



Department
of Health

Digital Spend Controls Guidance

Issue 2

This guidance document sets out some of the processes that apply to digital activities and projects, including projects with a digital element. It is aimed at people working in the Department of Health and its arm's-length bodies.



Department of Health

*Foreword by Rachel Neaman,
DH Digital Leader*

Digital is a powerful and flexible tool that can bring significant benefits to health and care via services delivered over the internet. By using digital techniques, organisations can reach wider and increasingly diverse audiences, providing more accessible information, capturing service user feedback and making transactions quicker and easier.

All of us involved in the creation and management of digital services have a responsibility to make sure that they are effective, simple to use and represent value for money. To help achieve these goals across Government and its arm's-length bodies, the Cabinet Office Efficiency and Reform Group (ERG) developed new digital standards and introduced new digital controls in July 2013. Responsibility for managing this initiative lies with the Office of the Chief Technology Officer (OCTO) within the Government Digital Service (GDS).

This guidance document has been produced by my team to support those of you embarking on digital projects, whether in DH or in an arm's-length body, and will help you to ensure your project runs smoothly. We will regularly review the content based on your feedback so please continue to ask questions of my team.

As the DH Digital Leader I oversee the department's Digital Approvals Panel and chair the ALB Digital Leaders group, which is a pivotal forum for two-way communications on digital projects and strategies. In addition, the DH Digital team provide support and are always available to give advice on digital matters.

The increased use of digital in delivering services will bring challenges as well as benefits. But as digital becomes more mainstream it is a tremendous opportunity for all of us to learn and share together. I look forward to working with you all.

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1. Introduction

This guidance document sets out the digital controls processes that apply to all digital activities and projects, including wider projects with a digital element.

These controls apply to ALL digital spend as set out in section 8 Digital Service Delivery (including ID Assurance)' of the [Cabinet Office controls guidance: version 3.2](#).

These controls were introduced by Cabinet Office to ensure value for money as well as alignment with Government strategy, policy and the technology code of the practice. The details of the standards can be found in the [Government Service Design Manual](#).

The digital controls process is managed by the Government Digital Service (GDS).

For the purpose of these controls digital has been defined as:

“Any external-facing service delivered through the internet to citizens, businesses, civil society or non-government organisations”.

Within health and care, the controls apply to the Department of Health (DH) and all its arm's-length bodies (ALBs) as defined by the Office for National Statistics. This includes NHS England, Public Health England and all other DH ALBs, but does not include the Clinical Commissioning Groups, Commissioning Support Units or the local NHS.

The controls also apply to the digital projects and programmes commissioned or overseen by the National Information Board (NIB).

Different kinds of activity have different spend thresholds DH has been given a level of delegated authority for certain aspects of the digital controls. The controls summary, thresholds and definitions of the activities are shown in Table 1: Activities and Approvals and section 3. Scope of the Controls.

2. Summary of Controls

The following table sets out the activities and thresholds that apply to the digital controls. The majority of projects will fall into these activities.

If you are unclear about whether your project contains any of these activities then you should contact the DH Digital team for an early discussion.

Table 1: Activities and Approvals

No commitment or expenditure can be made without prior DH approval. There is no delegated authority to ALBs.		
Activity	Spend Approval Threshold (cost is the total lifetime value of the project)	Approval Required (DH Digital Leader approval is required at all levels)
<ul style="list-style-type: none"> • New websites • Domain registration (new domains) • Mobile apps • Digital transactions (new or redeveloped) • Identity assurance for the general public 	£ZERO	DH Digital Leader and GDS
<ul style="list-style-type: none"> • Contracts (including contract amendments, extensions or renewals) • Licences • Expenditure through existing frameworks • User needs research • Feasibility and/or proof of concept studies • Pilots • Projects (or an element of a project) and programmes • Any 'business as usual' changes or enhancements or maintenance or refreshes 	less than £100k	DH Digital Leader
	more than £100k	DH Digital Leader and GDS

3. Scope of the Controls

The digital controls cover the full lifecycle of a project, including user research, development of applications, business as usual improvements and licence renewals.

In scope

The following is a list of activities within a project or programme that are considered in scope of the digital controls. This is not exhaustive.

