

Digital Strategy Review – Denbighshire County Council

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Report summary

Report summary

Exhibit 1: report summary

The exhibit below summarises the reason we undertook this audit, our key findings and recommendations for the Council.

Why a strategic approach to digital is important

- 1 Digital technology is key to delivering a wide range of council services in a more economic, efficient and effective way, is also an important means of councils delivering their wellbeing objectives and carrying out sustainable development.
- 2 Having a clearly articulated strategic approach to digital can bring several benefits such as:
 - establishing a common vision for use of digital and the intended outcomes for local communities linked to the council's strategic objectives;
 - helping to ensure that councils' use of digital technology is aligned with their key strategic objectives and other plans and strategies and is informed by a good understanding of current and future trends;
 - reducing the risk of duplication both within councils and with partners;
 - consideration of resourcing digital over the short, medium and longer term together; and
 - providing a framework against which to monitoring progress over the short, long and medium term.

The focus of our audit

- 3 We looked at the extent to which the Council's strategic approach to digital 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.

Our key findings

- 4 The Council has a clearly articulated strategy which is understood by officers and Members. The strategy informs the development of digital projects within service areas. The strategy also aligns with the Council's other strategic plans.
- 5 The strategy was not informed by the views of residents or other data sources that could improve the Council's understanding of current and future issues that may impact on its strategic approach.
- 6 Whilst the Council works with some partners to deliver its strategic approach to digital, it has not considered all potential opportunities for partnership working.
- 7 The Council has not fully costed or identified all of the funding required to deliver its digital strategy.
- 8 The Council does not consistently assess the impact or value for money of digital projects or the digital strategy as a whole.

Our recommendations for the Council

Strengthening the evidence base

- R1 To help ensure that its next digital strategy is well informed, the Council should draw on a wider evidence base that includes:
- involving residents to understand their needs and the potential barriers they face accessing and using digital technology; and
 - using a range of external data sources:
 - the Council may find our audit criteria for **Questions 1.1** and **1.2** in **Appendix 1** helpful in considering this recommendation.
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Partnership arrangements and collaboration

- R2 To help ensure the Council identifies all potential opportunities to improve the value for money and the impact of its strategic approach through partnership working, the Council should:
- identify potential organisations it could work in partnership with; and
 - where it enters into partnership arrangements, develop arrangements to assess and monitor their value for money.
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Costing and resourcing the strategy

- R3 To help ensure that its digital strategy is deliverable and that the Council's ambitions are aligned with available resources, the Council should fully cost the activity needed to deliver it.
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Arrangements for monitoring value for money and impact

- R4 To better understand the impact and value for money of digital projects and the digital strategy, the Council should develop a framework for assessing the value for money of digital projects and its overall strategic approach, including the extent to which planned savings are realised.

Detailed report

What we looked at and why – the scope of this audit

- 1 We reviewed the Council's strategic approach to digital, 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.
- 2 Our findings are based on document reviews and interviews with a sample of cabinet Members and senior officers. The evidence we have used to inform our findings is limited to these sources. We undertook this work during May to November 2023.
- 3 We set out to answer the question '**In developing its digital strategy has the Council acted in accordance with the sustainable development principle and put in place proper arrangements to secure value for money in the use of its resources?**' We did this by exploring the following questions:
 - Is the Council's digital strategy informed by a good understanding of current and future trends?
 - Does the Council have a clear vision of what it wants to achieve through the use of digital technology?
 - Is the Council working effectively with the right people and partners to design and deliver its digital strategy?
 - Has the Council resourced delivery of its digital strategy so it can deliver long-term/preventative benefits?
 - Is the Council monitoring and reviewing progress?
 - Is the Council learning lessons from how it works?
- 4 **Appendix 1** sets out the detailed questions we set out to answer along with the audit criteria we used to arrive at our findings.

Why we undertook this audit

- 5 This audit was undertaken to help fulfil the Auditor General's duties under section 17 of the Public Audit (Wales) Act 2004 (the 2004 Act) and section 15 of the Well-being of Future Generations (Wales) Act 2015.
- 6 We sought to:
 - provide assurance that councils' digital strategies will help to deliver well-being objectives in a way that secures value for money in the use of resources;
 - provide assurance that councils are acting in accordance with the sustainable development principle in the design of their digital strategies;

- explain how councils are using/planning to use digital technology to meet people's needs and deliver better outcomes; and
- inspire and empower councils and other public sector bodies by identifying and sharing examples of notable practice/approaches where relevant.

