



Ministry of Housing, Communities & Local Government

Laura Church
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By email

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**Ministry of Housing, Communities &
Local Government**
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10 February 2026

Dear Laura

My department has been engaging with your Authority since 29 July 2025 in relation to concerns raised by the Chartered Institute of Public Finance and Accountancy's financial resilience and governance review (July 2025).

Following the department's assessment of your compliance with the Best Value duty, we would like direct, independent assessment of whether the Authority is making arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness. In making the appointments and commencing an inspection, the Secretary of State has had regard to, and considered, the below:

- The Chartered Institute of Public Finance and Accountancy's financial resilience and governance review (July 2025), which highlighted weaknesses around the Council's governance arrangements and financial management that will prevent the Council from addressing their significant financial challenges, including a significant projected overspend position for 2025/26 relative to the Council's budget and a cumulative budget gap over the Medium-Term Financial Strategy period.
- The Local Government Association's November 2023 Corporate Peer Challenge and subsequent October 2024 progress review, where the peer team found good governance was being hindered by a lack of strategic clarity and the unintended consequences of previous organisational changes, with a need for more visible, collective leadership.
- The Ofsted inspection (July 2025) that highlighted delivery concerns about some of the programmes delivered by the authority, particularly Children's Social Care that resulted in a Requires Improvement grading, down from Good.
- The Authority's meetings with the department since 29 July 2025.
- The external auditor's (KPMG) update report to the Audit Committee meeting on 27 November 2025.

- The statutory guidance on Best Value Standards and Intervention, published on 8 May 2024.

The Secretary of State has, in exercise of his powers under section 10 of the Local Government Act 1999 (as amended by the Local Audit and Accountability Act 2014) (“the 1999 Act”), and with regard to the statutory guidance on Best Value Standards and Intervention, appointed Paul Najsarek as the person to carry out an inspection of the compliance of the authority known as Bedford Borough Council (“the Authority”) with the requirements of Part 1 of the 1999 Act. He has also appointed Margaret Lee and Parveen Akhtar as Assistant Inspectors, on Mr Najsarek’s recommendation.

The Secretary of State has given certain directions to the Inspector in relation to the inspection.

First, the inspection is specifically in relation to the Authority’s functions where ministers have concerns, namely governance and scrutiny arrangements; section 151 of the Local Government Act 1972 and the strength of associated audit; the capacity and capability across the organisation but particularly the finance function, and whether this is sufficient to meet the Best Value Duty; service delivery; organisational culture; the adequacy of the Authority’s plans; and the Authority’s capacity to address the recommendations made by the Local Government Association Corporate Peer Challenge and progress review, the Chartered Institute of Public Finance and Accountancy review commissioned by the Council (and published in July 2025) and the external auditor’s (KPMG) update report to the Audit Committee meeting on 27 November 2025. Given our concerns relate to broad decision-making, and whether the standards expected for effective and convenient local government are being upheld, the inspection will consider decision-making in relation to those functions, encompassing leadership, governance, organisational culture, use of resources, partnerships and community engagement, and impact on service delivery.

Secondly, the Inspector is also directed to report the findings of the inspection to the Secretary of State in June 2026, or such later date as they may agree with the Secretary of State. The Secretary of State may, following receipt of the inspection report or otherwise, issue further directions to the Inspector.

Section 11 of the 1999 Act provides that an Inspector has a right of access at all reasonable times to any premises of the authority and to any document, including electronic documents, relating to the authority which appear to the inspector to be necessary for the purposes of inspection. Statute also provides that the authority shall provide an inspector with every facility and all information which an inspector may reasonably require for the purposes of inspection. In this context, you should ensure that, from the date of this letter, no documentation or records, whether electronic or paper, are destroyed.

The Authority must pay the reasonable fees of the Inspector and Assistant Inspectors whom the Secretary of State may appoint at the inspector's request. You may wish to consult my team here for advice on this.

I appreciate that the Authority has already started taking some steps to address these issues and thank you for the work to date and detail you have already provided. We expect you to work with your Independent Improvement and Assurance Panel, the Local Government Association and other sector-led support during the inspection.

Yours sincerely,

James Blythe

Deputy Director, Local Government Stewardship and Interventions