- 3.1. User needs research
- 3.2. Feasibility and/or proof of concept studies and or pilots
- 3.3. New websites, including information and transactional sites
- 3.4. Business as usual changes and improvements
- 3.5. Domain registration
- 3.6. E-learning platforms (that meet the digital definition)
- 3.7. Mobile apps
- 3.8. Digital transactions and services
- 3.9. Identity assurance for the general public

The digital controls are applied to all projects, or parts of projects, that meet the definition of digital.

Out of scope

There are areas of digital activity that are outside the scope of the controls. These include:

- 3.10. Content: including the creation, adaption or ongoing management, including video, audio and graphics
- 3.11. Social media monitoring tools (although ICT controls may apply)
- 3.12. Services for:
 - Internal audiences, e.g. staff intranet
 - Government to Government communications and transactions
 - Groups where Government credentials are required to log on

If the activity is for staff, or is between government bodies, it would most likely fall under the communications or ICT controls, but the Government Digital Service's digital policies and principles still apply.

4. New Websites

The costs associated with website development are covered by the digital controls, whether you are proposing a new website or developing an existing website.

There is a zero spend threshold applied to new websites so there needs to be an extremely strong and well defined case for why a new website is required.

5. Business as Usual Improvements

Spend on an existing website is subject to the digital controls requires approval at the level described in Table 1: Activities and Approvals.

By website development we mean the following:

- 5.1. Enhancements, additions or changes to functionality
- 5.2. Fundamental changes to the 'look and feel' of the site
- 5.3. Site refresh projects
- 5.4. Any development to add or enhance digital transaction capability to an existing web service
- 5.5. New or renewal of contracts, contract amendments, licences, support arrangements including continuous improvement or maintenance
- 5.6. Expenditure through existing frameworks
- 5.7. User testing
- 5.8. New or renewal of contracts for commodity items such as hosting and support

Further information can be found in the GDS service design manual at:

<https://www.gov.uk/service-manual/technology/spending-controls.html>

There are the following exceptions:

- 5.9. Continuous improvement or maintenance of an existing website where this is specifically included within your existing contract.
- 5.10. Content creation and content development. This is not included within the digital controls, but may be subject to other controls e.g. the advertising, marketing and communications controls.

Regardless of any outcome from the digital controls process there should be no automatic contract renewals.

The [Technology Code of Practice](#) states:

“The renewal of incumbent products, services and suppliers, or the stipulation of their brands, is not permitted: there must always be an open and competitive specification and re-procurement process”.

Further guidance can be found in [the guidance on procuring goods and services](#).

6. Domain Registration and Exemptions

[GOV.UK](#) is the single domain for government and the aim of this project is to bring all government information and services into one place, and to make the users' experience simpler, clearer and faster.

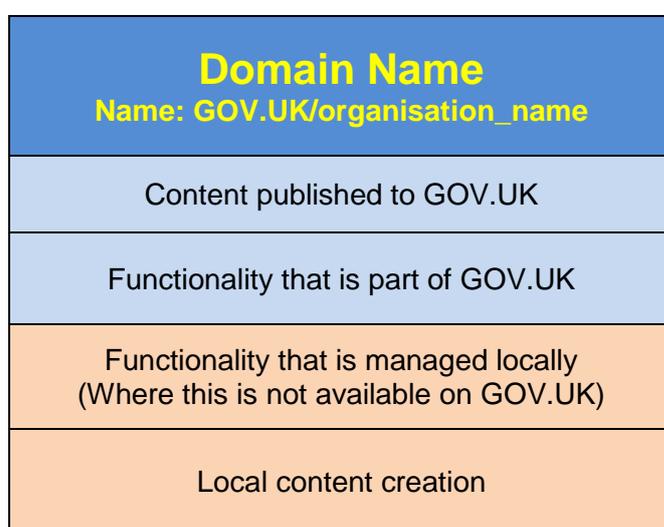
All requests for exemption from the GOV.UK domain are assessed by the cross Government Digital Leaders groups against set criteria: <https://gds.blog.gov.uk/2012/12/11/exemptions/>.

If you are not sure if a website has been given an exemption please check with the DH Digital team.

Exemptions, when agreed, are for the domain only. Spend on the development of the website itself is still subject to the digital controls.

Diagram 1: Domain Relationship below illustrates the levels of integration of a typical website that has migrated to the GOV.UK domain, but has still retained local functionality and content creation.

