



CCN
DIALOGUES

MAINTAINING THE MOMENTUM

*Digital Transformation for councils in the
wake of the pandemic*



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Overview

Future historians will likely classify the present age as the early stages of the 'digital revolution', following the 'industrial revolution' before it. Roughly a quarter of a century since the internet emerged from a niche preserve of tech enthusiasts into the mainstream, the ways in which it has re-shaped our world from commerce to communication are manifold. And most experts believe this is only the beginning.

As technology advances, inevitably social norms and behaviours evolve. As such, local authorities across England need to regularly review and upgrade their digital service offer to meet community expectations – in most cases now raised by their experiences during the pandemic. Much of the face-to-face engagement at council buildings which was the norm even just twenty years ago – paying a council tax bill in person for example – is now seen as archaic. Most citizens expect the same level of service digitally from their council as they receive when engaging with businesses online.

Local authorities have long recognised the importance of embracing new technology to deliver high quality, accessible, and convenient services for their citizens. Councils have learnt a lot over this time, increasing their in-house capabilities and skills to handle IT procurement and implementation. They also see the cost savings which digital technology can provide in the medium- to long-term. Digital transformation has therefore emerged as a vital element of local authority strategy. But with technology evolving at a rapid rate, councils still face a challenge to maintain pace as systems become more sophisticated in their capabilities, with installation increasingly complex.

This challenge has evolved in the wake of Covid. The unprecedented measures needed to tackle the pandemic – most notably lockdown and the reliance on online communications to stay connected – have shifted the context in which councils' digital transformation strategies have developed. This has accelerated both the demand and the viability of some aspects of strategies drawn up before 2020, whilst slowing progress on others and even circumventing the need for some elements entirely.

Earlier this year the County Councils Network (CCN) joined with HSO – a leading Microsoft Local Government partner and advisor on digital technology – to explore issues around digital transformation with member councils. The aim has been to better understand how CCN member authorities are revising their digital strategies in the context of emerging needs in the post-pandemic era – from the shift in workforce recruitment and work patterns; through the growing impact of cloud-based computing; to the increasing reliance of communities on digital access as a 'utility' with those unable to access it facing exclusion from society.

The content of this report has been drawn primarily from discussion at a senior roundtable held in May 2022 which brought together expertise from across CCN's member councils at both political and officer level. It has been supplemented by additional conversations with members of the Digital Group established by the Association of County Chief Executives (ACCE) to foster better collaboration across its membership.

Developing and maintaining effective digital transformation strategies

The rationale for this report has been to better understand how local authorities see their priorities for digital transformation in the wake of the pandemic. Covid has shifted the dial on the adoption of digital technology with authorities now needing to assess how effectively they are serving the 'new normal'.

The foremost feedback from member councils was how previous assumptions about the time to progress towards certain aspects of digital take-up by their communities – e.g. minimising travel by using virtual meeting facilities; moving towards cashless payments for some services – had been overturned as the circumstances of Covid forced immediate change:

"I heard Carrie Bishop [Chief Digital Officer, San Francisco], saying 'it's been like dog years', hasn't it? ... we've fitted 14 years' worth of stuff into the last 24 months!"

There was general agreement from those interviewed that in general the pandemic had accelerated digital transformation. However, it was also noted that other elements of local strategies – making major system purchases, for example – had been paused, sometimes indefinitely, as non-essential resources (both financial and staffing) were refocused on meeting the immediate needs of the Covid emergency.

Planning & Preparation



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Prioritisation

Often individual councils prioritised different aspects of digital transformation in their strategies. This led to a varied evolution of technology across authorities. One senior officer recalled a practice-sharing event they attended

“Everyone was doing something but no-one was doing everything. Choices may have been made due to resources, political priorities. If we did the whole package it could make a big difference.”

Making choices based on bespoke funding, strategic direction, and community demands, was not in question:

“[The] sense of the common platform and the sharing experience is really important but there will always be local variations either through local contacts, finances, local communities or local political appetite to focus on certain things.”

The issue was ensuring choices made over IT strategy, commissioning, and procurement were informed – with councils able to draw on the right expertise to make decisions.

