

Arrangements for Commissioning Services – Wrexham County Borough Council

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This document has been prepared as part of work performed in accordance with statutory functions.

We welcome correspondence and telephone calls in Welsh and English. Corresponding in Welsh will not lead to delay. Rydym yn croesawu gohebiaeth a galwadau ffôn yn Gymraeg a Saesneg. Ni fydd gohebu yn Gymraeg yn arwain at oedi.

This document is also available in Welsh.

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Summary report

Why we did this audit

Our audit duties

- 1 We are carrying out this audit under the duties contained within:
 - section 17 of the Public Audit (Wales) Act 2004 (the 2004 Act) to help enable the Auditor General to be satisfied (or not) that the Council has put in place proper arrangements to secure value for money in the use of its resources; and
 - section 15 of the Well-being of Future Generations (Wales) Act 2015 to help enable the Auditor General to assess the extent to which the Council is acting in accordance with the sustainable development principle in taking steps to meet its well-being objectives.
- 2 This audit may also inform a study for improving value for money under section 41 of the 2004 Act.

Our objectives for this audit

- 3 Our objectives for this audit are to:
 - provide assurance that councils have proper arrangements for commissioning services to secure value for money in the use of resources;
 - provide assurance that councils are acting in accordance with the sustainable development principle in commissioning services; and
 - explain how councils approach the commissioning of services and inspire and empower councils and other public sector bodies by identifying and sharing examples of notable practice/approaches where relevant.
- 4 We are undertaking this audit at each of the 22 principal councils in Wales.

Why commissioning is important

- 5 Commissioning is the process by which the Council designs services it intends to deliver. It starts with defining the service and the desired outputs and outcomes and ends when the Council organises its method of delivery. For example, by establishing a delivery team internally, or through procuring an external supplier.
- 6 Commissioning arrangements can help to ensure services are delivered economically, efficiently and effectively. Conversely, weaknesses in commissioning arrangements can reduce both the impact and value for money of services, even if the processes which follow, such as procurement and contract management are robust.



What we looked at and what does good look like¹

- 7 We reviewed the Council's arrangements for commissioning services and specifically the extent to which this has been developed in accordance with the sustainable development principle; and that it will help to secure value for money in the use of the Council's resources.
- 8 This audit did not cover procurement arrangements or the Council's contract management arrangements.
- 9 The audit sought to answer the overall question: **In commissioning services does the Council put in place proper arrangements to secure value for money in the use of its resources?**
- 10 We used the audit criteria set out in **Appendix 1**, which also shows how the criteria relate to the audit questions. This has been informed by our cumulative knowledge as well as the question hierarchy and positive indicators we have developed to support our Sustainable Development Principle examinations.



Our audit methods and when we undertook the audit

- 11 Our findings are based on document reviews, and interviews with the senior officer(s) responsible for the development of the Council's strategic approach to commissioning. We also interviewed senior officers with responsibility for services that the Council has commissioned externally.
- 12 Given the wide range of council services, we undertook sample testing of the arrangements the Council has put in place to commission services. To do this, we selected three services where the Council has taken the decision to commission services externally and examined the commissioning arrangements the Council has put in place. The sample of service areas we reviewed in the Council were:
 - provision of music lessons in schools;
 - additional investment in local bus services; and
 - food Partnership Co-ordinator.
- 13 The evidence we have used to inform our findings is limited to these sources. We undertook this work during October and November 2024.

¹ Defined as 'what should be' according to laws or regulations, 'what is expected' according to best practice, or 'what could be', given better conditions.

- 14 We are undertaking this work at each of the 22 principal councils in Wales and, as well as reporting locally to each council, we also intend to produce a national report.



What we found

- 15 Overall, we found that **the Council has a corporate approach to commissioning, but this approach is not routinely followed, which limits its ability to assess value for money from its commissioning activity.** We set out below why we reached this conclusion.
- 16 The Council's Commissioning, Procurement and Contract Management strategy (the Strategy) 2022-25 clearly sets out its commissioning approach and expectations. The Council has a set of principles supporting its approach that all services considering commissioning services must adhere to.
- 17 The Council's commissioning arrangements require service areas to define the services they are to commission and the rationale for doing so. For the services we reviewed, the definition of the service and the rationale for doing so was clear. Having a clear understanding of the service to be commissioned and why services are being commissioned are important elements of the Council's arrangements to secure value for money.
- 18 The Council's commissioning arrangements require a business case from all services considering commissioning activity to include:
- an options appraisal;
 - details on intended outcomes and benefits;
 - an analysis of the contribution the service makes to the Council's corporate priorities;
 - a completed 'Planning Principles Screening Tool' to identify the contribution to the Well-being of Future Generations (Wales) Act 2015;
 - an equality impact assessment;
 - key stakeholders;
 - resources required; and
 - risks and opportunities.
- 19 However, we found that none of the three services we reviewed had completed a business case. Only one of these services could demonstrate that it reviewed different service delivery options. We recognise the need for a proportionate approach to an options appraisal process dependent on the scale and value of a commissioned service. However, not documenting the consideration of different options means the Council cannot always have assurance that it has considered a range of options to ensure it secures value for money. This is particularly important at a time when the Council is experiencing significant financial challenges and,

through its Medium Term Financial Plan, has identified a funding gap of £12.6 million in 2025-26 and £14.7 million in 2026-27².