Diagram 1: Domain Relationship



7. Mobile Apps

The Government’s position on native mobile apps is clear and sets out that they can “rarely be justified”. Stand-alone mobile apps will only be considered once the core web service works well on all mobile devices.

If you think there is a good case for the inclusion of a mobile app as part of your digital project, you should speak with the DH Digital team at the earliest opportunity, and provide clear evidence of the user need. GDS approval is required for all spend on mobile apps, and your proposition will receive a high level of scrutiny.

Approval is also required for spend on existing apps, including for upgrades or redesign (this includes apps developed by partner organisations). Your spend request should be accompanied by convincing evidence to support the continuation of the existing mobile app.

8. Digital Transactions

All transactional services are subject to the digital controls. This includes new services, and the redevelopment of existing transactional service.

GDS describe a transaction as:

“Government transactions typically involve an exchange of information, money, rights, goods or some combination of these”.

A transaction involves one party being a citizen, or business, and the other party being government, for example:

- Passport application: a citizen exchanges information and money to receive travel documentation
- European Health Insurance Card (EHIC): a citizen exchanges information to receive registration on a claims system

9. ID Assurance for the General Public

GDS is developing a cross-Government approach to identity assurance, and use of this system will be the default for any identity assurance with the general public.

Any project that includes an element of identity assurance for the public will be checked against the Government system to confirm if this is an appropriate fit.

10. E-learning

The digital controls apply if you are proposing to spend money on a new e-learning platform, or to develop an existing platform, if they have an external facing element. The digital controls do not apply to content creation for e-learning.

There is a national consolidated e-learning platform for healthcare professionals. In general, this should be your first port of call: e-Learning for Healthcare: <http://www.e-lfh.org.uk/>

NOTE: Although the digital controls may not apply you should be aware that other spend control restrictions may exist around learning and development and ICT. In all cases the digital principles e.g. user-centred design should be followed.

11. Funding

Spend controls apply to any central Government or ALB digital product or service regardless of the source of funding or the spending route.

Sources of funding that are in scope for the controls are:

- 11.1. revenue, capital, programme, or project
- 11.2. earned income
- 11.3. funds from EU or member states

All spending routes are in scope, including:

- 11.4. contracts with commercial organisations charities, academia, not for profit, other third sector or any other bodies
- 11.5. cost of an in-house build
- 11.6. cost of contractors
- 11.7. digital projects run on behalf of EU member states

For in-house managed digital activity, you might not have as detailed costs as you would have from a commercial proposal. However, it is expected that your submission for spend approval will include an internal cost for the entire project.

The cost should take account of any opportunity costs incurred. Opportunity costs are defined as the cost that would occur from resources and people that are involved in a digital project but could have been they were deployed elsewhere.

Digital controls still apply where the development is done by contractors or contingent labour, and these costs must be reflected in the approvals submission.

12. The Approvals Process

The aim of the approvals process is to confirm that the standards and policies are being applied correctly. You should be familiar with the principles set out in the GDS Service Manual, at <https://www.gov.uk/service-manual/technology/spending-controls.html>, and reflect these in your spend request.

All spend requests for digital projects and activity should be submitted to the DH Digital team for assessment. For projects above the DH delegated approval threshold, the DH Digital team will subsequently refer the project to GDS.

Early engagement with the DH Digital team is strongly encouraged. The team can provide support in developing a project, as well as sharing experiences and expertise of others. The team will encourage joined-up working on similar proposals or existing services. Early engagement also allows the DH team to target support and plan engagement with GDS, which in turn makes the approvals process quicker.

As well as discussing individual projects, ALB Digital Leaders should share a forward plan with the DH Digital team on a quarterly basis.

Different teams involved in digital projects are likely to have skills in different areas. During this informal phase it is expected that open discussion would take place on the concepts and methods of any proposal, as well as the structure of the application.

12.1. Costs

Approval should be sought for the full lifetime cost of the project. In this context, a lifetime cost means the total cost of ownership, not just the costs relating to development, initial purchases or site build.

Intentionally breaking down a programme into smaller elements to avoid the controls process is itself a serious breach of the controls.

12.2. Stages of the Application

There are five stages to the spend approval journey when engaging the DH Digital team. The stages of the application are showed in Table 2: Approval Journey.

