.</li> <li>• Criminal Facilitation of Tax Evasion Policy</li> <li>• Economic Crime &amp; Corporate Transparency Act 2023 Policy</li> <li>• Anti-Money Laundering Policy</li> <li>• Whistleblowing Policy.</li> <li>• Induction programme for members and staff</li> </ul>	<ul style="list-style-type: none"> <li>• Review planning and licensing code of conduct</li> <li>• Implement any Government changes to standards procedures</li> <li>• Carry out annual review of complaints about members and annual review of standards procedures</li> <li>• Carry out annual review of complaints and report to Standards Committee re annual letter from the Local Government Ombudsman</li> <li>• Review whistleblowing policy and procedures</li> <li>• Determine governance and reporting arrangements for the local government reorganisation process (e.g. terms of reference for any joint committee)</li> </ul>

<ul style="list-style-type: none"> <li>Complaints procedure and regular training for staff re complaint handling</li> </ul>	
<p><b>Demonstrating strong commitment to ethical values</b></p>	
<p><b>How we achieve this</b></p>	<p><b>Priorities for 2026/27</b></p>
<ul style="list-style-type: none"> <li>Annual Governance Statement published.</li> <li>Standards Committee oversight of governance and member conduct, including an annual report relating to complaints about members.</li> <li>Complaints policy and procedure, together with regular training for staff in dealing with complaints and annual reporting to Standards Committee about number, type and outcome of complaints received.</li> <li>Mandatory code of conduct training for all members.</li> <li>Annual training programme for members and staff, supported by corporate training budgets.</li> <li>Equality, &amp; Diversity Policy. Equality Impact Assessments carried out when required and presented to Cabinet and Council to support the decision-making process.</li> <li>Registers of Interests are maintained for members and staff</li> <li>Declarations of interest made as a standard item at Council, Cabinet and Committees.</li> <li>Whistleblowing Policy</li> <li>Internal Audit reports produced in accordance with the Global Internal Audit Standards.</li> <li>Annual Internal Audit Report and Opinion</li> <li>Employment policies and procedures embed ethical values and fairness, e.g. Recruitment Policy, Dignity At Work Policy, Grievance Procedure etc</li> <li>Three Overview &amp; Scrutiny Committees and annual scrutiny work programme</li> <li>Safeguarding policies for children and vulnerable adults, DBS checking processes, and mandatory safeguarding training requirements.</li> </ul>	<ul style="list-style-type: none"> <li>Annual report to Standards Committee re complaints about councillors</li> <li>Annual report to Standards Committee re complaints received about council services</li> <li>Review Whistleblowing Policy and procedures</li> </ul>

<b>Respecting the rule of law</b>	
<b>How we achieve this</b>	<b>Priorities for 2026/27</b>
<ul style="list-style-type: none"> <li>• Legal support provided to all services.</li> <li>• Experienced and suitably trained in-house legal team.</li> <li>• Legal attendance at Cabinet, Council and Committee’s.</li> <li>• Council Committees serviced by appropriately qualified Democratic Services Officers</li> <li>• Reports to Council, Cabinet etc include a review of legal implications.</li> <li>• “Golden Triangle” of statutory officers in place and meet regularly to discuss governance issues</li> <li>• Experienced and suitably trained Internal Audit Team. Annual Audit Plan produced and reported against annually.</li> <li>• Audit Team conforms to the Global Internal Audit Standards</li> <li>• Anti-fraud, Bribery and Corruption Policy.</li> <li>• Annual fraud risk assessment.</li> <li>• Regular training for staff on fraud and corruption policies</li> <li>• Joint working arrangements with relevant stakeholders (National Fraud Initiative, National Anti-Fraud Network, Action Fraud UK, Department for Work and Pensions DWP) to investigate potential fraud.</li> <li>• Data protection policy and regular data protection training for staff and members</li> </ul>	<ul style="list-style-type: none"> <li>• Repeat data protection training for staff and members</li> <li>• Repeat procurement training for relevant staff</li> <li>• Agree a data sharing agreement for the local government reorganisation process</li> </ul>