- 20 The Council expects services completing a business case to state the outcomes and benefits of the service it intends to commission. However, for two of the services we reviewed, intended outcomes were not clearly defined. A key element in assessing value for money of a commissioned service is understanding the potential financial and/or non-financial benefits at the outset. Without clearly stating the intended benefits, it is difficult for the Council to assess the extent to which the commissioned service is securing value for money.
- 21 The Council's commissioning arrangements do not specifically require an understanding of current and long-term factors that could impact a commissioned service. Despite this, we found that for the services we reviewed, the Council's service areas could articulate the short-term and long-term factors that may impact on them. However, services do not always document these considerations. Ensuring there is documented consideration of both the long and short-term factors and implications of commissioning decisions reduces the risk of not achieving value for money over the longer term.
- 22 There is clear rationale behind the length of contracts for the services we reviewed. For example, contract lengths take account of the relevant grant funding cycle. However, the Council's commissioning arrangements do not require service areas to consider the appropriate length of time to plan commissioning of services to achieve the greatest impact or value for money. While the Council should take care to avoid committing itself to unnecessary financial commitments, it is important for service areas to consider many factors when planning for the longer term to secure value for money. These considerations may include providing stability to service providers or delivering longer-term objectives that can be achieved beyond potentially short-term grant funding cycles.
- 23 The Council has arrangements to ensure service areas consider the resource implications of its commissioning activity. The Council's business case template requires information on the current costs and projected resource needs of commissioned services, including anticipated support from other service areas. The Council considers both the monetary value of commissioning a service and additional Council resources, for example, officer time. This arrangement provides the Council with a broader view as to the resources required in delivering and supporting commissioned services.
- 24 The Council considers the wider impact of its commissioned services. Through business cases, services are required to demonstrate alignment with the Council's corporate priorities and how the service contributes to external partner priorities. Considering the wider implications and impact can help the Council avoid duplication and identify multiple benefits that secure improved outcomes and value for money.

² Wrexham County Borough Council – Financial Sustainability Review

- 25 The Council's commissioning arrangements require service areas to identify stakeholders. The three services we reviewed had a good understanding of the Council's partners. Identifying the full range of opportunities to work in partnership can help the Council ensure that it delivers services in a way that maximises value for money.
- 26 The Council's Strategy prompts services to involve those who would be affected by the commissioning of a service. We found two of the services we reviewed involved service users. This is important because working with the right people can help the Council ensure that it commissions services that meet the needs of its communities, and therefore delivers these services in a way that maximises value for money.
- 27 The Council's Strategy clearly shows when officers from the Commissioning, Procurement and Contract Management Unit (the Unit) should be involved in commissioning activity. The support from the Unit can help services through the commissioning process and should give the Council assurance there is a consistent approach to commissioning.
- 28 The Council does not have a structured approach for routinely sharing lessons learnt from commissioning activity across the organisation. However, the officers in the Unit do share lessons learnt and experience to support services through the commissioning process.
- 29 The Council also has arrangements for post commissioning evaluation, but services do not routinely complete the evaluation. However, we did see a comprehensive example of this being undertaken for one of the services we reviewed. Sharing lessons learnt and post commissioning evaluation are important, because whilst some services undertake lots of external commissioning, other areas of the Council are less experienced. Evaluating the effectiveness of commissioning activity is important to help identify areas for improvement, share learning, and secure value for money.



Our recommendations for the Council

Exhibit 1: our recommendations for the Council

Recommendations

Strengthen compliance with its commissioning arrangements

- R1 To ensure that the Council's corporate approach to commissioning is consistently implemented across service areas, the Council should introduce arrangements to monitor compliance with its corporate approach to commissioning. **(Paragraphs 19 to 20 and 26).**

Review of the Council's commissioning arrangements

- R2 To ensure the Council identifies opportunities to improve value for money, it should routinely evaluate the effectiveness of its commissioning arrangements across the organisation. **(Paragraphs 28 to 29).**

Appendix 1

Audit questions and criteria

Overall question: In commissioning services does the Council put in place proper arrangements to secure value for money in the use of its resources?

