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[REDACTED]  
NDNA Network Chair  
[REDACTED]  
[REDACTED]  
[REDACTED]

Reference DO16-009

Date 30 September 2016

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Dear [REDACTED]

### **Wrexham County Borough Council: Sprouts Nursery**

Thank you for your letter dated 9 September 2016 in which you raise a number of concerns regarding the decision-making, establishment and financing of Sprouts Nursery by Wrexham County Borough Council.

The Auditor General for Wales is the statutory auditor of Wrexham County Borough Council (the Council) and his duties include auditing the accounts of the Council and ensuring that the Council has in place proper arrangements to secure economy, efficiency and effectiveness.

The Auditor General welcomes correspondence from members of the public, but it is important to note that it is not possible to investigate all matters that are brought to his attention. While we recognise that issues that correspondents raise are important to them, we must ensure that the issues are relevant to the audit and that conducting an investigation is proportionate to the significance of the matters in question. Where concerns can more properly be dealt with by other bodies (such as the Public Services Ombudsman for Wales), we will explain this and refer correspondents to them.

I have considered your correspondence. Whilst the provision of unlawful state aid would be a significant issue, I am of the view that the circumstances highlighted in your letter do not appear to indicate state aid issues. The Council had the power to establish, run and finance child nurseries. Furthermore, the Council is able to subsidise the cost of running its own nurseries. State aid rules apply when public authorities grant an advantage through state resources on a selective basis to organisations that could potentially distort competition and trade in the European Union. In this case Sprouts Nursery is part of the Council and not another organisation. Finally, the subsidy provided by the Council to Sprouts Nursery appears to be lower than state aid thresholds.

I note your concerns regarding the Council's decision-making and transparency with regards to the establishment and financial reporting of the nursery. If you consider that

these matters relate to maladministration you may wish to raise these matters with the Council or refer your concerns to the Public Services Ombudsman for Wales. The Ombudsman's website is available at <http://www.ombudsman-wales.org.uk/en.aspx>.

I will pass a copy of your letter to our audit team who will consider whether the matters you raise are relevant to the work that they have programmed at the Council.

I am sorry that we cannot be more helpful and hope you manage to achieve resolution on these matters.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'D Owen'.

Derwyn Owen  
Engagement Director