<b>Principle B: Ensuring openness and comprehensive stakeholder engagement</b>	
<b>Openness</b>	
<b>How we achieve this</b>	<b>Priorities for 2026/27</b>

<ul style="list-style-type: none"> <li>• Council website reviewed regularly and kept up to date e.g. online council tax information.</li> <li>• Council website publishes agenda's, reports and minutes of Council, Cabinet and Committee meetings, as well as a timetable of meetings</li> <li>• Public attendance at Council, Cabinet and Committee meetings</li> <li>• Publication of the Forward Plan with details of upcoming key decisions</li> <li>• Question Time at Council meetings to deal with questions from councillors and the public</li> <li>• Arrangements for public speaking by applicants and objectors at Planning Committee meetings</li> <li>• Publication Scheme and timely responses to FOI, EIR and subject access requests</li> <li>• Data Protection Policy</li> <li>• Privacy notice</li> <li>• Whistleblowing Policy.</li> <li>• Annual Governance Statement.</li> <li>• Compliance with the Transparency Code of Practice e.g publication of a contract register, spending over £250 etc</li> <li>• Standards report templates require documented consideration of a range of issues in support of the recommendations made</li> <li>• Scheme of delegation to officers published on the Council's website</li> <li>• Register of Members Interests published on the Council website and available for inspection</li> <li>• Overview &amp; Scrutiny Committee's and call-in procedure</li> </ul>	<ul style="list-style-type: none"> <li>• Improve content of the contracts register</li> <li>• Develop a grants register</li> <li>• Review whistleblowing policy</li> <li>• Annual review of the scheme of delegation to officers</li> <li>• Microphones to be acquired for use in Council, Cabinet meetings etc to increase accessibility</li> <li>• Improve quality of the Forward Plan and briefing to be given to be given to service managers</li> <li>• Repeat FOI training for staff and annual report on performance in response to information requests to be presented to corporate management team</li> <li>• Review and update the privacy notice</li> </ul>
<p><b>Engaging comprehensively with stakeholders</b></p>	
<p><b>How we achieve this</b></p>	<p><b>Priorities for 2026/27</b></p>
<p>Communications Strategy and a range of methods used to communicate with residents / customers  Call in mechanism for scrutinising member decisions.  Co-optees on Overview &amp; Scrutiny Committees with a range of backgrounds</p>	<ul style="list-style-type: none"> <li>• Work with Neighbourhood Board to produce a clear governance protocol</li> </ul>

Forward Plan with details of upcoming key decisions Council website provides service information and is increasingly interactive e.g. online forms, chatbot etc	
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<b>Principle C: Defining outcomes in terms of sustainable economic, social and environmental benefits</b>	
<b>How we achieve this</b>	<b>Priorities for 2026/27</b>
<ul style="list-style-type: none"> <li>• The Council’s Corporate Strategy</li> <li>• Policy framework – Licensing Policy etc</li> <li>• Local Plan (and new local plan expected to be adopted in 2026)</li> <li>• Regular financial reporting to Cabinet</li> <li>• Medium term financial strategy in place</li> <li>• Agreed key performance indicators in place and data collected annually</li> <li>• Annual appraisal process with each employee identifies key tasks linked to Corporate Strategy objectives</li> <li>• Regular meetings between senior officers and members.</li> <li>• Equality impact assessments</li> <li>• Climate change action plans and working group</li> <li>• Sustainability built into procurement guidelines</li> </ul>	

<b>Principle D: Determining the interventions necessary to optimise achievement of intended outcomes</b>	
<b>How we achieve this</b>	<b>Priorities for 2026/27</b>
<ul style="list-style-type: none"> <li>• Corporate Strategy</li> <li>• Medium Term Financial Strategy and Annual Budget process.</li> <li>• Risk registers in place and reviewed / updated regularly</li> </ul>	<ul style="list-style-type: none"> <li>• Review and update the Financial Procedure Rules</li> <li>• Review and update the Budget Procedure Rules</li> </ul>

