BEDFORD
BOROUGH COUNCIL

Annual Governance Statement

2025/26

Contents

Executive Summary, Conclusion, and Approval of the AGS

The Annual Governance Statement (AGS) is a statutory document, which assesses the governance arrangements in place to enable us to carry out our functions effectively. Regulation 6(1b) of the Accounts and Audit Regulations 2015 requires all relevant bodies to conduct a review of the effectiveness of the system of internal control and prepare an AGS. The AGS reports publicly on the effectiveness of governance and internal control arrangements and how we have complied with our Local Code of Corporate Governance, including how we monitors effectiveness.

To be successful, we must have a solid foundation of good governance, sound financial management and internal controls. Our Local Code of Corporate Governance ensures that we are doing the right things, in the right way, in line with our values. The Code is supported by a Governance Framework that sets out how and what we will seek to obtain assurance on. A copy of our **Local Code of Corporate Governance** and **Governance Framework** are available on our website.

Governance Conclusion

This Annual Governance Statement assesses the governance arrangements that were in place during 2025/26. The Statement is intended to provide reasonable assurance. No system of control can provide absolute assurance against material misstatement or loss.

The Governance Framework was in place at Bedford Borough Council for the year ended 31 March 2026 and up to the date of approval of the annual statement of accounts. Overall, the Council's governance arrangements remain fit for purpose, however review of our governance arrangements is in the scope of the Best Value Inspection, which is currently ongoing, and this may raise some actions to address.

Progress is being made to address the governance issues identified at pages 10-11 of this Statement, which have required significant strengthening to our governance arrangements to address a significant financial challenge and improvement agenda. Pages 12-15, and the action plan on pages 34-39 detail the actions we have taken in 2025/26 to improve our Governance, and where it still needs to improve.

Approval of the Annual Governance Statement

The Mayor and Chief Executive both recognise the importance of having a solid foundation of good governance, sound financial management and internal controls. We confirm we have been advised of the implications of the review by Senior Management and the Audit Committee and are satisfied that the steps outlined in this document address the areas for improvement. Through the actions referred to in the Action Plan on pages 34-39, we have addressed the issues that have been identified. These steps identify the improvements needed and we are monitoring their implementation and operation as part of our next annual review.

Signed on behalf of Bedford Borough Council:

Tom Wootton, Elected Mayor
…… December 2026

Laura Church, Chief Executive
…… December 2026

About Bedford Borough Council

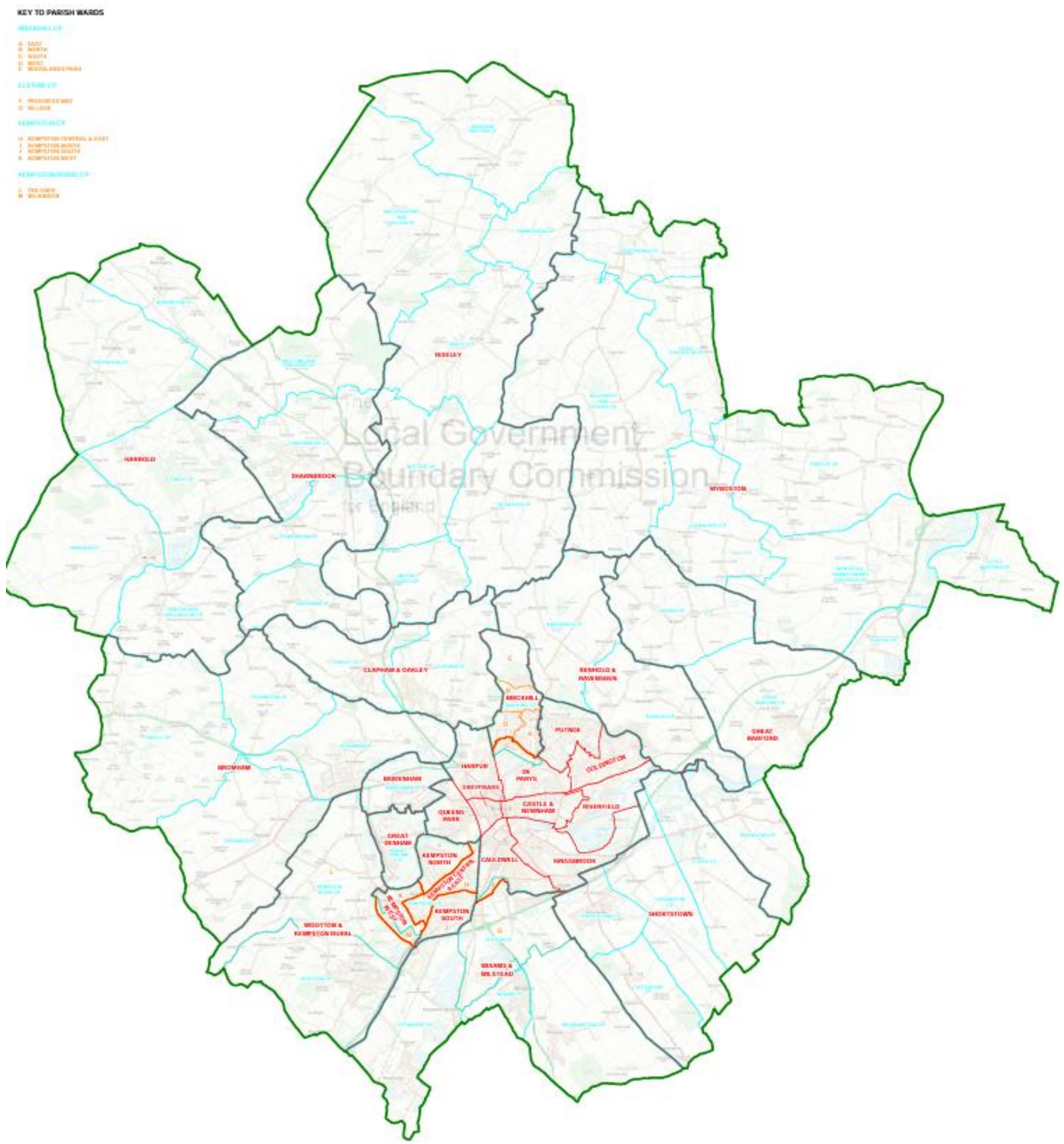
Bedford Borough Council is a Unitary Authority with a directly elected Mayor. The present Mayor was elected in May 2023 for a four-year term. The Mayor has executive powers and selects councillors to be in his Cabinet. Each Cabinet member takes on a portfolio of responsibilities for particular service areas.

In May 2023, the Borough elected 46 councillors for a four-year term to represent the 28 local wards across urban and rural parts of Bedford Borough. Across the borough, there are also 47 parish and town councils. Following the election in May 2023, and in by-elections since, the make-up of the Council is as follows, as at May 2026:

Party	Seats
Conservatives	15 **including the Mayor*
Liberal Democrats	13
Labour	12
Green	4
Independent	3

Following the new administration in May 2023, the Council developed a new Corporate Plan for 2024/25 – 2027/28 which is accompanied by a performance framework to monitor the delivery of the Plan. The final **Corporate Plan** was agreed by Full Council on 27 November 2024, setting out the Council's four key priorities:

- Supporting Individuals and Families
- Protecting the Environment
- Stimulating Economic Growth in Bedford Borough
- Promoting Health and Wellbeing



Financial Position

We faced significant financial challenge in 2025/26. Our gross expenditure budget for 2025/26, set on 5 February 2025, was £449.8 million. The net budget was £177.6 million, funded by:

- Government Grant - £7.8 million
- Business Rates - £44.8 million
- Council Tax - £125.0 million

The savings target for 2025/26 was £10.5 million, of which £5 million was achieved. The overspend for the 2025/26 financial year is £17.7 million. Usable reserves were £14.2 million as at 31 March 2026.

2025/26 saw demand-led pressures in Children's Services, Adults Social Care and Housing Benefit. Providing support for the most vulnerable residents, and good quality services for all, remains our priority.

On 25 February 2026, we agreed a gross budget for 2026/27 of £492.5 million and a net budget of £228 million, requiring savings of £18.9 million. Exceptional Financial Support (EFS) of £25 million has been approved by the government to support the budget, plus £33 million due to the risks around Wixams Station. EFS of £22 million was also received for 2025/26. The total savings target for 2026/27 is £18.646m, with approximately £8m already realised.

We will continue to face financial challenge in the coming years, with a budget gap of £27m in 2027/28 and a cumulative gap of £58.6m by 2029/30. Sound financial governance is a critical priority, requiring all areas to work together to manage demand and deliver savings.   The Executive Director of Resources (EDoR-CFO) most recent Section 25 Report to Full Council, on 4 February 2026, highlighted key risks including demand pressures, particularly in Temporary Accommodation and Adults and Children's Social Care, Housing Benefit, national living wage increases and changes to employers National Insurance Contributions.

The Improvement Plan

The Council CFO's Section 25 report, in February 2025, included a recommendation to carry out a Resilience Review during 2025/26 in light of the diminishing level of revenue reserves.   CIPFA completed this review in August 2025. One of the key actions was to develop an overarching Improvement Plan to establish how the Council will maintain financial sustainability in 2025/26 and beyond.

Our **Improvement Plan**, approved by the Executive in January 2026, is structured around four clear aims, each with a Senior Responsible Owner (SRO):

1. A Council with a clear vision, direction and positive culture focused on best meeting the needs of our community.
2. A Council fit for the future with an engaged and focused workforce delivering services that are efficient and focused on effective transformation to achieve the best possible outcomes.
3. A Council which is financially sustainable and resilient with good practices embedded.
4. A Council focused on transforming through implementing the Improvement Plan, building on success and achievements, ensuring that the Council is well run and that Members and officers understand their respective roles.

The Plan is reviewed through an Executive Improvement Board with each project allocated a RAG rating based on timescales for delivery, and where appropriate financial savings. This is a monthly meeting to mirror the monthly reporting to the new **Finance and Improvement Committee**, established in April 2026. The Governance Framework for the Improvement Plan is shown at page 8, including an Independent Improvement and Assurance Panel.

We were notified by the Ministry of Housing, Communities and Local Government, on 10 February 2026, that a best value inspection would take place between February and June 2026 (see page 32).

