

Arrangements for Commissioning Services – Flintshire County Council

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

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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:
 - 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 several 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:
 - Housing and Communities – Family Floating Support
 - Social Services – Carers Well-being
 - Social Services – Carers Needs Assessment
- 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 well-developed corporate approach to commissioning services, but there are weaknesses in its arrangements to ensure all service areas understand value for money and identify collaboration opportunities. We set out below why we have reached this conclusion.
- 16 The Council has good arrangements in place to prompt portfolios to consider a range of options when commissioning services. This is important because the responsibility for commissioning services is devolved to individual portfolio areas. Procurement business partners engage with portfolios across the Council at regular intervals and a corporate commissioning form aims to prompt timely consideration of upcoming commissioning activity. Using its corporate Proactis database, the Council also centrally tracks all commissioned and contracted work over the value of £25,000. This enables the Council to plan its recommissioning activity over an appropriate timescale.
- 17 However, there was little evidence that the Council routinely costed all the commissioning options it had identified. Having a clear understanding of the different options available is an important element of arrangements to secure value for money.
- 18 The Council considers a range of factors when determining the timescales for commissioned services. For example, officers demonstrated a clear understanding of the factors impacting on commissioning timescales, such as providing flexibility to mitigate against a reduction or loss of grant funding and understanding the market and service user needs. Considering both the long and short-term implications of commissioning decisions reduces the risk of not achieving value for money over the longer term.
- 19 The Council considers the potential impact of commissioned services on the Council's well-being objectives, including social impact. For example, officers we interviewed articulated how their commissioned services impact on the Council's well-being objectives. However, consideration is not always given to how commissioning decisions could impact on the objectives of partner organisations or the national well-being goals for Wales. Taking into account the wider implications of commissioning decisions can help the Council avoid duplication and identify multiple benefits that secure improved outcomes and value for money.
- 20 The Council engages with service users when considering commissioning options. We found examples where a wide range of service users have been involved in reviewing and designing services. This is important because working with the right people and partners can help the Council ensure that it commissions services that

meet the needs of its communities, and that those services are delivered in a way that maximise value for money.

- 21 The Council has arrangements in place to prompt portfolio areas to consider collaboration opportunities. This is mostly focused on considering joint procurement opportunities with Denbighshire County Council, with which it has a joint procurement service. We also found examples of wider collaboration opportunities being explored by some portfolios, such as the carers' services which included a comprehensive review of the added value of using the third sector and community-based providers. However, this broader consideration is mostly service-driven, and the Council's corporate arrangements do not result in portfolios systematically considering collaboration opportunities beyond those with Denbighshire County Council. This is important because considering all options for collaboration helps the Council to identify opportunities that could maximise the value for money of commissioned services.
- 22 The Council monitors the performance of its commissioned services, but it does not routinely evaluate if they are achieving value for money. Individual portfolio areas hold quarterly management meetings which are used to monitor commissioned services and their progress to achieving agreed performance targets and social value expectations. However, because the Council does not always define value for money at the outset and set out how this will be monitored, we found little evidence of the Council evaluating commissioned services to understand if they are achieving value for money.
- 23 We found evidence of the Council capturing lessons learnt from its approach to commissioning services. For example, through sharing knowledge at quarterly management meetings within portfolio areas. However, this information is not routinely shared. Evaluating the cost and effectiveness of commissioning arrangements is important to help identify areas for improvement, share learning, and therefore help secure value for money.



Our recommendations for the Council

Exhibit 1: our recommendations for the Council

Recommendations

- R1 We identified weaknesses in the Council's arrangements to identify and monitor value for money across some of its commissioned services. To ensure that the Council fully considers value for money in all service areas when commissioning services, it should establish arrangements to ensure that all service areas:
- define value for money when commissioning services, including the potential value for money of different delivery options; and
 - evaluate if commissioned services deliver value for money.
- R2 We identified limitations in the Council's arrangements to ensure a wide range of collaboration opportunities are considered by all service areas when commissioning services. To address this, it should ensure that its arrangements to consider all potential opportunities to collaborate in relation to different commissioning options are routinely implemented.

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 – ie 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

		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 – 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 Council's 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. Eg 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
	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

		<p>to commission services to improve value for money. This has been informed by comprehensive analysis of potential partners and their priorities</p> <ul style="list-style-type: none"> • 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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