<ul style="list-style-type: none"> <li>• Regular budget monitoring report to Cabinet</li> <li>• Annual appraisal for all staff which identifies priorities and training requirements</li> <li>• Annual training programme and training budget, both for staff and councillors</li> <li>• Induction programme for all new staff and newly elected councillors</li> <li>• Scheme of delegation to officers and clarity of decision-making arrangements</li> <li>• Range of HR policies in place to support the health and wellbeing of staff</li> <li>• Constitution provides a framework for decision-making e.g. Contract Procedure Rules, Finance Procedure Rules etc</li> <li>• Regular updates from each service area to corporate management team</li> <li>• Business continuity plans in place for each service area</li> <li>• LGA corporate peer review in 2025 and action plan to implement recommendations</li> <li>• Three overview &amp; scrutiny committees, each with an annual workplan and oversight of Cabinet decisions</li> </ul>	<ul style="list-style-type: none"> <li>• Review and update the Contract Procedure Rules (e.g. re new freedoms to ring-fence below-threshold procurement to SME's or local businesses)</li> <li>• Repeat procurement training</li> <li>• Annual review and updating of the scheme of delegation to officers</li> </ul>
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<p><b>Principle E: Developing the Council's capacity, including the capability of its leadership and the individuals within it</b></p>	
<p><b>Developing the Council's capacity</b></p>	
<p><b>How we achieve this</b></p>	<p><b>Priorities for 2026/27</b></p>
<ul style="list-style-type: none"> <li>• Workforce Strategy / People Strategy</li> <li>• Service Plans</li> <li>• Procurement of consultants to provide specialist advice and services not available in-house</li> <li>• Medium term financial strategy</li> </ul>	<ul style="list-style-type: none"> <li>• Consider capacity requirements re local government reorganisation ( e.g. possible joint working protocols with other Lancashire authorities, input into the various LGR working / task groups)</li> </ul>

<ul style="list-style-type: none"> <li>• Asset management arrangements</li> </ul>	
<b>Developing the capability of the Council's leadership and other individuals</b>	
<b>How we achieve this</b>	<b>Priorities for 2026/27</b>
<ul style="list-style-type: none"> <li>• People Strategy / Workforce Plan</li> <li>• Annual training programme and training budget, both for staff and councillors</li> <li>• Induction programme, both for staff and councillors</li> <li>• Annual appraisal meeting for all staff which identifies training needs</li> <li>• Staff online training programmes (HYVE)</li> <li>• Annual Scrutiny training for councillors.</li> <li>• Training for Audit Committee Councillors</li> <li>• External training providers used where appropriate.</li> <li>• Regular service manager meetings</li> <li>• Various people management policies support employee health and wellbeing including attendance, welfare and health initiatives and provision of Occupational Health and counselling services.</li> <li>• Health and safety advice and guidance through risk assessments and implementation of policies and procedures.</li> <li>• Workplace Health and Wellbeing Group in place implementing a range of mental wellbeing initiatives via an action plan.</li> <li>• Friendly Faces programme</li> </ul>	<ul style="list-style-type: none"> <li>• Repeat staff training re FOI, procurement, data protection and report writing</li> <li>• Annual training for members re code of conduct and for those carrying out planning and licensing functions</li> <li>• Ongoing training for staff re local government reorganisation requirements</li> </ul>

<b>Principle F: Managing risks and performance through robust internal control and strong public financial management</b>	
<b>Managing risks</b>	
<b>How we achieve this</b>	<b>Priorities for 2026/27</b>
<ul style="list-style-type: none"> <li>• Risk Management Policy.</li> <li>• Risk registers in place for strategic and operational risks and these are both reviewed regularly</li> <li>• Annual Internal Audit Plan is risk based</li> </ul>	