Local Code of Corporate Governance

Scope of Responsibility

Bedford Borough Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money allocated to it is safeguarded, properly accounted for, and used economically, efficiently and effectively in accordance with the Local Government Act 1999 and to also make arrangements to secure continuous improvement in the way in which its functions are exercised. In discharging this overall responsibility, we are responsible for putting in place proper arrangements for the governance of its affairs, facilitating the effective exercise of its functions, including arrangements for the management of risk.

Members and senior officers are responsible for putting in place proper arrangements for the governance of the Council's affairs and the stewardship of the resources at its disposal. The Corporate Leadership Team (CLT), which comprises the Chief Executive and Directors supported by Statutory Officers (Section 151 Officer and Monitoring Officer), manage this task.

We have adopted a Local Code of Corporate Governance, which is consistent with the principles of the Chartered Institute of Public Finance and Accountancy (CIPFA), and Society of Local Authority Chief Executive's (SOLACE) Framework Delivering Good Governance in Local Government Guidance Notes for English Authorities 2016, and the May 2025 addendum. The Annual Governance Statement explains how we have complied with our Local Code and the requirements of the Accounts and Audit Regulations 2015, which requires all relevant bodies to prepare an Annual Governance Statement.

The Local Code of Corporate Governance was updated during 2025/26, approved by the Audit Committee in March 2026, and was ratified at Full Council on 1 July 2026. The Code was updated to reflect the Role of the Statutory Officers as detailed in the new ***Code of Practice on Good Governance for Statutory Officers***, published in June 2024, and also includes references to other recent guidance.

Our ***Local Code of Corporate Governance*** sets out the principles of good governance and describes the arrangements we have put in place to meet each of these principles:

Governance Framework

Annual Governance Statement
(Meets Accounts and Audit Regulations and is published with Annual Accounts)

Audit Committee
(Challenge the draft AGS and supporting evidence. Approve AGS)

Chief Executive and Corporate Leadership Team
(Challenge the draft AGS and supporting evidence)

Head of Audit
(Challenge Governance Statement etc.)

EDoR Section 151 Officer (CFO)
(Promote and Deliver Good Financial Management)

Monitoring Officer
(Legal and Ethical Assurance)

Code of Corporate Governance
(The Council’s commitment to good governance based on the principles of the CIPFA/SOLACE framework)

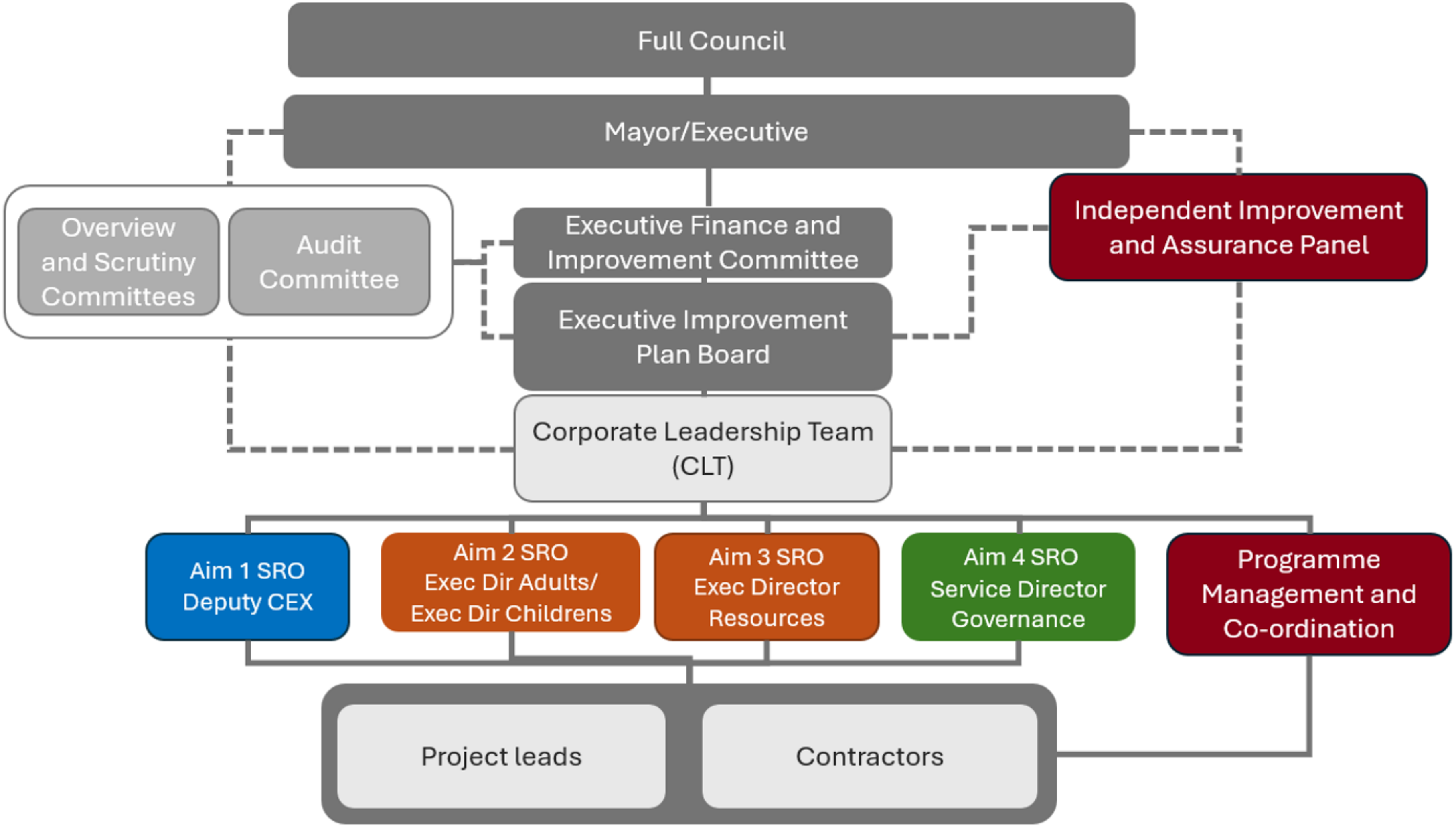
- Constitution
- Code of Conduct
- Scheme of Delegation
- Complaints/Feedback Process
- Equality and Diversity
- Standards Committee
- Complaint Summary Reports
- Public Consultations
- Local Government Ombudsman Report

- Corporate Plan
- Policies and Procedures
- Business/Service Planning
- Performance Results
- Manager’s Assurance Statements
- Monthly/Quarterly Performance Reports
- Committee Reports
- Annual Internal Audit Opinion
- Scrutiny Committee
- Statutory Officers Group

- Financial Management Framework
- Budget Monitoring Process
- Compliance with CIPFA Guidelines
- Medium Term Financial Strategy
- Treasury and Investment Strategy
- Capital Strategy/Strategic Asset Group
- Statement of Accounts
- Annual External Audit Report
- Financial/Contract Procedure Rules
- Procurement Board

- HR Policies Pay Policy
- Risk Management
- Corporate Risk Register
- Service Risk Register
- Staff Performance, Development and Review process
- Anti-Fraud and Corruption Policy
- Confidential Reporting Policy

Improvement Plan Governance Framework



The System of Internal Control

The governance framework described on pages 6-8 comprises the systems and processes, culture and values, by which the Council directs and controls its activities, and how it leads, engages with and accounts to the community it serves. It enables us to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate, cost-effective services.

Our governance framework addresses the way the Council is controlled and managed, both strategically and operationally, and how it will deliver its services. The Framework recognises that the Council's business focuses on its corporate priorities and seeks to facilitate delivery to local communities of the goals set out in the Corporate Plan.

We have designed systems and processes to regulate, monitor and control its activities to achieve its vision and objectives.

The system of internal control is a significant part of that framework; designed to manage risk to an acceptable level. It cannot eliminate all risks of failure to achieve our aims and objectives, but it seeks to provide reasonable rather than absolute assurance of effectiveness.

The system of internal control is designed to identify, prioritise and manage the risks to the achievement of our aims and objectives.

Review of Effectiveness

The Council has responsibility for conducting, at least annually, a review of the effectiveness of its governance framework including the system of internal control. This review is informed by:

- Assurance statements, completed by senior managers for each of their areas of control, acknowledging responsibility for risk management and internal control. These statements certify compliance with the arrangements throughout 2025/26, or identify areas of non-compliance or weakness, as well as highlighting areas of good practice;
- The work of the Corporate Governance Working Group, replaced during the year by the Statutory Officers Group, who have responsibility for the development and maintenance of the governance environment;
- The Annual Internal Audit Assurance opinion, as provided by the Head of Audit, Insurance and Risk. The Audit Committee relies on the work of Internal Audit to ensure there is an adequate and effective internal control environment. This remained a key source of assurance in 2025/26;
- Comments made by the external auditors and other review agencies and inspectorates; and
- The Audit Committee's work programme, which ensures that the elements of the governance framework are in place, to deliver compliance with the principles. An annual report of the Audit Committee for the full calendar year 2025/26 will be presented to Full Council in October 2026.

Key Governance Issues in 2025/26

The review of effectiveness described on page 9, including the review of senior managers' assurance statements, has identified the following governance issues that continue to be of primary focus in 2025/26. More details about the actions to address these are on pages 12-15 and in the Action Plan on pages 34-39.

Financial Resilience and Recovery
The overspend for 2025/26 was £17.7 million. Usable reserves are £14.2 million at 31 March 2026. Our net budget for 2026/27 is £228 million, requiring savings of £18.9 million, and Exceptional Financial Support (EFS) of £58 million.
We continue to face financial challenge in the coming years, with a budget gap of £27m in 2027/28 and a cumulative gap of £58.6m by 2029/30. Sound financial governance is a critical priority, requiring all areas to work together to manage demand and deliver savings. A multi-year settlement is helpful and plans are underway for this to feed into a multi-year draft budget. Adults and Children's social care continue to be the high demand areas.

Improvement and Transformation
Our **Improvement Plan**, approved by the Executive in January 2026, is structured around four clear aims, reviewed on a monthly basis through an Executive Improvement Board. The Governance Framework for the Improvement Plan is shown at page 8, including an Independent Improvement and Assurance Panel, and the new Finance and Improvement Committee, established in April 2026.
The Improvement Plan details a number of workstreams to facilitate the delivery of savings and improve governance.
Delivery of the Improvement Plan continues to move in a positive direction with over 25% of all actions now complete. The year ahead will bring significant activity and challenges especially around securing the savings required to achieve financial stability.

