



Ministry of Housing,
Communities &
Local Government

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**Ministry of Housing, Communities &
Local Government**
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Margaret Lee
By email

10 February 2026

Dear Margaret

The department is concerned with Bedford Borough Council's ("the Authority") ability to continue to comply with its Best Value Duty under Part 1 of the Local Government Act 1999 ("the 1999 Act").

Having had regard to the information below, the Secretary of State has decided to proceed with a Best Value Inspection to provide direct, independent assurance that the Council is continuing to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness:

- 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 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 engagement with the department since 29 July 2025.
- The external auditor's (KPMG) update report to the Audit Committee meeting on 27 November.
- The statutory guidance on Best Value Standards and Intervention, published on 8 May 2024.

I am therefore writing to inform you that the Secretary of State, in exercise of his powers under section 10 of the 1999 Act, hereby appoints you, on the recommendation of Paul Najsarek, as an Assistant Inspector for the purposes of carrying out an inspection of the compliance of Bedford Borough Council with the requirements of Part 1 of the 1999 Act.

Paul Najsarek is the Lead Inspector, and Parveen Akhtar is also appointed as Assistant Inspector, and I expect you to work together to balance responsibilities across the team as you see fit as the inspection progresses.

The Secretary of State also, in exercise of his powers under section 10(4)(b) of the 1999 Act, gives you the following directions in relation to your undertaking the inspection.

First, the inspection is specifically in relation to the Authority's functions where we 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.

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

Section 12 of the 1999 Act provides that the Authority to be inspected must pay the Inspector's reasonable fees for carrying out the inspection. The Secretary of State has set those fees as £1,100 per day together with reasonable expenses in line with the Authority's policy.

On behalf of the department, can I take this opportunity to thank you for taking on this important work.

Yours sincerely,

James Blythe
Deputy Director, Local Government Stewardship and Interventions