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Cabinet Secretary for Housing and Local Government  
Welsh Government

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Dear Jayne

**Inquiry: Digital Local Government**

You may be aware that the Committee took evidence from several panels of witnesses at our meeting on 12 February to better understand what progress is being made on digital transformation and innovation across local government. During these discussions, a number of key issues were identified. Members agreed that I should write to highlight these to you.

**Better and more consistent alignment of national and local digital priorities**

It was clear from the evidence that there is currently a disconnect between delivery of national digital priorities, and current local government service priorities. As a result, this is impacting the effective delivery of actions in the Digital Strategy for Wales.

Tensions between the work of the Centre for Digital Public Services, driven by Welsh Government and public sector needs do not necessarily align with local government key areas of digital delivery, creating additional tension for resource allocation. Lindsey Phillips, the Interim Chief Digital Officer for Local Government in Wales (the Chief Digital Officer) told us that:

*"A number of projects that have come forward, ministerial priorities that have come forward, CDPS are put in as the body to deliver those, and then local government have said, 'Well, this isn't a priority for us at the moment.' So, it's that tension between are we—? You know, who's dictating what activities?"*

. Harriet Green, Joint-Chief Executive Officer for the Centre for Digital Public Services (CDPS), recognised these tensions, and told us that;

*"Local government, for example, has a really strong focus on social care, because that is the kind of the major issue in terms of delivery for local authorities. That's where many of their greatest issues for their citizens occur and many of the greatest pressures on their service provision are. So, that is a really high priority for local government, for instance, whereas in central Government we have the First Minister's four priorities, and they're different."*

Witnesses called for a refreshed, bold national vision for digital with clearer action plans, timelines and accountability to help bridge this disconnect between national and local government. The Chief Digital Officer suggested that digital should be integrated into core service strategies (e.g. social care reform) rather than treating it as a standalone entity.

We are concerned about the apparent accountability gap in the delivery of the Digital Strategy for Wales, and that local government priorities do not always align with national priorities. It would be useful to understand how the Welsh Government will ensure better alignment and accountability going forward, and what work is ongoing on reviewing the existing digital strategy.

### **An absence of leadership and buy-in persists**

We were concerned to hear evidence from witnesses that there was an absence of leadership and understanding in some local authorities with regards to digital, and that there is a need for stronger buy-in around digital at both senior management and political levels. The Interim Chief Digital Officer has been in post for over two years and said during that time, she has frequently been told by senior leaders that *"I don't do digital"* and that it was clear that the messaging around the importance of digital in enabling reform is not *"sticking"*.

The CDPS also identified leadership as a key area to address, stating:

*"It's critical that those people have the informed knowledge and the understanding of the kinds of decisions they need to make and the kind of leadership they need to give to lead their teams, to take this seriously, to understand how they need to respond to the questions that are put to them, what are the decisions that will lead to improved public services."*

The CDPS said there is significant support and help available to leaders (political and management), but that *"those leaders and their teams need to reach out for the support and help"*.

The WLGA disagreed with the view that leaders are not taking digital seriously, but that the realities of the financial context local authorities find themselves in mean that they are now *"talking about how we manage decline"*, and that investment in longer-term digital developments are harder to justify.

The evidence we heard suggests that digital has still not embedded itself as a fundamental way of thinking in local government. Leaders are seemingly straddling the desire to deliver digital, with the

need to deliver core services with dwindling finances, when in fact, the former could help deliver better, more sustainable services. It is unclear to us how the Welsh Government is supporting local government leaders to embed digital, with evidence suggesting that this is not coming via the CDPS. The Chief Digital Officer, with a small delivery team, has, according to the WLGA, both a strategic and operational function, but the role is seemingly remunerated far below the national average for the skillset and seniority required to drive such change.

It would be helpful for us to understand what actions the Welsh Government is taking to embed digital across local government and drive the digital agenda forward at pace.

### Cyclical nature of grant funding a barrier to progress

It was clear from the evidence received that local authorities currently face significant resource shortages, with small teams juggling multiple priorities. This naturally hinders progress towards improving digital in the sector. The cyclical nature of grant funding such as the Digital Transformation Fund was highlighted by the Chief Digital Officer as having a high administrative burden and being unfit for iterative digital projects:

*"Digital projects, as we've talked about already today, need a different funding model—low levels, iteration, minimum viable product; all the buzz words—then continuous improvement and the move away from capital funding to services being purchased as a revenue stream et cetera. But that cyclical funding is very, very difficult to identify a project, get the project set up, find the skills to deliver it, agree what the outcomes are, deliver it, evaluate it and then pay the money out. Doing that in a cycle of a year is very, very difficult."*