Adults Services Transformation
In 2025, the Care Quality Commission (CQC) assessed Bedford's Adults Services and graded them as "Requires Improvement" overall, with particular concerns in assessing need, safeguarding, and governance and leadership. Our **Adults Services Transformation Programme**, THRIVE, launched in April 2026, with its own programme governance structure, including an externally-led Improvement Board.

Children's Services Transformation
In July 2025, Ofsted inspected Bedford's Children's Services and graded them as "Requiring Improvement to be Good" across all areas.
A **Children's Improvement Plan** has been developed to address Ofsted's findings and improve key areas of practice, including a strengthened governance structure introduced in September 2025, including an externally-led Improvement Board.

Inward Investment and Infrastructure
In April 2025, it was announced that the Universal Studios theme park was going ahead, and construction began in January 2026. The impact will be transformative for Bedford Borough; bringing 28,000 new direct and indirect jobs, and billions in economic benefits, including up to 12 million annual visitors. 29 June 2026 saw the first meeting of the new Universal Project Overview and Scrutiny Committee.

In May 2026, we selected Cityheart as our preferred bidder to develop plans to regenerate Mayes Yard, including the former Debenhams site, into a mixed-use cultural and residential hub, forming part of our wider ambition to create a more connected, vibrant and sustainable town centre. We will work with Cityheart on a Development Agreement.

Procurement and Contract Management
In winter 2025/26, we underwent a peer review using the Commercial Continuous Improvement Assessment Framework. As expected, the CCIAF feedback, in April 2026, showed the Council as 'in development', and needing to make improvements across a range of procurement activities. An action plan is in place to enhance our support, documentation and training to improve this. A transformation team is being established to take forward these improvements.

Constitution review
Our Constitution is currently subject to a comprehensive review. Several documents have been reviewed by the Constitution Review Working Group, and these await formal adoption. A new Officer Scheme of Delegation for Executive Functions was approved by the Elected Mayor and this provides clarity on the decision-making power of individual officers.
However, the review is not complete and the approval of a new Constitution will be later than the originally anticipated date of May 2026.

Capacity and Vacancies
Due to significant financial challenges, numbers of staffing in some services have been reduced, along with the introduction of a recruitment freeze and limits placed on agency staff. This has had an impact on capacity, with less staff to service a growing Borough. This impacts on staff morale, workload pressures, and also impacts on front line service delivery. Staff burnout and retention are risks.

Recruiting staff for vacancies continues to be challenging. Staff retention is of concern, in some key areas such as finance, as we continue to lose staff to neighbouring authorities that offer more attractive packages. This in turn equates to losing valuable knowledge and experience, leading to dependency on agency staff.

Finance team capacity has been identified as a significant risk by the external auditors and provision to bolster key areas of concern have been included in the 2026/27 budget.

A detailed action plan is included at pages 34-39

How we have improved our governance in 2025/26

- **Financial Resilience and Recovery**:

  We developed a financial 'roadmap to recovery' in response to the CIPFA Resilience Review in August 2025, and put additional controls in place for reviewing spend including a Spend Control Panel and Recruitment Board. Budgetary control, monitoring, reporting and training has been strengthened. This roadmap is now included in the wider Improvement Plan which details a number of workstreams to facilitate the delivery of savings and improve governance. The Budget Strategy has been redesigned and reported to Executive, and progress has been made in restructuring the finance team to support the Council.

- **Improvement and Transformation**:

  We put a Stability Plan in place in April 2025, aligned to the medium-term financial plan. Many of these actions are ongoing.

  In August 2025, we set up the Informal Independent Improvement and Assurance Panel providing us with external advice including the Local Government Association, and robust challenge and monitoring of progress against the plan. The Panel is supporting the Chief Executive, strategic directors and elected members to maintain a strong focus on delivery. These meetings have continued monthly with their advice helping us to stay on course toward long-term financial stability, with valuable input from LGA representatives and member peer-review support.

  In January 2026, we published our Improvement Plan, consolidating the April 2025 Stability Plan and August 2025 financial roadmap into one clear plan, centred around four clear aims that will enable us to transform the way we operate in future. Also in January we established an Executive Improvement Board, which meets monthly, to monitor and drive delivery of the plan.

  In April 2026, the Executive established a Finance and Improvement Committee to give all members clear visibility of the progress being made in delivering our Improvement Plan and achieving savings targets. This committee also meets monthly, with ad hoc Executive Improvement Board short checkpoint meetings in between as necessary. All members have been given access to the live digital working project document hosted in SharePoint which is updated continuously. It offers a clear view of how the plan is progressing, including identified risks, actions taken, decisions made, and other key developments.

- **Adults Transformation:**

  As we continue to work through the challenges associated with delivering planned savings, we have partnered with Newton, a transformation specialist. The 'Thrive' Programme launched in April 2026, working with Newton, to strengthen oversight, deliver sustainable savings and support a more stable financial position.

  Engagement from the Executive Director of Adult Services and the wider team has been strong, helping to build the roles and structures needed to sustain progress. Early monitoring shows that we are beginning to realise some of the financial benefits.

- **Childrens Transformation:**

  In September 2025, we developed our Children's Improvement Plan, with a strengthened governance structure, providing clear accountability and oversight at every level, including an Improvement Board which commenced in November 2025 meeting every 6 weeks, a monthly Directors Assurance Board, fortnightly performance meetings and monthly practice meetings. The Service Director for Children's Services continues to provide regular updates on operational changes and emerging pressures, ensuring the Council remains sighted on key developments and efficiency savings within the service. Update meetings are held weekly between the Chief Executive, Executive Director of Resources and Executive Director of Children's. Improvements so far include focussed intervention on the quality and timelines of child protection visits and enquiries, better learning from identified weaknesses, reduction in unregistered placements, and implementation of new case recording software, streamlining administration.

- **Constitution Review:**

  We continued our comprehensive review of the Constitution during 2025/26. Completion is anticipated by October 2026. Several documents have been reviewed by CRWG, including Full Council Procedure Rules, Member Code of Conduct, Articles of the Constitution, Contract Procedure Rules, and these await formal adoption. A new Officer Scheme of Delegation for Executive Functions was approved by the Elected Mayor and this provides clarity on the decision-making power of individual officers. We have adopted a new Officer Code of Conduct, which forms part of the Constitution, to ensure it remains fit for purpose. A range of other documents have been reviewed and await consideration by their respective parent bodies prior to submission to the CRWG.

- **Inward Investment and Infrastructure:**

  The first meeting of the new Universal Project Overview and Scrutiny Committee was on 29 June 2026. This committee will oversee all matters relating to the Council's responsibilities and interests in the Universal Project, with a particular focus on maximising economic, cultural, and educational benefits, mitigating construction impacts, addressing infrastructure requirements, and considering the effects on local housing.

  The Bedford Town Centre Advisory Board has been established to provide us with strategic advice on issues of particular interest to businesses and stakeholders within the town centre, amid ongoing regeneration projects such as the redevelopment of Mayes Yard. The first meeting was 17 September 2025. The Board consists of 15 members including local business leaders, representatives from Bedford College, the police, the Mayor of Bedford, and ward councillors.

- **Capital Programme:**

  There is now increased oversight and monitoring of the capital programme, and capital receipts, through regular meetings with the Financial Services and Financial Sustainability Portfolio holder, the Mayor, and relevant officers, where Capital Programme delivery is reviewed. There are also regular meetings between Property, Finance and the Mayor, on property projects, including the delivery of capital receipts. Individual Project Boards are in place for some capital projects, where they are more significant.

- **Procurement and Contract Management:**

  We refreshed the Procurement Board in March 2026, with a collaborative approach between service leads and procurement and commissioning colleagues. Off-contract spend is analysed alongside other compliance analysis, and presented at Procurement Board with mitigation actions. The new Contracts Register is more dynamic, and is having a positive effect on compliance and timely delivery of procurement projects and re-procurement of existing contracts. Contract Procedure Rules have been reviewed and updated to bring them in line with the Procurement Act 2023, and these were presented to the CRWG on 21 May 2026.

- **Information Governance**:

  The Information Governance Board now meets quarterly, since the appointment of the new Director of Governance in 2025.

  The updated version of the Knowledge and Information Governance Strategy has now been published. This is a strategic framework that sets out how we manage, protect, share, and use knowledge and information. Its purpose is to support effective decision-making, enhance service delivery, ensure legal and regulatory compliance, and promote transparency and public accountability.

  We have developed a high level technology roadmap, outlining how the Digital, Data and Technology team has worked with services to establish a clear baseline and identify opportunities for technology driven transformation.

- **Performance Management:**

  We have established a Key Performance Indicators Officer Working Group, and they continue to make progress on implementing the recently procured '*itelligent-i*' software. This system will automate the collection and reporting of key performance indicators, supporting more efficient and consistent performance management across the Council.

- **Capacity and Vacancies**:

  Capacity is a key focus of aim 2 of the Improvement Plan. A vacancy savings review has been underway to remove vacant FTE from the establishment to contribute towards a £4.2m workforce saving as part of the Improvement Plan. A recruitment moratorium is in place to ensure recruitment is only progressed in exceptional circumstances, however exempt categories include Finance and Social Work.

  Where recruitment is agreed, it is generally successful. Dependency on agency has reduced significantly over the last 12 months, with 61 conversions from agency worker to permanent staff in 2025/26.

Where our Governance still needs to improve

- **Financial Resilience and Recovery:**

  The Section 25 Report highlighted the need for a longer-term transformation plan to set out a roadmap to financial sustainability. The Budget Strategy presents a timeline for the 2027/28 and 2028/29 budgets which will need to set out the clear steps to deliver financial sustainability, eliminating the need for exceptional financial support.

- **Adults Transformation:**

  Following the CQC assessment outcome, we submitted our Improvement Plan to the Department of Health and Social Care by the deadline of 18 June 2026, to be reported on three monthly thereafter, and established an Improvement Board to oversee delivery. The first Improvement Board meeting was on 8 June 2026. The Board includes an independent chair, an Improvement Adviser appointed by the Minister for Care, senior leads, external partners, Portfolio Holder for Adults, the Chair of the Adult Services Overview and Scrutiny Committee and the Chief Executive.