Level 2 questions	Level 3 questions	Criteria
Does the Council have a clear rationale for commissioning services?	Does the Council clearly define the services it intends to commission and why?	<ul style="list-style-type: none"> • The Council sets out a clear definition of the services it intends to commission • The Council sets out 'why' it needs to commission the services including: <ul style="list-style-type: none"> – the intended outcomes/impact of delivering the service – if/how the service helps the Council meet its statutory duties
	Does the Council conduct a comprehensive options appraisal of commissioning options before deciding to commission a service?	<ul style="list-style-type: none"> • The Council considers the full range of commissioning options for providing the service – options might include for example: <ul style="list-style-type: none"> – in-house provision, – partnership arrangements or approaches to commissioning within and across sectors – externalising the service to another provider through a trust or other arrangement – contracting the service through a tender process • The Council considers the cost-benefits of the options from the perspective of economy, efficiency and effectiveness – including over the short, medium and long-term • The Council includes the costs of contract management within its assessment of commissioning options • The Council includes an assessment of risk for each commissioning option as part of the assessment of cost-benefits • The Council uses a broad range of information from internal and external sources to develop an understanding of the current and long-term factors that are likely to impact on commissioned services
Is the Council planning over an appropriate timescale?	Does the Council consider what long-term means when commissioning services?	<ul style="list-style-type: none"> • The Council considers what long term means in planning its approach to commissioning services – i.e. how far ahead it can/should plan and why. • The Council considers how it will balance short and long-term needs when planning the commissioning of services including for example

Level 2 questions	Level 3 questions	Criteria
		when determining the timeframe for contracts or other commissioning arrangements
	Does the Council understand long-term resource implications when commissioning services?	<ul style="list-style-type: none"> • The Council thinks about the resources it will need over the medium and longer term (whole life costs) to deliver commissioned services • The Council considers how a range of future budget reduction scenarios could be implemented to commissioned services.
	Does the Council set out how it will monitor the value for money of commissioned services over the short, medium and long-term?	<ul style="list-style-type: none"> • The Council sets out the monitoring arrangements it will follow for the commissioned service • The Council should set out how value for money of commissioned services will be assessed and monitored including: <ul style="list-style-type: none"> – costs and benefits; and – Progress towards short, medium and longer term milestones and measures
Has the Council thought about the wider impacts its commissioned service could have?	In commissioning services, does the Council consider how it can maximise their contribution to the Councils well-being objectives?	<ul style="list-style-type: none"> • The Council considers how commissioned services will impact on all of its own well-being objectives to secure multiple benefits, avoid duplication or any unintended consequences. E.g. consideration of longer-term objectives, local supply chain, market resilience and impact of contract length of time, bio-diversity, carbon reduction
	In commissioning services, does the Council consider how services can maximise their contribution to the well-being objectives of other public sector bodies?	<ul style="list-style-type: none"> • The Council considers how commissioned services will impact on the well-being objectives of other public sector bodies to secure multiple benefits and avoid duplication or any unintended consequences
	In commissioning services, does the Council consider how services can maximise their contribution to the National Well-being Goals?	<ul style="list-style-type: none"> • The Council considers how commissioned services will impact on the national well-being goals to secure multiple benefits and avoid duplication or any unintended consequences
Is the Council working with the right people and partners to design and deliver its commissioned services?	Has the Council identified who it needs to involve?	<ul style="list-style-type: none"> • The Council understands who will be directly and indirectly affected by commissioned services. This has been informed by a stakeholder analysis or similar.
	Is the Council involving the full diversity of people?	<ul style="list-style-type: none"> • The Council involves the full diversity of views in deciding how to commission services. • The Council uses the results of involvement activity to inform how it will commission services, including its impact on groups who share protected characteristics

Level 2 questions	Level 3 questions	Criteria
	Is the Council collaborating with the right partners?	<ul style="list-style-type: none"> • The Council has a good understanding of which partners and potential partners it could work with to commission services to improve value for money. This has been informed by comprehensive analysis of potential partners and their priorities. • Where opportunities to improve value for money by commissioning of services in partnership are identified, the Council pursues them.
Does the Council have arrangements in place to evaluate the value for money of its approach to commissioning?	Does the Council routinely evaluate the effectiveness of commissioning arrangements?	<ul style="list-style-type: none"> • The Council regularly reviews the effectiveness of its approach to commissioning including: <ul style="list-style-type: none"> – The extent to which commissioned services meet the objectives the Council has set – The value for money of chosen commissioning models including consideration of inputs, outputs and outcomes.
	Does the Council routinely share any lessons learned to inform future commissioning exercises?	<ul style="list-style-type: none"> • The Council shares and applies any lessons learned from its approach to commissioning widely across the organisation, and with partners where relevant.



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