Digital Strategy Review – Newport City Council

Contents

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

The Council has drawn on a wide range of data sources to inform its digital strategy but cannot be assured that it engaged the full diversity of the community. The Council's strategic approach to digital is aligned with wider corporate priorities and with partners, and the Council is collaborating with other organisations in its delivery. However, the digital strategy is not fully costed, and although the Council has arrangements to monitor delivery, it does not have measures in place to understand the effectiveness or impact this strategy will have or make.

Our recommendations for the Council

Involvement

R1   To help ensure that its strategic approach to digital meets the needs of its communities the Council should strengthen arrangements to engage and involve the full diversity of the population with its digital strategy

Collaboration

R2   To strengthen its arrangements to secure effectiveness, efficiency and economy through partnership working in delivering its digital strategy, the Council should

- map out which organisations it needs to work with
- identify and assess opportunities to collaborate; and
- develop current arrangements to monitor the effectiveness and value for money of any partnerships it enters into

Resourcing

R3   To help ensure its strategic approach to digital is aligned to available resources and to help enable the Council to take a long-term view of its costs and benefits the Council should identify the resources required to deliver its digital strategy

Monitoring and reviewing effectiveness

R4   To better understand the impact of its digital strategy, monitor value for money, and assess if identified benefits have been realised, the Council should set and monitor measurable outcomes that will help the Council understand the progress, effectiveness and the impact of its digital strategy

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.

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.

5   We undertook this review between May and July 2023.

Why we undertook this audit

6   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.

7   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

8   The Council's Digital Strategy 2023-27 was originally set over five years with a two-year action plan under development. The strategy was presented to Overview and Scrutiny Management Committee in July 2022 for review and feedback. Cabinet approved and adopted the strategy in April 2023. The strategy is based on four themes:

- Digital transformation
- Digital skills and inclusion
- Data and collaboration
- Digital infrastructure and connectivity

9   Within the strategy a set of principles is outlined: innovative, data driven, user centred, inclusive collaborative, secure and green digital technology (supports the Council's net zero aspirations). These principles are aligned to the Council's Corporate Plan principles.

What we found: The Council's digital strategy is aligned with its corporate priorities and informed by a wide range of data but is not fully costed

The Council has drawn on a wide range of data sources to inform its digital strategy and sought the views of its communities through a range of methods, but it cannot be assured that the full diversity of the community was engaged

10   The Council considered a wide range of data to inform the development of its Digital Strategy 2023-2027 to help it understand its current situation and likely future trends. The Council's strategic digital approach was informed by data covering demographic trends, levels of deprivation, data provided from parents via local schools and data on the UKs communications infrastructure. The Council also examined the City's population at household level by comparing those residents who contact the Council through digital channels. This helped the Council identify parts of the community that may be digitally excluded and why. By considering a

range of data sources, the Council reduced the risk of its strategic approach not taking into account current and future trends that might impact on its delivery.

11 The Council engaged its communities through a range of channels in developing its digital strategy. The Council carried out consultation through various methods of engagement. This included a survey through the local bus Wi-Fi, and public consultation surveys through its libraries and five community hubs. The Council also engaged groups such as Newport's Ethnic minorities and Youth Support Team (EYST), Newport's Business Improvement District members, and The Council's Diversity staff network and Pride network. The information the Council gathered enables the Council to know the diversity of citizens surveyed, including details of protected characteristics. However, the mechanisms for engagement limited the Council's ability to involve the full diversity of the population. This presents a risk that the Council might design a strategic approach that does not meet citizens' needs and therefore does not secure value for money.

The Council's strategic approach to digital is aligned with wider corporate priorities and with those of its partners

12 The Council has considered the wider impacts of its digital strategy both across the Council and how it impacts the objectives of other public sector bodies. The Council has aligned its digital approach with its Corporate Plan 2022-27 and other strategies such as its Climate Change Plan 2022-27. Aligning its strategic approach with its other strategies and objectives and those of other public bodies reduces the risk of duplication and can help to identify opportunities to deliver multiple benefits.

13 At the time of our fieldwork the Council's Digital Strategy 2023-27 had not yet been communicated widely to internal and external stakeholders and the Council had not yet developed a supporting action plan. However, subsequent to fieldwork, the report has been distributed and communicated via the Council's website and its Digital Board to partners. A common understanding of the Council's strategic approach to digital among members, officers and stakeholders will increase the likelihood of it being successfully delivered.

The Council is collaborating in the delivery of its digital strategy but has not identified all potential opportunities for partnership working

14 The Council works collaboratively with partners in delivering its digital strategy. The Council collaborates on some digital initiatives and is part of a regional collaboration arrangement with Shared Resource Services (SRS). However, the Council has not conducted a full stakeholder mapping exercise to understand other partners it could involve in developing and delivering its digital strategy.

15 without mapping out who and how it could work with partners it is difficult for the Council to have assurance that it has identified all appropriate opportunities to improve value for money in the delivery of its digital strategy.