Having more opportunities for local authorities to share best practice – cost mitigation, implementation strategies, and so on – could reduce the risk of effort duplication. The government may have a part

Core business, not a project

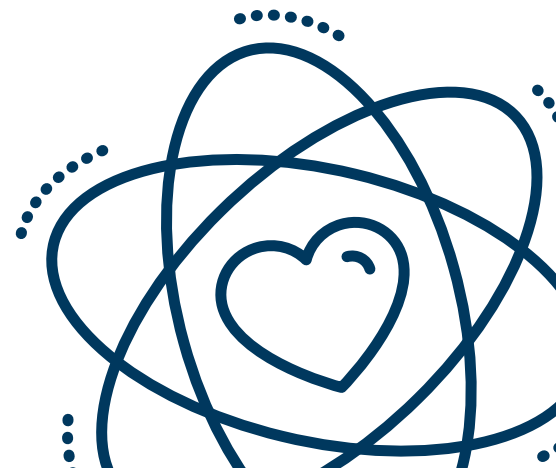
The overwhelming message regarding the experience of digital transformation is that it must not be seen as a time-limited project, but a constant and ongoing iterative process. Digital technology is constantly advancing and evolving, and strategies for digital transformation cannot be ‘task and finish’ exercises.

This can often be difficult for councils to appreciate as it represents a new and different way of working. As one officer noted:

“[The organisation has] a mindset ... this idea of the edifice, a building. You go, you build a system, you walk away.”

They went on to highlight that successful digital transformation strategies do not think of installing a system as the ‘end’, but consider more widely how services and technology can better synergise, connect, and improve over time:

“... actually, most of us involved in some sort of implementation know that you struggle to get your first version over the line and then it’s that continuous improvement as you find out ... how people use it, and what your teams want.”



Cloud-based computing and economies of skill

Taking this approach to digital strategies is increasingly important – particularly given the potential cloud-based computing unlocks.

Technology is moving away from rigid systems designed only to meet a set function (e.g. an online payment system for council tax) towards a flexible model of applications supported by a platform (an integrated payment system for all council services). Most people are familiar with this model through their smartphone – choosing a platform (e.g. a phone operating system such as iOS or Android) and then downloading applications onto the platform to suit their individual needs.

This model allows users to take advantage of what has been termed ‘economies of skill’. This concept can be seen in how the smartphone has rendered formerly stand-alone tools obsolete – the torch, the stopwatch, or the personal stereo, for example – instead remodeling them as applications wrapped up in one device.

The promise of cloud-based systems is to scale this model up to council services. Traditionally a local authority had the option of introducing, replacing, or upgrading one specific computer system for another. Instead, they can now bed one platform across the council with the option to migrate more functions onto it over time. One of the benefits of using a single platform is consolidating the level of support needed to maintain IT systems, as well as the training to operate them effectively (in terms of staffing, but also in helping citizens to access council services online):

“If I standardise a lot of my applications the skills I need to support that becomes less – and there’s a saving and benefit to be had there.”

And this is already happening. Local authorities can now operate on one digital platform populated with applications that operate together as part of one single civic digital offer. This same approach was successfully pioneered by national government through the award-winning GOV.UK which collates dozens of central services via a single accessible platform.

Such transformation cannot take place overnight – not least because many authorities will have invested in technology with remaining lifespan, or retain contractual obligations to use another system. However, transformation strategies should assess the feasibility of how to collate digital infrastructure into a single platform to improve efficiency and make savings.

Commissioning and costs

Cloud-based services are not always a catch-all solution for every problem. At times a different approach is needed. For most councils, it is likely that ‘hybrid’ solutions which involve a mix of cloud-based systems and more traditional software applications, may be most appropriate.

As such, when commissioning IT, councils must draw on the requisite skills to understand the need so they can convey them simply and effectively. Local authority decision-makers able to articulate to developers what they need, are likely to have access to more effective products and negotiate adjustments or adds-on which may provide added value. This financial aspect is particularly important. Local authorities prefer to make costs as predictable as possible, but cloud-based systems can make it harder to budget because of cost impacting variables such as use, capacity, storage, and so on, which are harder to control.

