



Ministry of Housing,
Communities &
Local Government

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**Ministry of Housing, Communities &
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Laura Church
Chief Executive
Bedford Borough Council

15 October 2026

Dear Laura Church,

Paul Najsarek, having undertaken an inspection of your Authority's compliance with its Best Value Duty, sent your Authority a Report on 13 October 2026 setting out the Inspection team's findings, in accordance with Section 13(3) of the Local Government Act 1999 (the '1999 Act'). I am now writing to invite your Authority to make representations to the Secretary of State, under Section 15(9) of the 1999 Act, about that Report and a proposed intervention package. This letter and that Report will be published on www.gov.uk.

The Secretary of State has carefully considered the Report and other relevant material, including progress made since the Local Government Association Corporate Peer Challenge of November 2023, the Authority-commissioned Chartered Institute of Public Finance and Accountancy (CIPFA) financial resilience and governance review of July 2025, recent Authority papers, recent service inspections, the auditor's annual report for 2024/2025, and recent updates that you and the independent Improvement and Assurance Panel have provided, and is satisfied that your Authority is failing to comply with its Best Value Duty under Section 3 of the 1999 Act. The duty requires that a "best value authority must 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". This is described in more detail in the statutory guidance published on 8 May 2024. The Secretary of State is satisfied that the Authority is failing to comply with its Best Value Duty, specifically the themes of Continuous Improvement, Leadership, Governance, Culture, and Use of Resources as described in the statutory guidance.

The Secretary of State is minded to exercise her powers of direction under Section 15(5) and 15(6) of the 1999 Act in relation to your Authority to secure its compliance with the Best Value Duty. The proposed package of measures which would be implemented through appropriate Directions is set out in the attached Annex, and

would be overseen by nominated Commissioners, some of whom would hold powers to exercise specified functions of the authority. As explained in the Annex, the package of intervention measures has been designed to further develop and drive implementation of the improvements needed at the Authority, including those in response to the recommendations made in the Inspectors' Report.

Your Authority is now invited to make such representations as it wishes about the Report and the Secretary of State's proposed Directions, in line with Section 15(9) of the 1999 Act. All such representations should be sent by email to interventions@communities.gov.uk so as to be received on or before 28 October 2026. All correspondence received from the Authority by the Ministry since the start of the Inspection will also be considered as representations. They will then be carefully considered by the Secretary of State in making a decision as to whether to make any and, if so, what Directions.

I am copying this letter to the Authority's Section 151 Officer and Monitoring Officer.

Yours sincerely,

James Blythe

Deputy Director, Local Government Stewardship and Interventions

PROPOSED INTERVENTION PACKAGE

1. The Secretary of State is considering exercising her powers of direction under section 15(5) and 15(6) of the Local Government Act 1999 (the '1999 Act') in relation to Bedford Borough Council ('the Authority') to secure its compliance with the Best Value Duty. This follows consideration of the report of the Best Value Inspection carried out by Paul Najsarek, supported by Margaret Lee OBE and Tasnim Shawkat ('the Report'), which was submitted to the Secretary of State in June 2026.
2. The Report describes some positive features in the Authority, such as some positive local partnership and community relationships, a constructive role in attracting and supporting the Universal project, and the pride and commitment shown by officers, members and partners in serving the residents of the borough. The Report also notes that the Authority has taken some steps to respond to external challenge, including recently developing an Improvement Plan and establishing an Improvement and Assurance Panel. However, it concludes that these arrangements are not yet sufficient to drive the urgent improvement required.
3. The Report documents serious concerns across a number of areas which the Secretary of State considers amount to failings by the Authority of its Best Value Duty under Part 1 of the 1999 Act. The Inspectors report elements of failure in every theme, and particularly in **Leadership, Governance, Culture, and Use of Resources, with the Authority failing its overall duty of Continuous Improvement**. The Inspectors note that, while the Authority has taken some action in response to external reviews and reports since 2023, including those from the Local Government Association (LGA) and the Chartered Institute of Public Finance and Accountancy (CIPFA), it has not systematically managed or implemented recommendations, leaving key weaknesses unresolved. On balance, they are not confident that the Authority recognises the severity of the issues it faces and can make the necessary changes without external intervention.
4. The Secretary of State has considered the Report and other information, including progress since the LGA Corporate Peer Challenge (2023), the CIPFA financial resilience and governance review (July 2025), recent service inspections, the auditor's annual report for 2024/2025, published Authority papers, and recent updates from the Chief Executive and independent Improvement and Assurance Panel.
5. In light of this evidence, the Secretary of State is minded to implement the statutory intervention package set out below. The Secretary of State believes the proposed intervention package is necessary and expedient for the

Authority to secure compliance with its Best Value Duty. The proposed package has been designed to further develop and drive implementation of the improvement work needed at the Authority, and to set in motion a cultural reset of the organisation that ensures the Authority is compliant with its Best Value Duty and achieves the best outcomes for its residents and service users.