The Council has not fully costed its digital strategy to deliver long-term benefits

16 The Council's Digital Strategy 2023-27 is not fully costed or resourced. The Council presented the Digital Strategy 2023-27 to Cabinet for approval in April 2023, stating there were no financial implications associated with the strategy. It noted that no budget was committed to delivering its objectives. Specific costs to delivering the strategy were expected to come from existing budgets, with consideration given to resourcing work on a project-by-project basis. However, the Council has not fully calculated the costs for delivering its digital strategy in the short term and has not fully identified its longer-term resource requirements.

17 Considering if and how Council resources could best be deployed to deliver benefits over the longer term would help it demonstrate that it is applying the sustainable development principle. It is also an important element of arrangements to secure value for money.

18 One of the four themes in the Council's digital strategy is digital infrastructure and connectivity with commitment noted to long term development objectives. For example, the Council aims to provide and develop public Wi-Fi in public buildings, the city centre and its buses. The Council also notes its intention to work with Cardiff Capital Region and partners in supporting the development of a National Technology Institute. This demonstrates that the Council is considering the longer-term benefits of digital technology.

19 The Council has not articulated any savings that it may make through implementing its digital strategy. It expects cashable savings will result from the strategy, but no specific savings were identified. The Council is however, since the fieldwork took place, developing mechanisms to monitor benefits realisation. Evaluating whether digital projects have delivered intended savings is an important element of monitoring value for money of individual projects and of the digital strategy overall.

The Council has arrangements to monitor the delivery of its digital strategy but does not have measures in place to understand the effectiveness or impact of it

20 At the time of our work, the Council had not yet fully costed its Digital Strategy 2023-27. The strategy has a delivery plan in place with actions noted, but this does not include outcomes and measures. The absence of this information makes it difficult for the Council to be able to understand the value for money of its digital strategy.

21   The Council has arrangements in place to monitor the delivery of the Digital Strategy 2023-27. The Council has established a Digital Programme Board to drive and coordinate progress of its digital strategy. The Board currently receives an annual digital report that provides an assessment of IT and digital arrangements for the Council as a whole. This report is also shared with the relevant scrutiny committee. Progress in delivering the Digital Strategy 2023-27 will be included within this report. The Council also uses its MI Hub reporting system to monitor the Digital Strategy themes, with actions listed within this system. While the Council has identified actions to deliver its digital strategy, it has not set measurable outcomes for it which makes it difficult for the Council to be able to understand the effectiveness of the strategy.

22   Monitoring the achievement of objectives for both the Council's strategic approach and individual digital projects is important to understand the impact of the Council's investment in digital, and therefore of arrangements to secure value for money.

23   The Council does not have systematic arrangements in place to review the effectiveness of its strategic approach, but it does undertake some learning following delivery of its digital projects. In developing its current digital strategy, the Council did not review the effectiveness of its previous strategic approach. The Council did however consider the work of other councils, in their digital approach, through the work of SRS. It also reflected on the extent to which the previous digital strategy had achieved specified actions.

24   The Council also reviewed the impact of the COVID-19 pandemic in its Community Impact Assessment which has informed its current digital strategy. For example, this includes information on groups with disabilities experiencing greater digital exclusion and key demographic data to target support for digital inclusion. The Council applied what it had learned from that review to inform its Digital Strategy 2023-2027.

25   However, the absence of systematic arrangements to review and share lessons learned on both the Council's strategic approach and individual digital projects within it, risks missing opportunities to improve impact and value for money.

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?	• 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: – 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.
	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)?	• 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). • The Council uses its evidence base effectively to:

Level 2 questions	Level 3 questions	Criteria
		– 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.
2. Does the Council have a clear vision of what it wants to achieve through the use of digital technology?	2.1 Is the Council planning over an appropriate timescale?	• 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: Taking account of the Well-being of Future Generations Act in the budget process – The Future Generations Commissioner for Wales). • 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).
	2.2 Has the Council thought about the wider impacts its digital strategy could have, including:	• 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

	• 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)?
		work with that of their colleagues from across the Council and with partner organisations.
		• 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:
		  – 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.

	2.3 Is there a wide and common understanding of what the Council is trying to achieve?	• 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
3. Is the Council working effectively with the right people and partners to design and deliver its digital strategy	3.1 Has the Council identified who it needs to involve?	• 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.
	3.2 Is the Council effectively involving the full diversity of people affected by its digital strategy?	• 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.

	3.3 Is the Council collaborating effectively with the right partners?	• 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:
		  – 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
4. Has the Council resourced delivery of its digital strategy so it can deliver long-term/ preventative benefits?	4.1 Does the Council understand long-term resource implications?	• 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.
	4.2 Does the Council allocate resources to deliver better outcomes over the long-term?	• 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: – 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?	• 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?	• The Council regularly reviews the effectiveness of its digital strategy including:
		  – 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?	• 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.