The Council's digital strategy

- 7 The Council's digital strategy runs from 2019 to 2025. and covers eight key areas:
- Aligning systems and technology to deliver online services
 - Corporate approach to ICT procurement
 - Reshaping how the Council works through technology
 - Addressing digital exclusion and supporting Denbighshire's digital economy
 - Resilience and Business continuity
 - Collaborative advantage
 - Prioritisation and managing expectations
- 8 Each key area includes actions that will contribute to delivering the strategy.

What we found: there are weaknesses in the evidence base the Council used to inform its digital strategy and its arrangements for monitoring its value for money and impact

The Council used a limited evidence base and did not engage directly with residents developing its digital strategy

- 9 The current digital strategy was informed by a range of activity, including:
- an evaluation of the impact of the previous strategy;
 - workshops with the Chief Executive, senior officers and Members; and
 - a review of the digital strategies of local and national bodies to understand digital issues across the wider public sector.
- 10 The strategy also reflects the data and priorities included in other internal and external strategies, including the Council's Corporate Plan, the Public Services Board's Well-being Plan, and the North Wales Economic Ambition Forum.
- 11 The Council did not draw on other external data sources such as population and socio-economic data and, for example, the Welsh Government's Future Trends report. Use of wider data could help the Council better understand current and

future trends, and the underlying causes of current issues and how these might change over time.

- 12 During the development of its digital strategy, the Council did not engage directly with residents to allow their input into the strategy. The Council's view was that the strategy had an internal focus on changing systems and processes, and that service areas, which were consulted on the digital strategy, would be able to feed in the views of their service users. However, by not involving the full diversity of its communities in developing its strategic approach, the Council risks developing an approach that does not meet their needs, and therefore does not provide value for money.

The Council recognises the importance of partnership working and collaboration, but it has not considered all opportunities to maximise the potential of this activity

- 13 The Council has explored a range of opportunities to collaborate on digital activity, including:
- a new finance system, which was originally planned to be a collaboration with Conwy County Borough Council. Although this arrangement did not materialise.
 - the centralisation of schools' ICT provision, which included work with the Welsh Government and regional hubs, to ensure alignment with national strategies and guidance.
 - working with North Wales Tourism to make more tourist information available on the digital platforms of a range of partners.
- 14 The digital strategy also identifies a regional approach to improving digital infrastructure in North Wales and names the North Wales Economic Ambition Forum, the Welsh Government, and the Local Full Fibre Network as likely partners.
- 15 However, the Council has not sought to identify the full range of potential partners it could work with in developing and delivering its digital strategy. The Council also does not have systematic arrangements in place to monitor and evaluate the value for money of partnership arrangements it enters into. By not considering all potential opportunities for partnership working, the Council is potentially missing opportunities to improve the impact and value for money of its arrangements, how it formalises and monitors these arrangements, and how it identifies opportunities for collaboration.

The Council has not fully costed or identified resources to deliver its strategy

- 16 The Council has costed and allocated funding for some digital projects included in its digital strategy. For example:
- £300,000 from the Corporate Plan budget to develop a new website and online accessible services;
 - £200,000 from service reserves to replace the current core financial systems;
 - £250,000 to support the local implementation of a new social care information management system as part of the Welsh Government Wales Community Care Information System (WCCIS) update; and
 - £220,000 from the Corporate Plan budget to facilitate community-based solutions for digital access.
- 17 The Council also funds a team of four Business Partners who work with service areas to promote the strategy and support service areas to develop digital projects to improve services.
- 18 However, the Council has not identified the cost or funding for the remaining activity identified in its digital strategy.
- 19 Identifying the cost and resources required to fund the digital strategy would help the Council to assess if its plans were deliverable and were able to deliver long-term benefits.

The Council has weaknesses in its arrangements to identify value for money and evaluate the impact of digital activity

- 20 The Council does not routinely apply its arrangements to evaluate the impact of digital projects. It also does not have a methodology to support service areas to calculate value for money in planned digital projects.
- 21 The Council monitors the progress of digital projects. The ICT Monitoring and Development group receives monthly updates from projects and manages a risk register to monitor projects. Medium and large-scale digital projects are also monitored by a Project Board and Project Sponsor. Cabinet Members are also invited to sit on the Project Board for projects in their portfolios.
- 22 However, there is no formal evaluation process to identify any efficiencies that are realised after a digital project is implemented. Service areas are asked to identify value for money opportunities as part of the development of digital projects, but there is no formal process to achieve this and no guidance to support service areas in this task. Additionally, there are no checks in place to identify if evaluation activity takes place in all digital projects and there is no mechanism for understanding the impact of the overall digital strategy.