- **Constitution Review:**

  The Constitution review is not complete. A range of documents have been reviewed and await formal approval. Terms of Reference of Committees, other Schemes of Delegations to Officers and other significant documents will be subject to review as part of the final phase. The comprehensive nature of the review has led to the final approval of a new Constitution being later than the anticipated date of the Annual Meeting in May 2026, partly due to extensive consultation with relevant groups.

- **Capital Programme:**

  Capital forecasting requires additional focus from capital scheme owners, including capital receipts and funding and the impact of decisions around receipts on the delivery of the programme.

- **Procurement and Contract Management:**

  The CCIAF feedback report in late April 2026, showed the Council as 'in development' and requiring improvement across a number of areas. This report has been used to create an action plan with a dashboard to update CLT and the Procurement Board. There are considerable weaknesses in contract management across services and the SCP team will be developing support, documentation and training to improve this. The structure of the current SCP team is being reviewed.

- **Information Governance**:

  The existing Corporate Records Management Policy is out of date and requires review and update, including linkage to an updated retention and destruction framework. This has been delayed due to capacity in the team.

  Both the Care Quality Commission assessment in Adults, and the Ofsted inspection in Childrens raised weaknesses around in consistencies in data quality, and out-of-date data. This impacts performance management, and appropriate decision making. The introduction of the recently procured *'itelligent-i'* software, will help to address the weaknesses in data quality.

- **Capacity and Vacancies**:

  There are hard to fill roles in Finance, Social Work and other service areas, impacting on capacity, staff morale, workload pressures, and front line service delivery. Restructures to include investment and increase capacity are underway.

  Although some vacancies in the Finance team (at Management Accountant and Financial Advisor level) have been successfully recruited to within 2025/26, The finance team has continued to experience difficulties in recruiting high quality staff, and this is an area of focus, with a restructure of the team to restore capacity, forming a key workstream in aim 3 of the Improvement Plan. This restructure of the finance team has been designed and the consultation is due to be launched by the end of June. The restructure will strengthen senior management capacity and add additional resource across both business partnering and corporate finance.

  Capacity also needs strengthening in the legal team to address caseloads associated with Children's Services where it has been necessary to rely upon agency staff.

The Role of the Statutory Officers

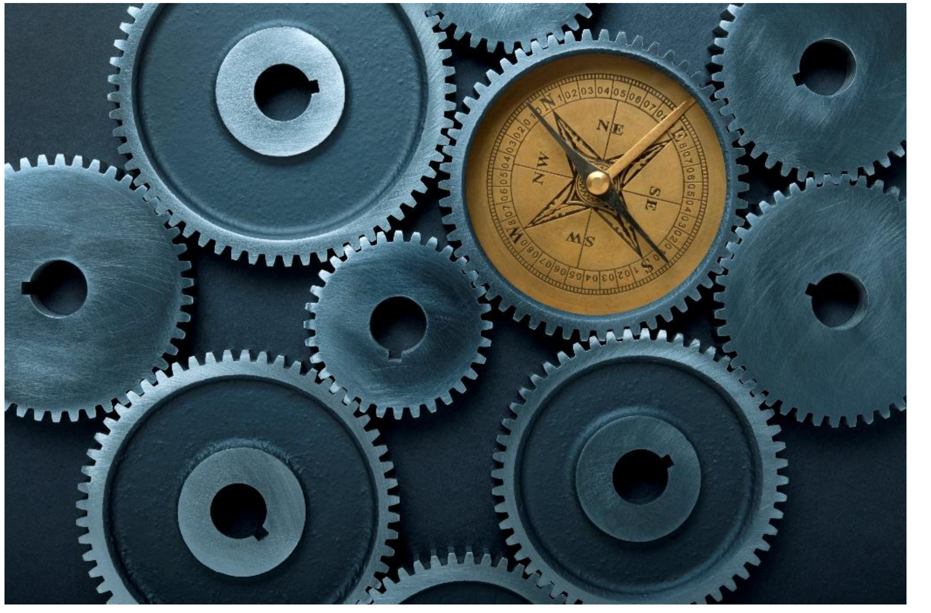
The Council's Chief Executive, Executive Director of Resources (s151 Officer), and Monitoring Officer are the statutory officers with direct responsibility for corporate governance. Other statutory officer posts may have specific responsibilities for governance within their service areas.

The *Code of Practice on Good Governance for Statutory Officers* was published in June 2024. In accordance with this Code, the statutory officers work together to ensure that the Council has in place effective administrative, financial, and ethical governance in the exercise of its functions. The officers will advise on governance matters clearly with impartiality and integrity.

The Code sets out seven standards which the statutory officers will follow to support them in engendering sound and effective governance across the Council. These standards are to:

1. Understand Governance: Roles and responsibilities
2. Act Wisely: A duty of enquiry & the exercise of statutory functions
3. Lead Ethically: The Seven Principles of Public Life
4. Act Effectively: Robustness in working arrangements
5. Resource the Roles: Get the tools to do the job
6. Build Resilience: Deputies and development
7. Deliver sound decision making: The outcome of good governance.

Further guidance, *The Golden Triangle: Governance Roles and Responsibilities*, was published in August 2025 to help maximise transparency, clarity, and understanding around professional duties at a time of major change within local government.



Regular meetings between the Chief Executive, the Section 151 Officer and the Monitoring Officer (the quarterly Statutory Officers Group) have continued in 2025/26 to ensure their specific responsibilities are considered.

Whilst the assurances mentioned on page 9 have been obtained from senior managers, to support the conclusion that the Council's governance arrangements are adequate and effective, it is important that the specific assurances from the Council's statutory officers, on the following pages, be considered to support this Annual Governance Statement.

Chief Executive

The Chief Executive is the Council's Head of Paid Service and is responsible for ensuring that functions are properly co-ordinated and that the staffing and management arrangements are fit for purpose.

In July 2026, the Council was able to make a permanent Director of Governance appointment (Monitoring Officer) and this has ensured that there has been significant progress on updating the Constitution and supporting the work of the Constitution Review Working Group.

Regular meetings between the Chief Executive, Monitoring Officer and the Section 151 Officer have continued and strengthened. The "Golden Triangle" have worked to continue develop practice in line with the latest guidance. The Statutory Officers Group has been in place over the last year and has provided overall assurance developed to support the Chief Executive, Monitoring Officer and s151 officer, with overall governance and compliance oversight covering data, HR and risk management.

2025/26 was a significant challenge with the significant overspend in Childrens Services and the overall level of assurance on the delivery of Savings. These will continue to be issues in the 2026/27 financial year but with the need for suitable mitigation.

On wider staffing issues there was a long term vacancy in Adults Services but a Service Director appointment was made and has been in post for a number of months. Wider capacity in finance has also been included in the 2026/27 budget.

The Council also needs to respond to challenges in both the OSTED and CQC inspection around data collection and analysis and action has been taken.

It is also important to reflect that the Council has been the subject of a Best Value Inspection during 2025/26 and will need to respond appropriately to any recommendations and directions.

During 2026/27 key priorities for the Chief Executive relating to Governance are:

- Ensuring financial stability for the Council;
- Responding to the recommendations of the Best Value Inspection; and
- Ensuring that the AGS Action Plan is delivered.

The Chief Executive has considered these responsibilities within the context of this Statement and can confirm that the Council has proper arrangements in place for the overall operation and management of the Council.

Executive Director Of Resources (EDoR) CFO/s151

The EDoR (CFO) role is responsible for the development and maintenance of the Council's financial governance, risk and control frameworks, ensuring that financial decision-making is both lawful and prudent. The EDoR is also responsible, in accordance with Section 151 of the Local Government Act 1972, for the proper administration of the Council's financial affairs. The EDoR has considered these responsibilities within the context of this Statement and can confirm that the Council's arrangements meet the requirement to be proper as set out in Section 151 of the Local Government Act 1972. Additionally, the Council complies with the governance requirements of The CIPFA Statement on the Role of the Chief Financial Officer (CFO) in Local Government (2016) and the CIPFA Code of Practice on Local Authority Accounting for 2025/26.

The EDoR presented the annual report on the adequacy of the current arrangements for the proper financial administration of the Council, for 2025/26, to the Audit Committee on 21 July 2026. This included a description of the key controls in place.

The governance arrangements and system of internal control aim to provide as much assurance as is reasonably possible (not absolute assurance) that assets are safeguarded, transactions are properly authorised and recorded, and that material errors or irregularities are either prevented or can be detected promptly. The EDoR, in conjunction with the Finance Management Team, has reviewed the governance and effectiveness of the systems of internal control, informed by:

- Regular scrutiny of financial and performance monitoring data;
- Internal audit reports on the systems of internal control; and
- Self-assessment of the arrangements supporting the AGS.

The Council's new external auditors, KPMG, issued a disclaimed opinion for the financial year 2024/25 in February 2026 in line with the delayed statutory deadline. KPMG identified two significant weaknesses in their Value for Money judgement:

- Fully embed the Improvement Plan within the operations of the Council in order to establish a sustainable financial footing in the medium term; and
- Undertake a full review of the finance structure to identify where further resource is required in order to build sufficient capacity to respond to the increased demand of the team.

Both of these matters are being fully addressed in 2026/27. The Improvement Plan is a living document, reviewed on a fortnightly basis and reported to the Executive Board and Finance and Improvement Committee. An investment to strengthen the Finance Team was included in the 2026/27 and a staff restructure is underway which was issued for consultation in June 2026.

The EDoR is satisfied that internal control systems in operation during 2025/26 were adequate and effective, and that progress is being made to address the issues raised in the last AGS. The Action Plans to resolve the concerns on contract management are progressing, and investment in this area will see improvements in the coming year.

The 2025/26 Budget position reported in-year showed the Council was continuing to manage significant demand pressures. Some areas of concern in 2024/25 such as Agency Staff and Temporary Accommodation have been brought under control.

The overspend including Cleat Hill Emergency was £17.7 million, which is primarily related to Children's placements and the cost of agency staff to cover vacant posts. Children's Services ended the year £14.3 million overspent, equal to 30% of the Children's budget. Reductions in the number of children in our care seen in 2024/25 was not maintained, and currently the number of looked after children stands at a peak of 306. A targeted programme to reduce the number of children in residential placements that will improve outcomes for children at a reduced cost is underway.

Managing the budget dominated the financial year, spending and recruitment controls continued to be in place and are likely to continue for the remainder of this financial year.