<ul style="list-style-type: none"> <li>• Business Continuity Plans.</li> <li>• Audit Committee has oversight of the effectiveness of the Council’s governance, control, and risk management arrangements.</li> <li>• Standard template for Cabinet and Council reports requires information about risk</li> </ul>	
<b>Managing performance</b>	
<b>How we achieve this</b>	<b>Priorities for 2026/27</b>
<ul style="list-style-type: none"> <li>• Annual appraisal for each employee which identifies key tasks and training needs</li> <li>• Service Plans</li> <li>• Each service area reports twice a year to corporate management team in respect of performance, achievement of key performance indicators and upcoming objectives</li> <li>• Three Overview &amp; Scrutiny Committees, each with an annual work plan</li> <li>• Constitution provides a framework to for lawful and consistent decision-making</li> <li>• Budget monitoring reports presented to each Cabinet meeting</li> <li>• Annual training budget and training programme, both for members and employees</li> </ul>	
<b>Robust internal control</b>	
<b>How we achieve this</b>	<b>Priorities for 2026/27</b>
<ul style="list-style-type: none"> <li>• Risk Management Policy.</li> <li>• Annual Audit Letter and Annual Governance Statement.</li> <li>• Internal Audit Plan approved and monitored by Audit Committee.</li> <li>• Internal Audit Reports produced throughout the year</li> <li>• Annual Internal Audit Report and Opinion</li> <li>• Regular review of the risk registers</li> <li>• Anti-Fraud, Bribery and Corruption Policy.</li> <li>• Economic Crime &amp; Corporate Transparency Act 2023 Policy</li> <li>• Proactive counter fraud activity through the National Fraud Initiative (NFI) data matching exercises.</li> </ul>	<ul style="list-style-type: none"> <li>• Review whistleblowing policy</li> <li>• Deliver anti-fraud training to staff</li> </ul>

<ul style="list-style-type: none"> <li>• Whistleblowing Policy</li> <li>• Role of Audit Committee within the Council’s constitution.</li> <li>• Designated Data Protection Officer, data protection policy and data protection training for members and staff</li> <li>• Data breach investigation and reporting process.</li> <li>• Data Sharing Protocols agreed with external partners</li> <li>• Digital transformation strategy, cyber security policy and incident response plans</li> <li>• FOI and subject access request performance reporting.</li> <li>• Roles of monitoring officer and section 151 officer, plus regular “golden triangle” discussion of governance issues with the chief executive</li> </ul>	
<p><b>Strong public financial management</b></p>	<p><b>Priorities for 2026/27</b></p>
<p><b>How we achieve this</b></p>	
<p>Financial monitoring reports presented to each Cabinet meetings.  Regular member briefings on finance / budget matters  Medium Term Financial Strategy.  Budget &amp; Policy Framework Procedure Rules in Constitution.  Financial Procedure Rules in Constitution.  External Audit oversight  Audit Committee oversight  Treasury Management Strategy  Internal Audit Team and internal audit reports  Suitably qualified and experienced section 151 officer  Regular financial reports to each service manager, supported by meetings with the accountant for that service area  Overview &amp; Scrutiny oversight of financial matters</p>	<ul style="list-style-type: none"> <li>• Review Finance Procedure Rules</li> <li>• Review Budget and Police Framework Rules</li> </ul>

<p><b>Core Principle G: Implementing good practices in transparency, reporting, and audit to deliver effective accountability</b></p>
<p><b>Implementing good practice in transparency, reporting and audit</b></p>

<b>How we achieve this</b>	<b>Priorities for 2026/27</b>
<ul style="list-style-type: none"> <li>• Report writing template and report writing training</li> <li>• Compliance with the requirements of the Transparency Code of Practice</li> <li>• Council, Cabinet and committee agenda's reports and minutes of meetings available on website.</li> <li>• External Audit Reports and Value for Money activity and reporting.</li> <li>• Internal Audit Plan is risk based.</li> <li>• Annual Internal Audit report and opinion</li> <li>• Audit function conforms with the Global Internal Audit Standards</li> <li>• Written report produced by the Internal Audit Team following each audit</li> <li>• Financial Monitoring Reports presented to each Cabinet meeting.</li> <li>• Statement of Accounts and Annual Audit Letter.</li> <li>• Medium Term Financial Strategy.</li> <li>• Complaints procedures and regular staff training in handling complaints</li> <li>• Roles of the three Overview &amp; Scrutiny Committee's, each with an annual work plan</li> <li>• Whistleblowing policy</li> <li>• LGA peer review in 2025 and action plan in place to implement its recommendations</li> </ul>	<ul style="list-style-type: none"> <li>• Improve contracts register to make it a more complete record</li> <li>• Review Whistleblowing Policy</li> <li>• Review and update the RIPA policy</li> </ul>