6. The Secretary of State has set out the proposals and invites the Authority to make representations about the proposals. The Secretary of State acknowledges that, save in cases of urgency, the Authority has a statutory right to be given the opportunity to make representations before the Secretary of State makes a Direction. The period to make representations will be 10 working days from 15 October 2026, and by close on 28 October 2026. The Secretary of State will carefully consider any representations in deciding whether to make any and, if so, what Directions. The Secretary of State specifically reserves the ability to make further or revised Directions after implementing this, or any, intervention package (if that is what the Secretary of State decides to do).

Overall purpose and approach

7. The evidence highlights serious concerns. In particular, the Report includes the following:
 - a. On **Continuous Improvement**: The Authority has sought external advice and challenge, including from the LGA, CIPFA, and the independent Improvement and Assurance Panel. However, it has not systematically managed and implemented recommendations from external reviews since 2023, with many identified issues still present and some becoming more urgent to address. The Inspectors identify a “limited track record of delivering transformation and change, despite the extensive external support already available through LGA peer mentors and the LGA-supported informal Improvement Panel”. They conclude that they “have no confidence that the necessary improvement will be secured without external intervention”.
 - b. On **Leadership**: Inspectors describe leadership challenges “in all parts of the organisation – politically and managerially”, with the Authority’s leadership lacking “cohesion, decisiveness, focus and consistency”. They identify an “inward looking, attritional and combative political culture”, weak cross-party working, low trust between members and officers, and gaps in capacity and capability, including a “hollowed out” corporate centre. Inspectors found a lack of “clear vision, priorities and shared direction” and a culture where difficult decisions have not been consistently made. Weak leadership has meant the Authority has been unable to “confront its growing financial problems”.

- c. On **Governance**: Inspectors assess that the Authority's governance arrangements are not adequate for a council with a directly elected mayoral model operating without overall political control. Weak cross-party working, scrutiny that is "almost always political", insufficient weight given to statutory officer advice, unclear roles and responsibilities, and an overly complex constitution have contributed to a system that does not provide the "clarity, grip or discipline" needed to support timely and effective decision-making.
- d. On **Culture**: Inspectors refer to a "negative culture" characterised by low trust, blame, defensiveness, silo working and weak accountability. They identify poor member-officer relationships, reports of bullying and misogynistic behaviour that had not been systematically addressed, low staff morale, and blurred boundaries between member and officer roles. They conclude that cultural weaknesses have "[hindered] leadership's ability to find the solutions to problems that would enable progress".
- e. On **Use of Resources**: The Report identifies "limited and insufficient evidence of action to improve" the Council's financial position, despite the significant external support received to date and "the seriousness of the financial situation" being acknowledged by most people. The Council's position remains unsustainable, with persistent overspends, significant shortfalls in its Medium-Term Financial Strategy, limited reserves and growing borrowing pressures. The Council required exceptional financial support to set a balanced budget for 2025/26 and 2026/27, and faces "a fast growing financial challenge which is now both large in scale and urgent".
- 8. **The July 2025 CIPFA financial resilience and governance review** found that the Council faced significant financial sustainability challenges that "requires urgent action". It raised concerns about financial management, accountability and organisational capacity, and identified the need for strengthened governance, oversight and scrutiny arrangements to support effective decision-making.
- 9. **The external auditor's report for 2024/2025** found two significant weaknesses in value for money arrangements for the period, relating to the capacity of finance team and the Authority's ability to secure financial sustainability, "given the scale of savings requirement".
- 10. **The 2023 LGA Corporate Peer Challenge** identified the need for clearer strategic priorities, stronger collective political and managerial leadership, clarified roles and responsibilities, improved evidence-based decision-making, and identified risks to future financial sustainability. Many of the challenges identified were subsequently echoed in the Best Value Inspection findings.
- 11. The Secretary of State considers that given the evidence of serious concerns in relation to these areas, as revealed by the Report and other relevant

materials, a broad and supportive intervention package is necessary and expedient to address the circumstances of the Authority.