Table 2: Approval Journey

Stage	Action
1. Concept	Idea <ul style="list-style-type: none"> ➤ Succinctly explain your proposition ➤ Discuss with DH Digital team
2. Discovery Phase (Research / User Needs Assessment)	The Why & What <ul style="list-style-type: none"> ➤ Investigation into user needs ➤ Understanding budgets / initial cost ➤ Approval is needed for complex high value discovery activity
3. Application	Submit Application to DH Digital team <ul style="list-style-type: none"> ➤ Draft applications are encouraged ➤ Formal application may need supporting material
4. Assessment	DH initial assessment in all cases <ul style="list-style-type: none"> ➤ Applications may be approved or rejected at this stage <i>and</i> Additional GDS assessment <ul style="list-style-type: none"> ➤ When above the spend threshold ➤ Only DH Digital approved applications will be submitted to GDS ➤ Applications may be approved or rejected at this stage
5. Approval	Approval given <ul style="list-style-type: none"> ➤ Ongoing monitoring Note: All normal DH and government policies, such as finance and procurement still apply

12.3. Concept

You will most likely have a lower level of detail available at the concept stage, but you must still be able to provide a clear statement of the problem the project is aiming to address, and a vision of what the outcome will be for the users.

Care should be taken not to attempt to derive a solution or system and then build the project to achieve that aim. There are some fundamental aspects of expressing the concept that include:

- the user need or problem
- the success criteria
- if this is a government, departmental/ALB or ministerial priority
- the likely budget
- a clear outline strategy and how this project would fit with other overarching strategies

12.4. Discovery Phase (Research and User Needs Assessment)

While it is expected that money will be spent on advanced preparation, analysis or user needs research, this should be proportionate to the project's overall costs and included in the total project lifetime spend cost shown in your application.

When commissioning research or user needs assessments you should conduct the minimum necessary work to produce an evidence-based case for the digital spend approval.

It is difficult to provide an exact figure for how much discovery work should cost as individual projects will have specific needs and there is no intention to restrict this vital area of project development.

Once you have completed the discovery phase of a project the next stage would be to develop a proposal and submit this to the DH Digital team.

12.5. Application

All requests for digital spend approval will need to be accompanied by a digital proposition form which is available from the DH Digital team. All proposals will be assessed by the DH Digital team in the first instance. Following assessment of the proposal, the DH Digital Approvals Panel will either approve or reject an application.

Where applications are above the DH delegated threshold, they will be referred to GDS for assessment. GDS do not expect to receive spend requests that have not already been approved by the DH Digital Approvals Panel.

All proposals must contain a minimum level of information that would satisfy the digital standards as described in the [GDS Service Design Manual](#). To assist applicants a checklist of the twenty six standards is included at Appendix 1: Digital by Default Service Standard.

Your application must clearly describe the governance and project management arrangements and user testing. It is expected that an agile project management methodology will be used and that the project will be broken down into: discovery, alpha, beta and production or release stages.

12.6. Inward Investment

Although the DH Digital team and GDS are most interested in the digital proposition form and spend request, you may also need to develop a business case for inward investment. Similarly, inward investment and business cases in general benefit from input from local ad or DH procurement functions.

The format of the inward investment case and local finance approvals will vary within each organisation and advice should be taken from your relevant finance team. An inward investment business case is likely to be very detailed with regard to finance. For the digital approvals perspective, the DH digital team may seek assurance from the relevant Senior Responsible Officer for the project.

12.7. Simple Projects

For simple projects (usually within the DH delegated approval threshold) the digital approvals can sometimes be managed as a single approval. These would typically be the projects that fall within the DH delegated approval threshold.

12.8. Complex Projects

For larger, more complex, proposals, it is expected that the project will be broken down into the following stages:

- Strategic Outline Case
- Outline Business Case
- Full Business Case

Strategic Outline Case

The Strategic Outline Case will provide the overall aims and outcomes of the project, but is likely to have only broad estimates of timescale and costs. In general, at this stage it should be limited to requesting approvals for further discovery, user' needs research and possibly an Alpha or proof of concept product. There should be a clear testing process and summary of the success criteria. It should be understood that no ongoing commitments should be made to suppliers other than that required in completing this stage.