- 23 As a result, the Council cannot identify the impact of its digital activity or assure itself that this activity is providing value for money.

The Council has arrangements to learn lessons from digital projects but does not review the overall effectiveness of its strategic approach or have systematic arrangements to share lessons learned from it

- 24 The Council's project management process for medium and large-scale projects includes a post-implementation evaluation of the project, which allows the Council to understand lessons learned.
- 25 The Council reviewed the success and impact of its previous digital strategy and used the findings of this activity to inform its current strategy. The Council has also reviewed the impact of COVID and used this learning to support the implementation of new flexible working procedures. This included recognising a need to improve its digital infrastructure to allow this change.
- 26 However, the Council does not have a process to ensure that lessons learned are systematically shared internally. This means that the Council is potentially missing opportunities to identify and share learning that could improve the value for money and impact of its strategic approach to digital.

Appendix 1

Audit questions and audit criteria

Below are the questions we sought to answer in carrying out this audit, along with the audit criteria we used to arrive at our findings.

Main audit question: **In developing its digital strategy has the Council acted in accordance with the sustainable development principle and put in place proper arrangements to secure value for money in the use of its resources?**

Exhibit 2: audit questions and audit criteria

Level 2 questions	Level 3 questions	Criteria
1. Is the Council's digital strategy informed by a good understanding of current and future trends?	1.1 Is there is a thorough understanding of the 'as is' (ie current demand/issues to be addressed) and the reasons why/underlying causes?	<ul style="list-style-type: none"> • The Council has drawn on a broad range of information from internal and external sources to develop a thorough understanding of the 'as is' and how it is likely to change. This includes information (including data) relating to: <ul style="list-style-type: none"> – service sustainability/resilience and resourcing challenges. – the needs of citizens and communities. – the underlying causes of current demand/issues to be addressed. – analysis of future trends and how they might impact, eg social, economic/political, environmental, cultural or technological. They might include known trends eg ageing population, depleting natural resources and particularly technological advances. They might also include those with a higher level of uncertainty eg jobs and skills needed in the future. • The analysis of the 'as is' and how it is likely to change is well informed by involvement activity, as appropriate, that reflects recognised good practice (eg National Principles for Public Engagement in Wales, Future Generations Commissioner for Wales advice and guidance).
	1.2 Is there a thorough understanding of the long-term factors that will impact and the challenges and opportunities that may result (eg risks and opportunities)?	

Level 2 questions	Level 3 questions	Criteria
		<ul style="list-style-type: none"> • The Council uses its evidence base effectively to: <ul style="list-style-type: none"> – identify actions in its strategic approach to digital that are likely to be most effective and why, including how they could address the root causes of problems; – inform decisions around its use of digital technology that seek to balance the need to meet short and longer-term objectives.
<p>2. Does the Council have a clear vision of what it wants to achieve through the use of digital technology?</p>	<p>2.1 Is the Council planning over an appropriate timescale?</p>	<ul style="list-style-type: none"> • The Council has considered what long term means in planning its approach to digital – ie how far ahead it can/should plan and why (at least ten years with consideration of longer-term trends as appropriate). • The Council has considered how actions can deliver the best impact over that timeframe in terms of outcomes and most effective use of resources. This could include consideration of appropriate intervention points linked to the Commissioner’s definition of prevention. (More details can be found in: <u>Taking account of the Well-being of Future Generations Act in the budget process – The Future Generations Commissioner for Wales</u>). • The Council has set out measures for its digital strategy that reflect short and long-term impacts and value for money, with milestones that reflect progress as appropriate. • The Council has set out how its digital strategy will be resourced over the longer term as far as is practical (see also criteria relating to integration).
	<p>2.2 Has the Council thought about the wider impacts its digital strategy could have, including:</p>	<ul style="list-style-type: none"> • The Council has considered how its digital strategy can make a contribution across the well-being goals. • Staff developing the digital strategy understand what colleagues and partners do and how their work relates, and have sought to integrate their