“[There’s a] desire of colleagues from finance to see the world in terms of a predictable 12 month cycle – it has a start, an end and a cost. Cloud doesn’t work well with that.”

Cloud computing plays an important role in service provision. One that may generate savings and efficiencies. But to take advantage of these, councils must assess the merits and drawbacks through cost/benefit analysis. This enables councils to weigh up the balance between cloud-based systems vs traditional on-premises IT systems. In turn, it also prevents investment in systems less suited to their needs. Finance Directors must be equipped to understand the evolving business models that support IT commissioning to be able to support decision-making about the value of different systems, and then budget accordingly.

However, this is not only an issue for Finance Directors, but for staff at every decision-making level within a council. There is also an onus on council IT professionals to communicate in layman terms

the relative benefits of different types of systems to colleagues less versed in technology.

Some authorities have learnt by experience the challenges that can arise if the right approach is not applied when commissioning. One member who had overseen digital transformation in their council for some years remembered:

“Twenty years ago we brought [the system] in and then adapted it to fit the way we work and that was a very significant mistake by the county council. [This time] we are adapting the way we work to the way [the IT system] works ... we have spent a very significant amount of money and time making sure we fully understand what we need [the incoming system] to do ... and training people up so they are aware of what they need to and there are processes and management in place to ensure the system is used in the way it should be.”

He added that more recently the local authority had looked specifically for developers who could help the council adapt their processes to maximise the effectiveness of the system. This has meant including in the contract a ‘smart call’ programme which has helped the council adapt to using the system by troubleshooting issues as they arise.

This experience underlined the importance of viewing commissioning decisions for IT as a long-term investment. It is not easy to predict how a system will bed-in once it becomes operational.

Aspects of digital transformation need to be understood not as a single commissioning process, but as an iterative one needing ongoing support and possibly further commissioning decisions to ensure it achieves full effectiveness.

This view was echoed by other participants in the roundtable:

“In my experience you spend the same money if not more when you do it as a one-off, because when you leave it fallow for five years you come back and it’s a total mess and you’ve lost productivity.”

Monitoring

It was felt digital transformation strategies must be flexible in order to enable the change process to stay relevant. One council indicated they had benefitted from a session with a futurologist to help envisage how their digital strategy might need to change over the medium- to long-term. Leadership of any process of digital transformation should promote constant monitoring of effectiveness and seek feedback to develop a culture of continuous improvement:

“Getting out of the day-to-day humdrum and actually using hard evidence is what we need to do.”

As citizen-facing organisations, local authorities must be careful not to assume that because a new system appears to be working behind the scenes it is meeting the needs of residents. Councils should be testing their systems on a regular basis to ensure they understand the service user experience:

“[It’s about] not getting into the mindset of telling yourself you’re good but making sure you’re hearing you’re good from the right people.”

One authority highlighted how they had countered complacency by setting out clear principles at the outset of an IT project. This ensured that even once the system was in place everyone involved was already prepared to continue with the process of ‘on-going service redesign’ rather than assuming the job was done. Some council IT professionals mentioned how they focused internally on ‘changing the changemakers’ by persuading those running a service to talk directly to service users and encouraging them to use the feedback to design systems which help the council become more agile.

For such an approach to be successful, staff training was felt to be important to ensure staff were confident and comfortable in looking outward and receiving challenging feedback:

“I think the challenge is where your employees – their knowledge, behaviour, skills – are out of step with the customer’s wants, demands, activities.”

Indeed, ‘staff training’ for successful digital strategies did not always mean focusing on the nuts and bolts of operating a system. Some of the skills needed were those which shift culture in local authorities from simple customer service towards seeing online interaction as closer to co-design.

“It’s about service change but from the user’s point of view.”

Feedback, customer comments, or complaints must not just be seen as something to respond to with ‘I’m sorry’ or ‘This is the way it is’, but taken on board as an opportunity to continually refine new systems:

“You should see your customers and service users as co-designers.”

One thing that all participants were agreed on is the importance of council staff needing to be familiar and competent using IT. As one senior officer in a county unitary council put it:

“Why would I appoint anyone without 21st century skills?”