Long term investment is clearly needed to drive the digital agenda forward, however short-term budget pressures facing local authorities result in tough choices being made between investing in front-line services and digital, despite the potential of securing long-term savings. Councillor Batrouni, Leader of Newport City Council offered this insight:

*"So, local government—as Welsh Government, as all governments—has been under financial pressure, so that forces staff to focus on those front-line services and firefight, effectively. And then, as Lindsey says, the officers go to the digital teams, which tend to be small, tend to not be funded properly, and say, 'Solve it—solve our problem. We need to do more with less'. That's not going to work. You won't get sustainability out of that."*

Please could you outline what analysis has been undertaken by the Welsh Government into the funding model and funding requirements for local government to enable effective planning and development of digital to improve services.

## Digital Service Standards the 'gold standard', but more work to be done

It was clear to us that the Digital Service Standards provide a valuable set of principles and best practice for public sector bodies to work towards. However, with little or no requirement to apply the Service Standards within organisations and across teams, the CDPS and partners rely on persuasion and engagement to embed the standards within local government. As the CDPS noted:

*"we have no carrots and no sticks. We have to be as persuasive as possible; we have to bring as much evidence forward as possible."*

We heard that few local authorities have fully adopted the Digital Service Standard for Wales and this is partly down to timing of service redesign and resource limitations. We heard from the Chief Digital Officer that no local authority is re-designing its services from scratch, and that "different local authorities will be looking at different elements of their service at different times".

One area of discussion related to spend controls. An example provided was the Government Digital Service (GDS) in Whitehall which placed spend controls on services that did not meet the standard, preventing progress of that development. However, that was done at a UK Government level, and it was argued by the Chief Digital Officer that spend controls would be harder to apply at local government level:

*"I think it is worth pointing out that quite a lot of the spend controls that GDS put in place were at UK Government level, where they had that control. They don't have the ability to do that in local government. But I will also say you will be unlikely now to find a local authority that allows individual departments to go off and buy software systems in the way they used to."*

The CDPS was also of the view that there is "no appetite for spend controls in Wales", but they were interested to explore some form of mandating and how a system could be devised in Wales to "go beyond that 'no sticks, no carrots, no incentives, no penalties" scenario.

We are keen to understand the Welsh Government's view on the absence of 'spend controls' or the possibility of mandating the service standards to drive forward system change and would be grateful for details of this.

## Collaboration and partnership working inconsistent

The evidence suggests that collaboration and sharing best practice between local authorities and other sectors is inconsistent. Audit Wales found mixed evidence of partnership working. When asked whether councils considered the full range of potential partners when developing their approaches to digital, they asserted:

*"...our main finding in this area was that, in many cases, that didn't happen in a comprehensive or systematic way. Where we did see lots of examples of partnership working, what we didn't see was that structured approach to considering the full range of potential opportunities..."*

However, some promising examples of specific projects where service users had better experiences due to collaboration were highlighted by the Chief Digital Officer, including the 'Connecting Care' social care programme where the digital advisory group and the Association of Directors of Social Services group of directors were brought together and able to take a collaborative approach, which has been successful.

Time and resource constraints were highlighted by Cwmpas as critical barriers to sharing best practice, although we heard that groups such as the Digital Advisory Group (DAG) are beginning to show some impact. Witnesses advised that Wales could learn from other countries, such as Scotland. Cwmpas noted that:

*"Well, there are some good examples in Scotland, for example. They've adopted some good approaches ahead of Wales. They're probably six or seven years ahead of Wales on their digital change programme, so there's some learning to be taken from there. I think that they seem to be—. In my experience, we've got the public sector and the third sector being independent in Wales, whereas in Scotland—. A lot of service delivery is delivered by the third sector for the public sector, and they're independent in Wales, whereas, in Scotland, it's transformation across the board. And I think that that, aligned to the work that we do on a day-to-day basis, seems to be a good model that has worked quite well."*

Estonia was also highlighted by a number of witnesses including Councillor Batrouni as a good example for Wales to learn from, where it is thought the:

*"... entire public service system is online or digitised? And it saves them an enormous amount of money and improves their services no end... But I don't think Ireland is the example, personally; I think it's Estonia—smaller population, but has embraced the digital revolution wholeheartedly. And I think there are risks with that, but equally, for public service provision, I think there are a lot of advantages."*

We would be interested to know what comparative work and analysis the Welsh Government is undertaking of efforts in other similar sized nations to Wales, in relation to driving forward digital and system change.