Strategic Outline Case approval allows the project to proceed with limited expenditure and outcome conditions. Once this phase is complete, the application will need to be resubmitted as an Outline Business Case with the additional input and knowledge gained from any discovery or development.

The Outline Case

The Outline Business Case is a revised proposal with more defined outcomes and a higher level of accuracy for costs. The solution proposal will be more mature in development and there needs to be clear evidence that this is aligned to user needs.

Outline Business Cases are most likely to be requesting approval to proceed to a Beta version of the solution. Beta products are expected to have all, or a high proportion, of the functionality of the production system, but possibly have content or other limitations. The Beta phase would be used to test with a true, if limited, audience and further refinement areas identified. It should be understood that no ongoing commitments should be made to suppliers other than that required for completing this stage.

Full Business Case

The Full Business Case will contain accurate costs and a plan to implement the refinements identified at the Beta stage. There are likely to be the outcomes and recommendations for procurement activity over and above that required for Alpha and Beta stages.

Each project or programme may well require a differing approach depending on its scale or complexity.

Agile digital and IT projects: business case guidance

The Government Digital Service and Her Majesty's Treasury (HMT) have published, and continue to develop, a range of guidance in this area and advice should be taken from the DH Digital team in the first instance.

See further details: <https://www.gov.uk/government/publications/the-green-book-appraisal-and-evaluation-in-central-government/agile-systems-projects-a-clarification-of-business-case-guidance>

12.9. Assessment

Your project will be assessed in line with the digital standards contained in the [Government Service Design Manual](#). There is a checklist and detailed guidance at Appendix 1: Digital by Default Service Standard.

12.10. Approval Response

Applicants submitting their cases to digitalprojects@dh.gsi.gov.uk will receive e-mail confirmation of approval, rejection or a request for more information, from the DH Digital team within 5 days.

Approval may include conditions, which will need to be included within the project development and there could be a requirement to re-submit various aspects of a project to demonstrate that the conditions are being met.

Where a project is rejected the notice will be accompanied by the reasons and where possible a suggested way forward or alternative solutions. In many cases the DH Digital team will discuss any possible reason for rejection prior to a formal decision being made.

13. Post Approval Changes

As a proposal moves through the different stages of approvals, it is expected that some aspects may change, and that this could include cost. These changes should always be refinements of accuracy, rather than unplanned developments or increases in costs.

When approval is given, this is the maximum spend available to the project and must not be exceeded without a further submission. Any subsequent additional costs or project changes will be subject to re-approval and justification and may be rejected.

14. Historic Approvals

Within DH and our ALBs there are a number of ongoing programmes that were given approval prior to the introduction of digital controls. In general, no further approvals will be required unless:

- 14.1. there are significant modifications to the digital aspects e.g. it now involves a mobile app
- 14.2. there are changes to the project or service aims and objectives
- 14.3. the audience has changed e.g. it now involves a citizen-facing element
- 14.4. the supplier changes
- 14.5. the contracts associated with the service expire or are terminated. Note: there should be no automatic contract extensions or renewals

In certain circumstances it may be necessary to apply for retrospective approval. The need for such action should be kept to a minimum as undertaking projects without prior approval breaches both government and department policy.

It should be noted that there is no guarantee that approval will be granted, which may result in services being withdrawn. Where a retrospective approval is granted, it is likely that there will be conditions and assurances would need to be given that the situation would not arise again.

Regardless of previous or retrospective approvals, government policy still applies and digital principles should be adhered to.

15. Other Controls

There are a number of other spending controls and standards that need to be taken into account. DH and ALB project managers/directors must check the delegated approval limits in their Standing Financial Instructions and be aware of the requirement for a inward investment business case to be prepared and submitted to the Investment Approvals section in DH Group Finance if an investment is more than £5 million whole life cost.

In general, a project is likely to fall into one of the controlled areas, and the Cabinet Office has an approach that aims to avoid the need for multiple approval routes. However, larger programmes and complex projects may span more than one control.

Further information on a range of the controls can be found at [Cabinet Office Controls](#).

Of particular relevance to digital projects are the ICT controls and the Advertising, Marketing and Communications and Professional Services controls.

15.1. ICT and Digital: understanding the difference

The Cabinet Office spend controls it can be seen that the IT and Digital controls are grouped together. However, the spend control process for both areas are different and managed by separate teams.