Statutory intervention package

12. The proposed intervention package is designed to accelerate and strengthen the improvement work needed at the Authority. It recognises the scale of the challenge and how much improvement is necessary at pace for the Authority to deliver its Best Value Duty. The aims of the proposed intervention package are to support the Authority to:

- i. Develop a comprehensive plan of all required improvements, including key elements of any separate service-specific improvement plans, and drive effective implementation.
- ii. Provide the additional scrutiny, external challenge, advice and monitoring needed to oversee the improvements.
- iii. Deliver financial sustainability, including by closing short- and long-term budget gaps and securing sustainable savings.
- iv. Address systemic weaknesses in governance, oversight, and performance management, to secure improvements in transparency, accountability, scrutiny and decision-making.
- v. Strengthen corporate leadership.
- vi. Rebuild trust and reset the organisational culture.
- vii. Rebuild organisational capacity and capability.
- viii. Agree as necessary any changes needed to the Authority's operating model and redesign of council services to achieve value for money and financial sustainability.

13. In order to assist the Authority in achieving the necessary improvements, the Secretary of State is minded to exercise powers under section 15 of the 1999 Act to appoint a team of Commissioners to work intensively with the Authority and who will have the powers to exercise specific functions of the Authority. Commissioners will have responsibilities and expertise covering corporate and political leadership, governance, finance and transformation, and where appropriate will work alongside any service-specific advisors and support provided. The intention is that the Authority should continue to lead and deliver its own improvement wherever possible, with Commissioners providing oversight, challenge and support and exercising their powers to secure improvement. To support the progress required, the Secretary of State is also minded to appoint a Political Commissioner as part of the Commissioner team. The Political Commissioner will not have the power to exercise

functions of the Authority, but the Authority will be directed to work with them under section 15 of the 1999 Act.

14. In addition, the intervention package sets out a number of actions your Authority would be directed to take. The proposed Directions would be in place for three years.
15. In the event that the Commissioners are dissatisfied with the progress, engagement or commitment of the Authority in relation to this intervention package, they will report this to the Secretary of State; upon which the Secretary of State will consider what further measures may be necessary to secure the Authority's compliance with its Best Value Duty. Equally, if the Commissioners are satisfied that the Authority is improving at a rate faster than anticipated, the Secretary of State will consider de-escalation.

ACTION THE AUTHORITY IS REQUIRED TO TAKE

In this Annex, the following expressions have the following meanings –

“the Authority” includes the Mayor of the Council, the Cabinet, members of the Cabinet, any committee or sub-committee of the executive, any committee or subcommittee of Bedford Borough Council, any officer of Bedford Borough Council or any other person who has responsibility for exercising the function or other decision making in relation to the matter in question.

“Commissioners” includes all Commissioners appointed by the Secretary of State, including the Political Commissioner.

Directions to the Authority

The actions to be taken by the Authority are:

1. To develop and implement a comprehensive Improvement and Recovery Plan, in a timely manner and to the satisfaction of Commissioners, with resource allocated accordingly. This should be properly considered by Group Leaders before implementation to ensure shared understanding and ownership of its objectives and actions. The Plan should integrate all improvement activity, including relevant contents and recommendations, including from the Best Value Inspection report published on 15 October 2026 and the July 2025 CIPFA financial resilience and governance review, and existing improvement and action plans, to deliver rapid and sustainable improvements to secure compliance with the Best Value Duty. It should, as a minimum, include the following actions and workstreams:
 - To secure improvements in financial sustainability, including closing any short- and long-term budget gaps across the period of the MTFS and delivering a robust, multi-year savings and transformation programme.
 - To secure improvements in leadership, governance, and organisational culture, including effective, transparent and timely decision-making, effective scrutiny, clear accountability, constructive member-officer and member-member relationships, and ensuring members and officers understand and operate within their respective roles.
 - To secure improvements in performance management and assurance, including effective use of financial and operational information to support decision-making, learning and corrective action.
 - To ensure sufficient capacity, capability and appropriate expertise, to deliver and sustain improvement at pace.

- To secure continuous improvement across all services, including through transformation and reconfiguring services where necessary to align with the Authority's available financial resources, and the delivery of service-specific improvement plans.
2. To work with and to the satisfaction of Commissioners to review the Authority's existing improvement governance arrangements, including the Improvement and Assurance Panel, and ensure an effective and proportionate governance architecture is in place to oversee delivery of the Improvement and Recovery Plan, with appropriate member oversight and challenge, and independent external expertise.
 3. To undertake, alongside the development of the Improvement and Recovery Plan, a comprehensive review of the Authority's capacity and capability, including its corporate and service functions, and promptly address any gaps identified, including by ensuring there is a suitable dedicated and permanent improvement lead as well as relevant transformation expertise in place, to ensure the Plan can be delivered at pace and sustained.
 4. To report to the Commissioners on progress against and delivery of the Improvement and Recovery Plan at six-monthly intervals, or at such intervals as Commissioners may direct. The Council should ensure Group Leaders consider and discuss such reports prior to submission, and that the reports include consideration of progress made and whether the Plan remains fit for purpose. The Council should maintain regular engagement with the Commissioners outside the formal reporting cycle on progress, risks and emerging issues relating to the Plan.
 5. To undertake in the exercise of any of its functions any action that the Commissioners appointed under section 15(6) of the 1999 Act may reasonably require to avoid, so far as practicable, incidents of poor governance or poor financial governance that would, in the reasonable opinion of the Commissioners appointed under section 15(6) of the 1999 Act, give rise to the risk of further failures by the Authority to comply with the Best Value Duty.
 6. To allow Commissioners at all reasonable times such access as appears to the Commissioners to be necessary, including:
 - a. to any premises of the Authority;
 - b. to any document relating to the Authority; and
 - c. to any employee or member of the Authority.
 7. To provide Commissioners, at the expense of the Authority, with such reasonable amenities and services and administrative support as