Following discussions with MHCLG the Council applied to the Government for Exceptional Financial Support for 2025/26 of £20 million plus £2 million relating to Cleat Hill to avoid issuing a Section 114 Notice. This application was approved in principle in February 2026. The Council will apply to MHCLG to retain the unused EFS to strengthen resilience by increasing the General Fund Balance to within the risk assessed range which was planned for 2026/7 and 2027/8.

Full Council agreed the budget for 2026/27 on 18 February 2026, including investments of £18.3 million and service efficiencies of £18.6 million. MHCLG agreed in principle an application for Exceptional Financial Support recognising the demand challenges the Council faces of £25 million to support the revenue budget. A further £33 million was approved to manage the risk relating to the Wixams Station, as costs incurred in building the two-platform station may not contribute to the new four platform project. The Council is awaiting information on the new station from DFT to assess the potential impairment.

On 7 January 2026, the Executive agreed an outline Improvement Plan setting out the direction of travel and governance framework Work is progressing on the detailed programmes and projects to deliver the Plan.

The Council has established an Independent Improvement and Assurance Panel (IIAP) to provide external advice, challenge, and expertise in driving forward the development and delivery of the recovery plan.

Full Council did not agree a Medium-Term Financial Strategy during the financial year; however the latest forecast was reported to Full Council in February 2026 identified a gap of £27.6 million in 2027/28 and £32.4 million to 2029/30 after planned savings.

The introduction of three-year budgets with the financial settlement in February 2026 has brought some stability to plan for the future, albeit within a lower resource envelope. As a result the Council is developing a two-year budget for 2027/28 and 2028/29 as part of the Improvement Plan.

The Council recognises the difficult financial environment and that it needs collective endeavour from Members and Officers to reshape the organisation to meet the short and medium-term challenges.

Monitoring Officer

The Council's Monitoring Officer is a statutory post with responsibility for the legal governance of the authority. The Monitoring Officer is required to report to the Council in any case where it appears that any proposal, decision or omission by the Council and/or Executive has given rise to or is likely to or would give rise to any contravention of any enactment, rule of law or code of practice or maladministration or injustice in accordance with Sections 5 and 5A of the Local Government and Housing Act 1989.

The Monitoring Officer has considered these responsibilities, within the context of this Statement, and to the best of their knowledge has no significant concerns to report and has had no reason to submit a report in accordance with the above. The current Monitoring Officer was appointed in July 2025.

The Monitoring Officer has responsibility for dealing with complaints about the standards of conduct of borough and parish/town councillors and also the Bedfordshire Police and Crime Commissioner in accordance with agreed procedures.

The Council's Executive continued to operate as a minority administration, however two additional members, one conservative and one independent, were appointed to the Executive during 2024/25.

There was an increase in the use of the "call-in" process to review Executive decisions, with four decisions being called in for scrutiny during 2025/26.

The Monitoring Officer has responsibility for keeping the Council's Constitution updated. In 2025/26, the Constitution Review Working Group reviewed and updated further parts of the Constitution. This included an important update to clarify the role and remit of the Full Council when called on to exercise the overview and scrutiny function associated with Call In. The review of the Constitution has continued in 2025/26, supported by external expertise and resources and the Monitoring Officer is in the process of comprehensively reviewing the document in its entirety with the support of the Constitution Review Working Group.

The Monitoring Officer is satisfied that the Council has robust processes for decision-making, but any required changes to strengthen the Council's governance will be identified and addressed as part of this review. The Standards Committee agrees a programme of work each year and during 2025/26 there were no significant matters highlighted for consideration by the members.

In accordance with the Constitution, the Standards Committee monitors standards of conduct of Members and advises the Council, where necessary, on probity issues.

Based upon the complaints received and dealt with over the year, the Monitoring Officer is not aware of significant concerns regarding Borough Council Member conduct with a small number of complaints having been received. The majority of complaints received relate to the conduct of Parish or Town Councillors but none of the allegations made have been significant enough to warrant formal investigation.

The Monitoring Officer has recognised the improvements that have been made in information governance, but further improvement remains a priority and will be supported by the re-establishment of the Information Governance Board.

Head of Audit

In accordance with the Accounts and Audit Regulations 2015 and the Global Internal Audit Standards in the UK Public Sector (GIAS UKPS), the Head of Audit, Insurance and Risk is required to provide independent assurance and an opinion on overall adequacy and effectiveness of the Council's framework of governance, risk management, and control. The internal audit service delivers an annual programme of risk-based audit activity, including counter-fraud and investigation activity and makes recommendations for the improvement of governance, risk management and internal control.

The Audit Committee approved the Internal Audit Plan for 2025/26 in March 2025. The Head of Audit, Insurance and Risk is satisfied that sufficient work has been undertaken during 2025/26 to draw a reasonable conclusion on the adequacy and effectiveness of the Council's arrangements to manage its systems of internal control and its governance processes, including risk management.

During 2025/26, the Council continued to experience significant financial pressures culminating in a budget overspend of £17.7 million. This was largely driven by increased costs of Children's External Placements and Adult Social Care. This is indicative of Local Government generally across the country, with other Councils also experiencing similar financial challenges. The Council received Extended Financial Support from MHCLG of £22 million for 2025/26 and £58 million to enable a balanced budget to be set for 2026/27.

To address the financial challenges, an Improvement Plan was approved by the Council in January 2026, which resulted in new and strengthened Governance and Risk Management arrangements to monitor the delivery and implementation of the plan. This includes an Independent Improvement and Assurance Panel to provide rigour and appropriate challenge. In addition, an Executive Finance and Improvement Committee was set up in April 2026.

The Head of Audit's annual report for 2025/26 to be presented to the Audit Committee on 21 July 2026, includes an opinion on the effectiveness of these arrangements:

"*Based on the findings of audit reviews conducted during 2025/26, together with evidence from other assurance providers and consideration of the Council's current operating environment, it is my opinion that Bedford Borough Council's governance, risk management, and internal control framework is 'Reasonable'.*

Audit work has demonstrated that controls are generally effective and operate as intended. Identified weaknesses are limited to specific service areas and do not reflect widespread failures within the control environment. Internal Audit has collaborated with management to implement remedial actions and set agreed timelines for resolution.

Internal audit work has been performed in accordance with the Global Internal Audit Standards in the UK Public Sector, CIPFA Application Note, and the CIPFA Code of Practice for the Governance of Internal Audit in UK Local Government."

It should, however, be noted that all risks of failure cannot be eliminated, and the assurance given is therefore reasonable and not absolute.

Four key financial systems, 12 corporate audits, 7 service risk-based audits, and 10 schools have been audited in 2025/26, with 6 audits still being completed at the time of writing. Audit reports were provided to management and outcomes reported to Audit Committee.

At the June 2025 Audit Committee, there were two high priority recommendations still outstanding from 2024/25, relating to the Section 106 Contributions audit, which are now complete. A further two high priority recommendations, also for 2024/25, were presented to the September 2025 Audit Committee, relating to Rent and Lease reviews of Council commercial property. Implementation of the recommendations continues to be monitored by the Audit Committee.

For 2025/26, five 'Limited' Assurance audit opinions were issued, for the following audits:

- Financial Resilience
- Efficiency Plan Savings
- Capital Receipts
- Adults Social Care Payments
- Looked after Children's External Placements Costs.

Eight High Priority recommendations were made as a result of these audits. Implementation will be monitored by the Audit Committee.

Internal Audit assessed the Council's corporate governance arrangements by measuring them against the requirements of the governance framework outlined in the CIPFA/SOLACE publication "Delivering Good Governance in Local Government". This included an audit of the Council's Risk Management and Performance Management arrangements, both of which received a Substantial Assurance audit opinion. The Risk Management Policy Statement Strategy was updated during the year and approved by Executive in July 2025. The operational risk registers were also all updated during 2025/26. The Strategic Risk Register was also received and reviewed by the Executive at its July 2025 meeting.

During 2025/26, Internal Audit completed a self-assessment of its compliance with the new *Global Internal Audit Standards in the UK Public Sector* (GIAS-UKPS) and the new *CIPFA Code on The Governance of Internal Audit*, which took effect in the UK Public Sector from 1 April 2025.

The self-assessment confirmed general conformance with GIAS(UKPS) and the Code, which was validated by an External Quality Assessment (EQA) in June 2026, and was reported to the Audit Committee at its meeting in July 2026. This is the first EQA under the new Standards.

Anti-Fraud and Corruption

The Council is committed to the prevention and detection of fraud and has established a robust framework in this regard which includes:

- Anti-Fraud Strategy
- Fraud Risk Register
- Corporate Confidential Reporting Policy
- Bribery and Anti-Money Laundering Policies

The Head of Audit attends Audit Group meetings with other Local Authorities, which share fraud intelligence, and the Council is a member of the National Anti-Fraud Network (NAFN) receiving regular fraud alerts. The Council also participates in the bi-annual national Fraud Initiative (NFI). The Fraud team's annual performance results are reported to the Audit Committee each year.

Other assurances

External Audit

The Council's external auditors (KPMG LLP) completed their audit of the 2024/25 Statement of Accounts, by the end of February 2026.

This was again a "disclaimer opinion" due to the 2022/23 accounts also being disclaimed by the Council's previous auditors, EY LLP. This was due to the previous auditor's lack of capacity to conduct the audit, and not reflective of the Council's finances.

KPMG also concluded, in their Annual Report presented to July 2026 Audit Committee, that while they are satisfied that the Council made proper arrangements for securing economy, efficiency and effectiveness in its use of resources in most areas in 2024/25, there are significant risks around financial stability, and capacity within the finance team to undertake core objectives and additional requests that have been placed on it during the period. The full audit opinion can be seen in the 2024/25 accounts.

The auditors are due to provide their audit opinion on the 2025/26 accounts by the end of January 2027.

Budget Monitoring

The Council is continuing to improve the robustness of budget management processes, to enable more informed and timely resource management decisions.

Budget monitoring meetings are held with Portfolio Holders, Executive Directors, Service Directors and Finance to discuss and analyse the monthly forecasts for revenue and capital budgets. The breadth and inclusivity of the discussions at Budget Monitoring meetings has enabled Budget Holders to be more informed and able to give greater insight into their budgets and forecasts to ensure better financial decisions are made.