To understand that difference it may prove useful to first understand what are IT and Digital projects. Across Government, technology can be thought of as falling within one of four distinct functional areas. They are:

- Digital Public Services
- Mission IT
- Infrastructure
- Back Office

Digital public services:

These are the transactional services that drive citizen engagement with the state.

Mission IT

This is the organisation's line of business application. They support the different business processes that run through departments and agencies. These are often specific to their business functions.

Infrastructure

This is the desktop and infrastructure services found running throughout departments and agencies. It is the common connectivity, hosting and device management services that enable organisations to provide the tools needed by users.

Back office

This is the day to day services like HR and Finance that run the operations of departments and agencies. It is any admin service that supports the operation of internal business function.

Further information on the above can be found at [Technology leadership](#).

15.2. Grants

Grants are a complex area with their own set of local DH and ALB policy and Government guidance. In the main grants are not directly included in the Cabinet Office digital controls. However, as there is a growth in the use of digital channels and most grant application processes are conscious of the digital standards, [Government Service Design Manual](#), as a means of ensuring quality outcomes and value for money. Similarly, grants should not be seen as a substitute for contracting for services where the digital spend controls would apply.

It is strongly recommended that applicants should seek advice from the DH grants team if they believe that digital elements may be included in a grant application.

Further information can be found at: voluntarysectorgrants@dh.gsi.gov.uk

Appendix 1: Digital by Default Service Standard

Group 1: Meeting User Needs	
Digital by Default Standards Ref	Criteria
1	Understand user needs, conducting research to develop a deep knowledge of who the service users are and what that implies for digital and assisted digital service design.
9	Create a service that is simple and intuitive enough that users succeed first time, unaided.
13	Build a service with the same look, feel and tone as GOV.UK, using the service manual.
17	Be able to test the end-to-end service as if it were in an environment identical to that of the live version, with dummy accounts and a representative sample of potential service users, on all common browsers and devices.
20	Put a plan in place for ongoing user testing, including the ability to support multivariate experiments.

Group 2: Service Iteratively Improved	
Digital by Default Standards Ref	Criteria
2	Assemble a multidisciplinary team who can design, build and operate the service, led by a single, suitably skilled and empowered Service Manager.
6	Build a working prototype, using the agile, iterative and user-centred methods set out in the manual.
8	Analyse the prototype service's success, translating user feedback into features and tasks for the next phase of development.
14	Make sure you have the capacity and technical flexibility to update and improve the service on a very frequent basis.
15	Make all new source code open and reusable, and publish it under appropriate licences (or have provided a convincing explanation of why this cannot be done for specific subsets of the source code).
18	Instrument analytics tools which collect performance data.
19	Build and resource a service that can be improved on a very frequent basis, in response to user feedback or performance data for example.

Group 3: Safety, Security and Risks	
Digital by Default Standards Ref	Criteria
3	Consider what user data and information the service will be providing or storing, and address the security level, legal responsibilities and risks associated with the service, consulting with experts where appropriate
4	Consider the privacy risks to ensure that personal data collection requirements are appropriate.
5	Consider the tools and systems they will be using to build, host, operate and measure their service, and how to procure them.
16	Use open standards and common Government platforms (eg Identity Assurance) where available.
25	Create a contingency 'rollback' plan in place should the service have to be taken temporarily offline.

Group 4: Evaluation	
Digital by Default Standards Ref	Criteria
7	Establish performance benchmarks, in consultation with GDS, using the four key indicators (KPIs) defined in the manual, against which the service will be measured.
10	Put appropriate assisted digital support in place, targeted towards those who genuinely need it.
11	Plan (with GDS) for the phasing out of existing alternative channels where appropriate.
12	Integrate the service with any non-digital steps required for legal reasons.
21	Achieve ongoing high levels of user satisfaction across the digital and assisted digital services that are reported on the Performance Platform.
22	Achieve ongoing high completion rates across the digital and assisted digital service that are reported on the Performance Platform.
23	Create a plan for, and evidence to support, achieving a low cost per transaction across the digital and assisted digital service that is reported on the Performance Platform.
24	Create a plan for, and evidence to support, achieving a high digital take-up (and targeted assisted digital support at people who really need it) that is reported on the Performance Platform.
26	Successfully test the service from beginning to end with the Minister responsible for it.