Commissioners may reasonably require from time to time to carry out their functions and responsibilities under these Directions.

8. To pay the Commissioners reasonable expenses, and such fees as the Secretary of State determines are to be paid to them.
9. To provide the Commissioners with such assistance and information, including any views of the Authority on any matter, as they may reasonably request.
10. To co-operate with the Secretary of State for Housing, Communities and Local Government in relation to implementing the terms of these Directions.

FUNCTIONS OF THE AUTHORITY TO BE EXERCISED BY THE COMMISSIONERS WITH POWERS TO EXERCISE FUNCTIONS

In this Annex –

“the Authority” includes the Mayor of the Council, the Cabinet, members of the Cabinet, any committee or sub-committee of the executive, any committee or subcommittee of Bedford Borough Council, any officer of Bedford Borough Council or any other person who has responsibility for exercising the function or other decision making in relation to the matter in question.

“Commissioners” means the Commissioners appointed under section 15(6) of the Local Government Act 1999.

“Statutory Officer” means any of: the Head of Paid Service designated under section 4(1) of the Local Government and Housing Act 1989; the Chief Financial Officer designated as having responsibility for the administration of the Authority’s financial affairs under section 151 of the Local Government Act 1972; the Monitoring Officer designated under section 5(1) of the Local Government and Housing Act 1989; and the Scrutiny Officer designated under section 9FB of the Local Government Act 2000 (and the expressions “statutory officer” and “statutory office” are to be construed accordingly).

“Senior positions” are defined as the Chief Executive, direct reports to the Chief Executive and their direct reports – tiers one, two and three.

The Commissioners shall be able to exercise:

1. All functions associated with the governance, scrutiny and transparency of strategic decision making by the Authority, including those relating to the approval, amendment or withdrawal of the Authority’s governance instruments, policies and procedures.
2. The requirement from section 151 of the Local Government Act 1972 to make arrangements for the proper administration of the Authority’s financial affairs, and all functions associated with the strategic financial management, financial governance and scrutiny of financial decision making by the Authority, to include:
 - a. providing advice, challenge and oversight on financial sustainability, preparation of annual budgets, delivery of savings, and the development and implementation of a robust medium term financial strategy (MTFS), including closing identified budget gaps and ensuring timely corrective action;
 - b. scrutiny of financial and performance information, all in-year amendments to annual budgets and significant financial decisions, including

- procurement and contract management, and advising on financial delegations and associated controls;
- c. the power to propose amendments to budgets where Commissioners consider there is a clear risk to the Authority's ability to fulfil its Best Value Duty;
 - d. ensuring compliance with all relevant financial requirements.
3. All functions associated with the development, approval and implementation of the Authority's transformation programme to achieve value for money, financial sustainability, and improved service outcomes, including operating model changes, corporate restructures and service transformation proposals.
 4. All functions relating to the appointment and dismissal of persons to positions the holders of which are to be designated as senior officers and statutory officers, and the designation of those persons as senior officers or statutory officers, to include:
 - a. The functions of designating a person as a senior officer or statutory officer and removing a person from a senior position or statutory office.
 - b. The functions under section 112 of the Local Government Act 1972 of:
 - i. appointing and determining the terms and conditions of employment of an officer of the Authority, insofar as those functions are exercised for the purpose of appointing a person as an officer of the Authority principally in order for that person to be designated as a senior officer or statutory officer; and
 - ii. dismissing any person who has been designated as a senior officer or statutory officer from his or her position as an officer of the Authority.
 5. All functions to define the officer structure for the senior positions, to determine the recruitment processes and then to recruit the relevant staff to those positions.
 6. All functions pertaining to the development, oversight and operation of an enhanced performance management framework for officers holding senior positions.