This has continued to be particularly important in 2025/26 due to significant pressures in demand-led services. The Council has implemented a range of cost reduction strategies to reduce the projected overspend including a new Spend Management Panel (SMP), reviews of commitments by senior managers, maximizing grant funding, reducing costs, and delaying projects where possible. In addition to this, budget monitoring reports during 2025/26 put an enhanced focus on high-risk areas and project boards continued to address spending related to the high-risk demand-led services.

CIPFA Financial Management Code

The CIPFA Financial Management Code translates the principles of good financial management into a series of financial standards that comprise leadership and accountability, governance and financial management, medium term financial planning to inform and ensure financial resilience, monitoring financial performance to address emerging issues through to financial reporting. Taken together these financial management standards underpin the effective governance of the use and control of resources utilised by the Council in pursuance of its stated objectives.

The Council complies with the requirements of the Financial Management Code. Most statements are 'Green' but there are some 'Amber'-rated statements reflecting opportunities for strengthening existing practice and/or ensuring that existing practice is embedded across the Council. There are no 'Red' statements, or areas of non-compliance. The full report on compliance with the Code for 2025/26 will be considered by the Audit Committee in July 2026 as part of the EDoR's report on the financial administration of the Council.

Strategic, Management and Operational Reporting

The Council is focusing on a clear distinction between Corporate / Strategic indicators (aligned to the Corporate Plan and Executive oversight), Key Management indicators (used by CLT and senior managers to manage delivery), and Operational indicators (used within services to manage day-to-day activity). This distinction is critical to ensure proportionality, clarity of purpose and appropriate reporting routes.

Workstreams are in place to align the Council's Improvement and Stability Plans, work is ongoing to simplify, rationalise and refresh its performance framework. The key goal is to ensure that the framework remains focused, proportionate, and inspection-ready and gives the Council a leaner, more focused approach to performance whilst improving usability and reducing reporting burdens which helps to strengthen accountability and ownership.

Furthermore, benchmarking remains a key component of the Council's performance framework and a key recommendation arising from the LGA Peer Review. Maintaining a robust set of benchmarking indicators enables the Council to understand its relative position, demonstrate progress and support sector-led improvement.

Moreover, the development of the *itelligent-i* Accelerator Dashboards is intended to provide a significant opportunity to further embed and streamline performance reporting and visualisation. As part of this work, indicators will be mapped to the accelerators to identify where performance information and analysis can be incorporated into interactive dashboards. This will likely support a reduction in reliance on static reporting / measures and analysis over time. This will enable managers, services, and Members to access performance information, either through real-time interrogation of dashboards or through structured snapshot views aligned to reporting cycles. This represents a shift toward a more modern, insight-led approach to performance management.

Accompanying this (although also under review), quarterly (key indicator) performance reports containing high-level performance indicators will be provided to the Executive and Corporate Leadership Team for review and intervention. Overview and Scrutiny Committees also review performance on a regular basis.

Corporate Plan 2024/25 to 2027/28

The plan sets out four overarching priorities supported by 12 underpinning key objectives; the four priorities are:

- Supporting Individuals and Families and Empowering Communities
- Protecting the Environment
- Stimulating Economic Growth in Bedford Borough
- Promoting Health and Wellbeing

The high-level Plan will be supported by directorate service plans, policies, and strategies. The year-end outturn for 2025/26 against the Corporate Plan will be reported to Executive on 15 July 2026. In addition, Executive receive regular quarterly performance management updates as part of the Council's commitment to effective performance management and monitoring to enable Executive to consider and acknowledge the latest performance.

Overview and Scrutiny

The Overview and Scrutiny (O&S) Committee process has provided challenge and has monitored the Council's policies and performance on an ongoing basis. This has been achieved through regular monitoring of performance indicators and improvement plans within the various service areas and questioning performance and efficiencies.

During 2025/26 the Members of O&S continued to work together, developing and using their knowledge and expertise, and that of others to the best effect. An evidence-based approach to the O&S work has been instrumental in achieving useful results. The various O&S Committees created work programmes for their areas of responsibility to consider key topics and each committee meeting in addition to carrying out in-depth reviews and specific scrutiny of key areas of policy, performance and service delivery including progress on meeting savings targets.

There have been contributions from a range of stakeholders and partners.

Some of the key areas considered by overview and scrutiny committees during 2025/26 were:

Adult Services: Adult Social Care Charging Policy, CQC Assessment and Outcomes, Telecare Services, a full scrutiny review of Recruitment and Retention of frontline adult social care staff.

Budget and Corporate: Major Review of the Council's Stability Plan, Quarterly finance reports, Savings proposals, Council Tax Reduction Scheme, Customer Services performance, Equality Impact Assessments, Cyber Security, Debt Management, Disposal of Assets, and Temporary Accommodation.

Children's Services: presentation from the Youth Parliament, School Place Planning, Free School Update, Young Carers, Fostering Budget, Teenage Violence, Children Services Improvement Plan, SEND Performance, and Family Hubs.

Environment and Sustainable Communities: Flood Management , Average Speed Cameras, Bus Services, Parking policies, Highway Maintenance, Food Waste and Glass Collection, Waste Strategy, Crime Statistics, CCTV Hotspots, Fly tipping, Leisure Contract, Wixams Station and EWR.

Health: Maternity Services, East of England Ambulance Trust – Emergency Operations Centre, NHS Trusts – Quality Accounts, BLMK ICB: Community Health and Mental Health Transformation Programme, Social Prescribing and Future of ICBs.

There has also been joint scrutiny between overview and scrutiny committees to work collaboratively with issues crossing over one or more committee work programmes.

Audit Committee

In May 2022, CIPFA published its *Position Statement on Audit Committees in Local Authorities and Police 2022*. It also issued, in October 2022, *Audit Committees Practical Guidance for Local Authorities and Police CIPFA, 2022*. These documents represent CIPFA's view on audit committee practice and principles that local government bodies in the UK should adopt. CIPFA expects that all local government bodies should make their best efforts to adopt the principles, aiming for effective audit committee arrangements.

This will enable those bodies to meet their statutory responsibilities for governance and internal control arrangements, financial management, financial reporting and internal audit.

The Audit Committee carried out a self-assessment of its effectiveness in September 2022, which resulted in a number of actions including appointing an independent member to the Audit Committee, in line with good practice. The effectiveness exercise is due to be carried out again in 2026, however CIPFA are currently reviewing their guidance for Audit Committees and this will take account of the new *Global Internal Audit Standards in the UK Public Sector (GIAS-UKPS)* and the new *CIPFA Code on The Governance of Internal Audit*, which took effect in the UK Public Sector from 1 April 2025. The new guidance is also likely to include more on financial scrutiny. We will carry out our next effectiveness review after the new guidance is published.

Member Training and Development

The Council is committed to supporting the development of all Elected Members to enable them to perform effectively in their current roles and to develop to meet future challenges.

A full Member Induction and Development Programme will be delivered to all newly elected and re-elected councillors following the local elections in May 2027; however in preparation for the Induction Programme and as part of the Council's Improvement Plan a Member Development Group of elected members is established in 2026/27 to consult on specific training and development provision to ensure that Councillors receive full support in understanding the role of a Borough Councillor to better support the residents of the Borough. This will include statutory training such as Planning, Licensing legislation and processes, and Data Protection /GDPR. Ad-hoc and role specific training and development is offered to all elected members during their term of office, as required or requested if a training need is identified or to receive the training would be beneficial to the councillor(s).

Staff Training and Development

Statutory, mandatory, and essential continuous professional development training requirements within service areas are determined by Service Directors and Heads of Service through the completion of a training needs analysis on an annual basis. This is informed by development needs identified through the Council's Personal Progress Discussion process and ongoing supervisory and 1:1 meetings throughout the year.

The Chief Executive is also subject to an annual performance review by a member panel.

Online Learning Platform

The Council's online learning platform, BBOLT, offers an innovative and accessible approach to satisfy the learning needs of our workforce. The wide range of e-learning courses available via BBOLT offer the core of the Council's staff training programme, including statutory, mandatory, essential CPD and personal development training. It also provides an online booking functionality for in-person or virtual classroom training.

Staff Engagement

The Council has in place a People Strategy for the period 2026-2029 which outlines our commitment to creating a workplace where individuals can thrive personally and professionally and where their contributions are recognised as vital to our shared success. It focuses on building an inclusive, supportive environment that cultivates talent, strengthens leadership, and empowers our people to reach their full potential.

This will build on a range of initiatives already in place, including an Apprenticeship Strategy to maximise apprenticeship opportunities within the Council and make effective use of the apprenticeship levy; Staff-Led Networks; a Staff Recognition Scheme; EDI Champions; and wellbeing initiatives such as the Employee Assistance Programme, the introduction of a policy enabling staff to purchase additional annual leave, a Work Well intranet page, Wellbeing Champions and a Workplace Mental Health Action Plan.

In addition, staff engagement and collaboration actions are in place including Staff Full Engagement and Pulse Surveys, the Big Conversation, Bedford Leaders, Bedford Stars Awards, One Team Hour and a general One Team. Directorates also have their own newsletters which spotlights on activities and achievements within their services.

Stakeholder Engagement

To provide services that are best suited to its customers, the Council listens to its citizens and stakeholders. Consultation around an issue helps tailor services and meet the needs of the community. Consultation helps garner views and preferences, help understand possible unintended consequences of a policy or decision, or to get views on implementing change. This ensures that decisions and policies are made from a strong evidence base.

The Council also undertakes a more comprehensive Citizens' Survey (introduced in September 2023, proposed to take place every two years). This is an initiative designed to empower residents to help shape the future of Bedford Borough and make their voices heard and share their valuable insights and feedback on several services provided by Bedford Borough Council along with other essential agencies and stakeholders. The Citizens' Survey is a crucial tool for the Council to understand the needs and aspirations of our community. This feedback contributes to the key decisions we make as a Council, and we are committed to ensuring that the voices of all our residents are heard to help shape policies and priorities. The next survey is due to take place in September 2026, the 2025 survey was delayed due to cross over with the budget consultation(s) to avoid potential confusion for residents.