As such, councils needed to focus on digital inclusion – not only internally but also as part of the wider skills agenda in their communities.

Home vs Office working?

In the wake of the pandemic, perhaps the most pressing issue - which local authorities stated they grappled with in terms of their digital strategies - was the rapid shift in working patterns the pandemic forced upon the workplace. Overnight, councils adapted to a new model where many staff transferred to working at home digitally. Even though the most intense phase of Covid-19 has subsided, like other industries local government is now pondering what this means longer-term for working culture within their organisations, as well as the impact on recruitment.

As in society more widely, this project gathered a range of views on the pros and cons of home working, with different councils instituting different policies, even within neighbouring authorities. However, there was also a consensus that the most likely scenario was that a more stable model of hybrid

working would emerge as the norm over the coming years.

Mostly those contributing to this report did not seem to have concerns about home working reducing productivity of their councils. Indeed, some noted that it had reduced travel time and allowed senior leaders to become more visible and engaged with business both within and outside their authority. But they were mindful that longer term they did not want lack of contact to inhibit creativity or stunt the development of younger staff needing to learn from more experienced colleagues.

Many councils are beginning to view this issue at a strategic level. Working from home creates competing policy challenges for local authorities to wrestle with. On one hand it supports green policies by reducing car travel, as well as offering the opportunity to make savings through consolidating office space and freeing up buildings. On the other it risks taking money out of town centres; reduces the use (and therefore commercial viability) of some local public transport such as buses; and potentially exacerbates inequality between those who can work from home and those who can’t.

Overall, the consensus from the local authorities around the table was that offering more choice to employees to make arrangements that best suit them was the way forward if productivity did not suffer. Offering an office to a 19-year-old employee who would otherwise be balancing a laptop on a bed in a shared house is acting as a good employer. But offering more flexibility around home working for a 40-something parent commuting 50 miles to and from the office is equally being a good employer. As the participant making this analogy commented:

“[offering choice around working remotely] – that really is ‘levelling up’”

Recruitment

More recently, CCN member authorities have begun to consider the strategic impact for counties on recruitment – primarily within authorities themselves, but also the impact on local economies – as it was still unclear how this differs between urban and rural authorities. Flexibility around how often staff need to be present in the office expanded the labour pool they can draw from – particularly of senior staff. But there was also caution about whether this would compromise the close bond which a council develops with its communities:

“There is a sense of how you lead teams and work with them and get a sense of the place and the challenges without being present.”

County-based authorities were also wary of how a shift to online working may lead to a ‘brain drain’. More staff may feel they might have opportunities to apply for city-based jobs – often more specialised or higher-paid – without having to accommodate a city-based lifestyle or long commute to access them.

There was an awareness that these potential changes in recruitment were more likely to impact senior officer roles where work was more flexible. There were often less options for hybrid working for junior employees due to the nature of roles working directly with communities. Additionally, hybrid working did not help with filling high levels of vacancies for more hands-on positions – such as those in adult

Behaviour change from residents and communities

The above has focused primarily on how the last two years has impacted digital transformation strategies within the structures local government. Change, though, has not just been confined to internal processes and decision-making – the pandemic, and the experience of lockdown, has also led to marked shifts in online behaviour within the communities served by local authorities.

Several authorities reported seeing marked increases in resident engagement online – such as through contacting or reporting issues via e-mail or through the council website.

“The appetite of service users or communities to engage digitally with us has accelerated rapidly in certain areas.”

Other authorities indicated the increase in engagement with digital services has shifted thinking towards how local communities might mobilise towards preventative action or behaviour-change in areas including the environment, public health, or civic engagement, for example.

It also has provoked further thinking about how service delivery might be transformed – for providing 24/7 online access to library services for instance. During the pandemic non-essential projects like this were often mothballed due to resource constraints. Now the observable shifts towards online engagement post-pandemic appear to have increased the viability of their success.

However, whilst updating their digital offer, councils needed to keep focused on its purpose. During a project it is easy to become so weighed down



by the technology and support needs around it, that one loses sight of ‘why’ the technology is being employed – invariably to deliver a more effective service. Successful digital transformation programmes stay focused on the ultimate objectives of the services the councils are there to provide.