### Shortage of digital skills and capacity

We were concerned to hear evidence from all witnesses that there is a severe shortage of digital skills in local government, which has been exacerbated by limited budgets and competition from the

private sector. For example, we understand that according to the Glassdoor website, the average salary for chief digital officers in the private sector in Wales is £133,000 however the role of chief digital officer for local government in Wales was most recently advertised at £78,000 (previously it was £88,000 to £100,000). Given that this role had been vacant and then filled on an interim basis for a lengthy period, can you share your understanding of the rationale for setting the salary at that level and whether you believe this is sufficient to attract the people with the skills and experience required to provide the necessary leadership. The evidence also highlighted that local authorities are currently relying on small, overstretched digital teams.

We heard there is a clear need for innovative solutions and witnesses provided some suggestions, including partnerships with private sectors or universities, alongside mainstreaming basic digital skills across all departments. The collaboration between the Republic of Ireland and Google was mentioned by the Chief Executive of the Local Government Information Unit:

*"...if you're a good, bright graduate in Ireland, you can go off and work for Google and earn a lot of money very, very quickly. So, what we're seeing in Ireland is councils partnering with those organisations. So, Dublin City Council, for example, doing a collaboration with Google to measure air quality in really precise ways and really predictive ways to try and manage traffic around that."*

Councillor Batrouni proposed collaborating with the Office for National Statistics for data expertise:

*"Newport has started discussions with the Office for National Statistics, preliminary discussions, to have a working arrangement, because they've got data scientists and we've got the data. Local authorities have the data that ONS wants, and we need the skills and the capability, because we don't have it; you're absolutely spot on. So, why don't we work together? I'm happy to work with the private sector as well where it makes sense, where it's prudent for the taxpayer, and where it makes sense for the private sector as well."*

We are interested to know how the Welsh Government is encouraging closer partnership working and collaboration between public bodies, as well as other sectors, such as the private sector and universities, to develop the digital skills needed now and in the future, and would be grateful for further information.

## User-Centred Design and Service Improvement

We know that User-Centred Design is central to the Welsh Government's digital strategy and the Digital Service Standards, however evidence from the CDPS suggests that while it is improving, it is still not fully embedded. They noted :

*"It's improving, and being implemented in patches and good examples being shared, as Harriet was saying, through the communities of practice, but not yet adopted as the primary way of working, alongside other digital delivery techniques. But moving in the right direction. The dial is shifting."*

Whilst 75 per cent of local authorities currently claim to have some User-Centred Design capability, evidence from witnesses contest this as being overly broad, with insufficient depth to drive systematic change.

We feel that the approach to digital in local government is still dominated by an IT approach, rather than a focus on digital. The digital world we live in is changing at speed, but organisations should not lose focus on what digital should be about, which is the improvement of services for its users, based on their needs. As Cwmpas told us:

*"At the end of the day, this is about service improvement. Digital is just the means, the technology is the means to deliver it. All we want to do is improve services for people."*

## Data and information sharing

Data and data sharing are key to improving public services, and should be central to the public service digital agenda. We heard that data enables better planning and identifying pressure points in the system, with Councillor Batrouni asserting that the discussion around digital needs to "focus on data". He told us:

*"Digital is the solution to the issue identified through data... We have to get all our data sets aligned, collaboratively, speaking to each other, at local government level, at Welsh Government level. And then you move to: the data will tell you what is happening on the ground in your public services, where the pressures are, what the trends are. Then you can identify those real problems."*

As part of a separate inquiry on the role of local authorities in supporting hospital discharges, we heard about some fundamental issues when it comes to data sharing across public services. For example, evidence from the [Royal College of Nursing](#) highlighted some of the challenges in the care system:

*"IT systems and communication systems between hospitals, GPS and the community nursing team are inconsistent and often poor in quality with fax machines still in use in some places, and bulky paperwork still carried by some community nursing staff. Communication between the health boards and local authorities is equally problematic and IT systems should be reviewed."*

We understand that the Welsh Community Care Information System (WCCIS) is a national IT programme to enable the safe sharing of information which is currently used by local authorities, and is due to become operational next January across health boards. However, we are concerned about several barriers to implementation of this programme which were highlighted to us during an evidence session with local authorities on 27 March. These included technical issues around data migration limitations, which are currently limited to 1 GB a day, and the need for hard-wiring to improve data transfer speeds.

We would be grateful if you could provide a response to the points raised by Monday 16 June.

Yours sincerely,



John Griffiths MS  
Chair

Croesewir gohebiaeth yn Gymraeg neu Saesneg. We welcome correspondence in Welsh or English.