During 2025/26, key public consultations included:

- Domestic Abuse Strategy 2025
- Budget Consultation 2026/27 – Phase 1
- Budget Consultation 2026/27 – Phase 2
- Resource Waste Strategy 2025
- Council Tax Reduction Scheme 2026
- Bus Usage 2025
- Local Transport Strategy 2025
- Public Spaces Bedford Town Centre Protection Order 2025
- Public Spaces Dog Control Protection Order 2025
- Local Nature Recovery Strategy 2025

Complaints

In 2025/26, the Council responded to 403 complaints at stage 1 and 49 complaints at stage 2 of our Corporate Complaints Procedure. Additionally, 28 complaints were addressed via our Adult Social Care Complaints Procedure and 19 were addressed via our Children's Social Care Complaints Procedure. In total, 83.5% of complaints were responded to within the prescribed timescales. The Council identified some learning outcomes from the complaints received and these have been incorporated into changes in service provision.

The Local Government and Social Care Ombudsman (LGSCO) Annual Review Letter for 2025/26 is expected to be presented to Executive in May 2026.

Health and Safety

Health and Safety risk management is integrated within the Council's Constitution through its Corporate Health and Safety Policy, Financial and Contract Procedure Rules, its overall Risk Management Policy, Corporate Asset Plan, Contract Procedure Rules, Corporate Plan, the management of human resources, organisational development and change management, and is included in all the Council's management systems when and where appropriate.

The Council's Corporate Safety Steering Group, attended by a representative from each Directorate, meets every four months to review the effectiveness of health and safety management systems, arrangements, and organisation within each Directorate. The group is also open to Trade Union and non-Trade Union Health and Safety representatives.

Each Directorate provides a written report through its nominated Directorate Health and Safety Coordinator on its status in respect of the implementation of the Corporate Health and Safety Policy and progress against the respective Directorate Reports and Actions Plans, as appropriate.

External Reviews

Inspection of Local Authority Children's Services

Children's Social Care Services at the Council were inspected by Ofsted in July 2025 and judged as "Requiring Improvement to be Good" across all areas, representing a decline from the previous good judgement in 2021. The inspection identified that many children receive effective help and support, with strengths in early help services and the initial response to need, alongside positive relationships between children and practitioners. Education and SEND arrangements have also been subject to external review, with area SEND inspection activity highlighting system pressures and the need to strengthen partnership delivery and consistency across education, health and care. Taken together, the evidence presents a mixed picture, with committed practice and effective early intervention in parts of the system, but with variability in quality, placement sufficiency challenges, and weaknesses in oversight impacting overall effectiveness. There is significant transformation required to meet the Families First Program, the SEND and Best Start reforms alongside the Children's Improvement plan. The Council has responded by investing in Children's Services, though that additional resource will not be fully realised until the start of Q3 in 2026/27, as posts are recruited to.

Response to the 2025 ILACS inspection and progress

The Council accepted the findings of the 2025 Inspection of Local Authority Childrens Services (ILACS) and implemented a structured improvement programme focused on leadership, workforce stability, and quality assurance. This has included strengthening governance arrangements, increasing management capacity, and delivering a comprehensive Improvement Plan addressing key issues such as placement sufficiency, consistency of practice, and oversight. Subsequent monitoring, including focused inspection activity in 2026, indicates progress in stabilising core services and embedding improvement activity, although further work is required to achieve consistently strong practice across all areas.

Response to the Youth Justice inspection

The May 2026, HM Inspectorate of Probation inspection of the Bedfordshire Youth Justice Service, delivered jointly with Central Bedfordshire, rated the service as 'requires improvement'. Inspectors identified strong engagement with children, committed staff, and effective work with victims as key strengths, but found inconsistency in assessment, planning and delivery, alongside weaknesses in risk management and management oversight. In response, the partnership has implemented an improvement plan focused on strengthening public protection, improving consistency of practice, and enhancing governance and performance management arrangements, building on established multi-agency working and existing areas of strength.

Adults Services – Care Quality Commission Assessment

From May to September 2025, the Care Quality Commission (CQC) assessed Bedford's Adults Services and graded them, in March 2026, as "Requires Improvement" with an overall score of 42%.
Particular concerns were:

- Assessing need
- Safeguarding
- Governance and Leadership

The Council submitted its Improvement Plan to the Department of Health and Social Care (DHSC) by the deadline of 18 June 2026, to be reported on three monthly thereafter, and established an Improvement Board to oversee delivery. The first Improvement Board meeting was on 8 June 2026. The board includes an independent chair, an Improvement Adviser appointed by the Minister for Care, senior leads, external partners, the Portfolio Holder for Valuing Families - Adults, Health and Wellbeing.

THRIVE, our Adults Services Transformation Programme launched in April 2026, working with our transformation partners, Newton, is delivering practical, evidence-led improvements. The aim across four key workstreams is to help more residents in the Borough access the right support, at the right time, while achieving better long-term outcomes.
We are seeing examples of practical changes to ways of working. For example, in reablement, these have led to a 120% increase in daily reablement visits through improved rostering and SMART goal-setting training.
Our Targeted Reviews team is starting to address overdue reviews of care packages to support greater independence and wellbeing. A total of 12 cases have been assigned ready for in-depth review.

Best Value Inspection

The Council was notified by the Ministry of Housing, Communities and Local Government, on 10 February 2026, that a Best Value Inspection would take place between February and June 2026.

The inspection has focused on the seven key Best Value themes:

- Continuous improvement
- Leadership
- Governance
- Culture
- Use of resources
- Service delivery
- Partnerships and community engagement

The Inspectors have now completed their on-site work and are drafting their report. We await their formal findings, which will help shape the next phase of our improvement plan. Once the report is received, the Council will carefully consider the recommendations and move promptly to implement the actions needed to further strengthen our improvement journey.

Action Plan

Following the review of the Council's governance arrangements, the significant governance issues identified on pages 10-11 for 2025/26 need to be addressed to ensure continuous improvement in the Governance Framework. We have not raised an AGS recommendation for all of the issues identified as some will be addressed by the Improvement Plan which has its own governance process. The Council will complete the following key actions to address these issues (more detail at pages 34-39):

- **Financial resilience** – take steps to rebuild reserves to within recommended limits by 31 March 2027. **In progress.**
- **Constitution Review –** complete the comprehensive review of the Constitution. **In progress.**
- **Procurement, Contracts Register and Contract Management** – review the structure of Commissioning and Procurement arrangements across the Council, strengthen arrangements for managing contracts and the contracts register, and improve adherence with Contract Procedure Rules. **In progress.**
- **Capacity and Vacancies** – We have not raised a separate AGS recommendation for this issue as it is addressed by the Improvement Plan which has its own governance process.

The aim is to address these issues during the 2026/27 financial year, by way of the action plan on pages 34-39, which is subject to monitoring by the Audit Committee.

The following areas were included from previous years, and are reported in the action plan, however they are no longer considered significant governance issues:

- **Capital Programme** - increase oversight over the capital programme and capital receipts. **Complete.**
- **Information Governance -** review and update the Document Retention and Destruction Policy and Electronic Document Retention Strategy. **In progress.**

2025/26 ANNUAL GOVERNANCE STATEMENT ACTION PLAN		
Issue No.	**Issue Identified and Recommendation**	**Summary of Action Taken/Proposed**
1 **(c/f from 2024/25)**	**FINANCIAL RESILIENCE** The 2024/25 budget position reported in-year showed the Council was continuing to manage significant demand pressures specifically in Agency Staff, Adult Social Care, and Temporary Accommodation. Managing the budget dominated the financial year, with spending and recruitment controls in place. It is likely additional reserves will be required to fund an overspend at year-end. The budget for 2025/26 includes investments of £7.8 million and service efficiencies of £10.5 million. There are several risk areas, particularly relating to demand-led services. Given the level of risk, the EDoR's Section 25 Report highlighted three key recommendations to enable the Council to further review its financial position and take positive action to remain financially sustainable: **RECOMMENDATION 1a:** **Undertake a CIPFA Resilience Review.** **RECOMMENDATION 1b:** **Take steps to rebuild reserves to within recommended limits within two years.** **RECOMMENDATION 1c:** **Put in place a Transformation Plan to manage the budget gap over the medium term.**	**SUBSTANTIALLY IMPLEMENTED** **Responsible Officer: Corporate Leadership Team (CLT) and the Executive Director of Resources** The decision taken by Executive on 22 January 2025 was that the information contained in the s25 report be taken into account before taking decisions on the 2025/26 Annual Revenue Budget proposals and noted the following proposed recommendations for the Council to: • carry out a Resilience Review during 2025/26 in light of the diminishing level of revenue reserves; • put in place plans to replenish the General Fund Balance to within the recommended risk assessed range within a two-year period taking into consideration the potential for further use of reserves in 2024/25; and • develop a Transformation Plan to manage the expected reduction in Government Funding from 2026/27. **Recommendation 1a: *IMPLEMENTED*** **Target date: 30 June 2025** The CIPFA Resilience Review was completed in August 2025, and the Council developed a financial roadmap to recovery in response. **May 2026 Update on Recommendation 1b: *IN PROGRESS*** **Target date: 31 March 2027** **The Council is on track to rebuild reserves with additional sums added as part of the 2025/26 Outturn, and built into the 2026/27 Budget.** **Recommendation 1c: *IMPLEMENTED*** The Council put in place a Stability Plan which was approved by Executive on 23 April 2025. Actions set out in the Stability Plan were categorised as short (immediate), medium (Year 2) and long (Years 3 and 4) to align, as far as possible to the medium-term financial plan that covers the period to March 2029. Many of these actions are ongoing. The Council has now published its Improvement Plan, noted by Full Council on 14 January, consolidating the Stability Plan and roadmap into one clear plan that will enable the Council to transform the way it operates in future.