“We get a bit caught in the ‘digital’ mantra and we forget what our core offer is... and digital is just one of the tools in our armoury... It’s about service change from the user’s point of view.”

Digital Inclusion

Remembering that online should be ‘part of, but not the whole of’ a service is important for councils, as they are there to serve all members of their communities. Whilst the pandemic has led to an increased use and understanding of digital technologies, there are still sections of society not digitally literate, and therefore at risk of exclusion.

The term ‘digital exclusion’ itself provoked some interesting debate among interviewees. There has been a tendency since the phenomenon has emerged for ‘digital exclusion’ to be discussed in isolation with bespoke initiatives to combat it. But some CCN members felt it was simply a new facet of existing exclusion issues, often targeting the same vulnerable segment of the population. It was also pointed out that, particularly since the pandemic, the perceptions of those groups to be less familiar or capable of accessing digital services was changing. As one participant commented:



“We’re reaching a point now where we can’t just say ‘older people aren’t online’ as older ABC1s are definitely online. What you are seeing are not older ... but C2DEs are less online and less capable – and when you see that it’s clear it’s not a digital inclusion issue but an inclusion issue.”

Councils should integrate ‘digital’ into their existing strategic thinking around exclusion ensuring it is considered at base level impact assessment around service reform – e.g. how might a service going entirely online or ‘cashless’ impact citizens without access to a bank account, or those only able to access the internet through their phones at premium rates?

The recent pandemic demonstrated how essential technology is for social inclusion, not least for access to education. During lockdown, councils witnessed how children from poorer families struggled to adapt to online learning as well as their peers from more affluent households. This was hardly surprising given digital access for many households is shared because technology is expensive, even before the cost of internet access or, indeed, the patchy broadband service in many remote areas.

“Why would a family that’s just about managing have three laptops for their children all to learn on during the pandemic?”

Local authorities and national government need to work in partnership to consider and address these challenges within the wider Levelling Up agenda, as the likelihood is that online access and digital literacy will continue to grow more important.

How to ensure successful digital transformation



Digital transformation is an ongoing process: Local authorities should view digital transformation as an ongoing and iterative process and be careful not to rely too heavily on standard ‘task and finish’ approaches in their strategies.



Encourage input from across the council: The development of digital transformation strategies should invite input from across the authority at the outset to ensure work is not duplicated or hidden problems uncovered down the line.



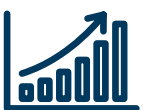
Audit internal capability before commissioning external support: When activating digital transformation strategies, audit existing internal skills before commissioning external support. This will increase efficiency, reduce cost and help commissioned developers tailor their offer to the council’s existing capability.



Integrate IT skills holistically across the council: IT skills should be integrated holistically as a key element sitting across all council functions, rather than it only viewed as a support service, or annexed in one specific team in the authority.



Understand service needs to support effective commissioning: Local authorities that can articulate the needs of their service to developers will be able to commission systems effectively, reducing budget waste on superfluous functions. Councils should look to fit a system to their service not the other way round.



Embed a culture of continuous improvement: Finishing installation of an IT system should be seen as the start. Encourage feedback from service users on an ongoing basis to ensure those systems are being monitored, updated, and improved.



Reassess post-pandemic recruitment and working patterns: Councils’ digital transformation strategies should assess the opportunities and threats from the shift to hybrid working – not only on recruitment and retention, but also wider impacts such as merging office space or achieving net zero targets from reduced commuting.



‘Online’ is part of but not the whole service: Councils should be careful to assess the impact of placing services online on vulnerable groups and ensure alternative options remain to access services by other means to prevent digital exclusion.

CCN

COUNTY COUNCILS NETWORK

Founded in 1997, the County Councils Network is the voice of England's counties. A cross-party organisation, CCN develops policy, commissions research, and presents evidence-based solutions nationally on behalf of the largest grouping of local authorities in England.

In total, the 23 county councils and 13 unitary councils that make up the CCN represent 26 million residents, account for 39% of England's GVA, and deliver high-quality services that matter the most to local communities.

The network is a cross party organisation, expressing the views of member councils to the government and within the Local Government Association.

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