Level 2 questions	Level 3 questions	Criteria
	<ul style="list-style-type: none"> • how it could contribute to each of the seven national well-being goals? • how delivery will impact on the other things it is trying to achieve (ie its well-being objectives and wider priorities)? • how delivery will impact on other what other public bodies are trying to achieve (ie their well-being objectives)? 	<p>work with that of their colleagues from across the Council and with partner organisations.</p> <ul style="list-style-type: none"> • Integration is evident in the alignment of the digital strategy with other key corporate strategies and service plans. For example medium-term financial plan, workforce plan, asset management strategies, well-being statement and carbon reduction plans. • The digital strategy is aligned with other strategic intents such as: <ul style="list-style-type: none"> – customer experience; – management of demand/reductions in demand failure and prevention; and – design and implementation of new service delivery models. • The Council's digital strategy aligns with the plans/strategies of local and national partners including the Welsh Government's Digital Strategy for Wales Digital strategy and well-being plans.
	<p>2.3 Is there a wide and common understanding of what the Council is trying to achieve?</p>	<ul style="list-style-type: none"> • Councillors and senior officers responsible for implementing the digital strategy have a common and clear understanding of what the Council is trying to achieve and the intended impact on service delivery. • The Council's digital strategy is clearly communicated to staff and partners who may help deliver it.

Level 2 questions	Level 3 questions	Criteria
<p>3. Is the Council working effectively with the right people and partners to design and deliver its digital strategy</p>	<p>3.1 Has the Council identified who it needs to involve?</p>	<ul style="list-style-type: none"> • The Council has a good understanding of who will be directly and indirectly affected by its digital strategy and who it needs to involve. • The Council has effectively involved the full diversity of views in developing its digital strategy, including from non-traditional sources and from those it may have previously failed to reach.
	<p>3.2 Is the Council effectively involving the full diversity of people affected by its digital strategy?</p>	<ul style="list-style-type: none"> • The Council has provided genuine opportunities for people to influence the design and delivery of its digital strategy from an early stage, including representatives of groups who share protected characteristics. • The Council has used the results of involvement to shape the design and delivery of its digital strategy.
	<p>3.3 Is the Council collaborating effectively with the right partners?</p>	<ul style="list-style-type: none"> • The Council is collaborating to ensure it delivers better outcomes and value for money through its digital strategy and has put appropriate arrangements in place to support this, for example for: <ul style="list-style-type: none"> – sharing or pooling expertise and resources; – sharing information; – ensuring effective monitoring, evaluation and accountability including consideration of value for money.

Level 2 questions	Level 3 questions	Criteria
<p>4. Has the Council resourced delivery of its digital strategy so it can deliver long-term/preventative benefits?</p>	<p>4.1 Does the Council understand long-term resource implications?</p>	<ul style="list-style-type: none"> • The Council has assessed the costs and benefits of using digital technology to invest in long-term, preventative approaches and the cost (both financial and in terms of outcomes) of not doing so. • The Council has thought about the resources it will need to deliver its digital strategy over the medium and longer term (whole life costs) and how it could manage risks/meet those costs including, for example, planned 'invest to save' initiatives and managed reductions in technical debt. • The Council has calculated and set out any savings it intends to make through implementing its digital strategy.
	<p>4.2 Does the Council allocate resources to deliver better outcomes over the long-term?</p>	<ul style="list-style-type: none"> • Action (including preventative action) that is likely to contribute to better outcomes and/or use of resources over the longer term is promoted and supported, even: <ul style="list-style-type: none"> – where this may limit the ability to meet some short-term needs; – where the benefits are likely to be accrued by or attributed to another organisation.

Level 2 questions	Level 3 questions	Criteria
5. Is the Council monitoring and reviewing progress?	5.1 Is the Council monitoring and reviewing progress towards, short, medium and longer-term objectives?	<ul style="list-style-type: none"> • The Council monitors the costs and benefits of delivering its digital strategy from a value for money perspective. • The Council is measuring the wider contribution the digital strategy is making across its own/partnership objectives. • Progress is measured against short, medium and long-term objectives.
6. Is the Council learning lessons from how it works?	6.1 Does the Council review the effectiveness of its digital strategy?	<ul style="list-style-type: none"> • The Council regularly reviews the effectiveness of its digital strategy including: <ul style="list-style-type: none"> – effectiveness of its collaborative activity; – effectiveness of its involvement activity, including the impact of the strategy on service users including those who are digitally excluded; – the impact of the strategy on those who share protected characteristics; – the economy, efficiency and effectiveness of the digital strategy overall in helping the Council to achieve its strategic objectives. • The Council has reviewed lessons learned from its response to the pandemic and is applying this learning to its digital strategy.
	6.2 Does the Council share lessons learned from its approach to its digital strategy?	<ul style="list-style-type: none"> • The Council shares and applies any lessons learned from the development and delivery of its digital strategy widely across the organisation, and with partners where relevant.



Audit Wales

Tel: 029 2032 0500

Fax: 029 2032 0600

Textphone: 029 2032 0660

E-mail: info@audit.wales

Website: www.audit.wales

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