2025/26 ANNUAL GOVERNANCE STATEMENT ACTION PLAN (CONT.)		
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2 **(c/f from 2024/25)**	**CONSTITUTION REVIEW** Governance is important to ensure that the Council acts in the right way and in a timely, open and honest manner. A key requirement of good governance is an up-to-date constitution. The Council will continue to ensure that reports provide appropriate levels of information for decision-making and scrutiny. This will include publication of business cases for key investments such as property acquisition. **RECOMMENDATION 2:** **The drive for effective governance and effective corporate administration will necessitate an external review of the Constitution to ensure that it is consistent with the law, unambiguous, and understood.**	**IN PROGRESS** **Responsible Officer: Service Director for Governance and Monitoring Officer** **Original target date: 31 December 2025** **Revised target: 31 October 2026** **May 2026 Update on Recommendation 2:** The Council's Monitoring Officer and cross-party Constitution Review Working Group continued to undertake a comprehensive review of the Constitution during 2025/26 which will progress into 2026/27. Anticipated completion is now anticipated by October 2026. The following documents have been reviewed by CRWG and await formal consideration by the General Purposes Committee and Full Council: • Access to Information Procedure Rules • Budget and Policy Framework Procedure Rules • Executive Procedure Rules • Full Council Procedure Rules • Overview and Scrutiny Procedure Rules • Regulatory Committee Procedure Rules • Member Code of Conduct • Articles of the Constitution • Contract Procedure Rules A new Officer Scheme of Delegation for Executive Functions has been approved by the Elected Mayor and implemented, providing clarity on the decision-making power of individual officers. A new Officer Code of Conduct has been adopted which forms part of the Constitution, to ensure it remains fit for purpose. A range of other documents have been reviewed and await consideration by their respective parent bodies prior to submission to the Constitution Review Working Group. Terms of Reference of Committees, other Schemes of Delegations to Officers and other significant documents such as a Licensing Committee Protocol will be subject to review as part of the final phase. The comprehensive nature of the review has led to final approval of a new Constitution being later than the anticipated date of the Annual Meeting in May 2026. A critical component has been consultation with members of various Groups and Committees, including the CRWG, prior to taking the various documents through the formal decision-making process of General Purposes Committee and formal approval by Full Council.

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3 **(c/f from 2024/25)**	**CAPITAL PROGRAMME** The Council has an ambitious Capital Programme, approaching £½ billion in the next five years. Delivery of the programme is dependent on capital receipts and other sources of finance being accessible at the required stages of the programme. Monitoring the programme, management of slippage, transparency of decisions, and compliant contract procurement will be key governance requirements. **RECOMMENDATION 3:** **Increase oversight over the capital programme and capital receipts, including:** - **overall monitoring of the programme;** - **linkage of projects in the programme, and their timing, to specific capital receipts e.g. expected government financing, or s106 receipts; and** - **obtaining specialist advice where necessary e.g. legal, procurement, construction or accounting experts.**	**IMPLEMENTED** **Responsible Officer: Corporate Leadership Team (CLT) and the Executive Director of Resources** **Original target date: 31 December 2025** **Revised target: 31 March 2026** There is now increased oversight and monitoring of the capital programme, and capital receipts, through regular meetings with the Finance Portfolio holder, the Mayor, and relevant officers, where Capital Programme delivery is reviewed. Capital programme delivery is monitored by the monthly Strategic Asset Group (SAG), including reporting on overspends and slippage. SAG is chaired by the Chief Executive, and is represented by CLT members plus Heads of Property, Planning, Housing and key capital project managers. Capital receipts is a standing item on this agenda. There are regular meetings between Property, Finance and the Mayor on the delivery of capital receipts. There are individual Project Boards in place for some capital projects, where they are more significant. The Council has procured specialist advice for some recent projects, for example the Wixams Station where the Council engaged the services of legal advisors with rail expertise, and also engaged a specialist rail cost consultant. The Council has engaged a consultant to deliver strategic financial advice now that the station project is to be handed over to central government and Universal, to ensure that the Council accounts for the project correctly. Conclusion of this project is dependent on the project plans for the four station platform by DFT/Network Rail being finalised. **May 2026 Update on Recommendation 3: *IMPLEMENTED*** The monitoring of capital receipts has been strengthened to reflect the recommendations of the Capital Receipts Audit. The recruitment of an officer to oversee the CIL / S106 funds is which will address the additional oversight of external contributions is underway.

2025/26 ANNUAL GOVERNANCE STATEMENT ACTION PLAN (CONT.)		
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4 **(c/f FROM 2023/24 and 2024/25)**	**PROCUREMENT, CONTRACTS REGISTER AND CONTRACT MANAGEMENT** Adherence to the Council's Contract Procedure Rules (CPRs) remains an issue of concern, particularly in relation to the recording of contracts and subsequent contract management, including the capacity of managers and services to procure and manage contracts effectively and efficiently due to conflicting demands on staff resources. RECOMMENDATION 4a: **Review the structure of Commissioning and Procurement arrangements across the Council to create sufficient capacity across all service areas and provide support to comply with the Council's Contract Procedure Rules.** **cont…**	**IN PROGRESS** **Responsible Officer: Corporate Leadership Team (CLT) and the Chief Officer for Commercial Services and Business Transformation** **Original target date: 31 December 2024** **Revised target date: 30 September 2026** A review of the commissioning and procurement arrangements across the Council, was in progress in 2024/25, but was delayed by the Council-wide restructure (Phase 2) which was completed in June 2025, and due to changes in interim staff throughout the period. Funding to make the structural changes was put in place for the 2026/27 financial year. **May 2026 Update on Recommendation 4a:** ***IN PROGRESS*** A new Procurement Board was launched in March 2026; chaired by the Executive Director of Resources and the interim Head of Service is deputy chair. This new Board has been running monthly, with a collaborative approach between service leads working alongside procurement and commissioning colleagues. CLT gave approval in November 2025, for the interim HOS to launch a comprehensive commercial maturity assessment using the Commercial Continuous Improvement Assessment Framework, sponsored by the UK Cabinet Office. The CCIAF feedback report was received in late April 2026, with the Council being categorised as 'In development'. This report is being used to create an improvement action plan to be updated quarterly with a dashboard progress element to update CLT and the Procurement Board of the progress being made and any barriers to progress. The structure of the current SCP team is being reviewed as this is dependent upon the Commissioning function operating model, and timing. A new structure for SCP has been drafted and early discussions taken place with the Executive Director of Resources. The CPRs have been reviewed and updated, to bring them in line with the Procurement Act 2023, plus other changes, have been approved by CLT and presented to the Constitution Review Working Group on 21 May 2026. Approval at Full Council is planned for October.

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4 (c/f FROM 2023/24 and 2024/25)	**PROCUREMENT, CONTRACTS REGISTER AND CONTRACT MANAGEMENT - CONT** In some service areas, there is still some off-contract expenditure that has not been entered into the contracts register, and a number of contracts that have expired and need to be re-tendered. This has arisen in some teams following restructure where budgets sit in one team, but many of the contracts are let and managed by another. **RECOMMENDATION 4b:** **The Strategic Commissioning and Procurement team should continue to analyse all expenditure across the Council, producing the Procurement Dashboard, with the aim of working with service areas to:** - **Reduce off-contract spend.** - **Ensure that contracts are retendered on a timely basis.** - **Ensure that contract extensions are reviewed and approved by the Procurement Board; and** - **Provide effective procurement and commissioning support and training.**	**IN PROGRESS** **Responsible Officer: Corporate Leadership Team (CLT) and the Interim Head of Strategic Commissioning and Procurement** **Original target date: 31 December 2024** **Revised target date: 30 September 2026** In 2024/25, the SCP team continued to use their Procurement Dashboard tool to analyse expenditure which identified non-compliance with the CPRs in some areas. The team recruited the Senior Compliance Officer who works with service areas to ensure increased compliance with CPRs by reviewing off-contract spend, providing training, support with commissioning and procurement regulations and ensuring contracts are recorded and placed upon the contracts register. **May 2026 Update on Recommendation 4a: *IN PROGRESS*** Gateway papers are now embedded with SCP and service leads/budget holders present at Procurement Board each month. Off-contract spend is being analysed monthly alongside other compliance analysis. These figures are presented at Procurement Board each month with mitigation actions to improve the trend and figures month by month. This is now presented as an established performance dashboard covering the key areas of compliance for analysis and improvement actions where needed e.g. around PO Compliance, CCIAF, Waivers etc. The new Contracts Register on the Intend system is more dynamic, to ensure effective forward planning and timely commencement of procurement projects both by the SCP team and the service leads/budget holders. This is having a positive effect on compliance and timely delivery of procurement projects and re-procurement of existing contracts. It is a new digitised version of our Contracts Register and is available to all; published on both the internet and intranet. Pipeline Modules should be in place by the end of Summer 2026.

2025/26 ANNUAL GOVERNANCE STATEMENT ACTION PLAN (CONT.)		
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5 (c/f from 2023/24 and 2024/25)	**INFORMATION GOVERNANCE** **Information Governance Strategy:** The Knowledge and Information Strategy is dated 2018. An Information Governance framework helps organisations manage and protect their information assets in line with business objectives, legal and regulatory requirements, and industry standards. There are also new risks arising due to the rapid development of artificial intelligence (AI) and the ability to utilise it for Council activities. An AI usage policy is in place, but there is a need to assess compliance with the Policy, and also to consider how to facilitate the use of AI whilst managing the risks. **RECOMMENDATION 5a:** **The Knowledge and Information Strategy should be reviewed and updated to ensure adequate and effective information governance arrangements, including compliance with the AI Usage Policy.**	**SUBSTANTIALLY IMPLEMENTED** **Responsible Officers: Service Director for Governance and Monitoring Officer, Data Protection Officer (DPO) and the Information Governance Board (IGB)** **Recommendation 5a: .*IMPLEMENTED*** **Original target date: 31 December 2024** **Revised target: 30 September 2025** The updated version of the Knowledge and Information Governance Strategy (KIGS) was considered by the Information Governance Board in November 2025 and has now been published.
	Retention of data: The Council processes significant volumes of data in hard copy, within structured databases, and in unstructured data storage such as emails. The Local Government Classification Scheme (LGCS) published on the Intranet is considered as the Council's corporate Document Retention and Destruction Policy. However, there is no date on the document to confirm its publication date. The Electronic Document Retention Strategy (EDRS) dated April 2023 on the Intranet does not cover all Directorates. **RECOMMENDATION 5b:** **The corporate Document Retention and Destruction Policy and EDRS should be reviewed and updated.**	**May 2026 Update on Recommendation 5b: *IN PROGRESS*** **Original target date: 31 December 2024** **Revised target: 31 December 2026** The existing Corporate Records Management Policy has been reviewed and confirmed that update is required, including linkage to an updated retention and destruction framework. Some progress has been made with reviewing the Retention and Destruction Procedures, collating the procedures from the various directorates and obtaining examples of policies from other authorities. To help inform the LGCS / EDRS workstream, the DPO Team is updating the Corporate Record of Processing Activity (CRoPA) due March 2026, and this is intended to support officers with this workstream. Information Governance Board have acknowledged capacity issues with completing this workstream and preliminary discussions have taken place around the potential need for external resource to support with completing the review and creation of a single corporate retention schedule. The target deadline has been revised to 31 December 2026.

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