



HOW CAN COUNCILS ADOPT DIGITAL TRANSFORMATION

INSIGHTS REPORT

CAPITA

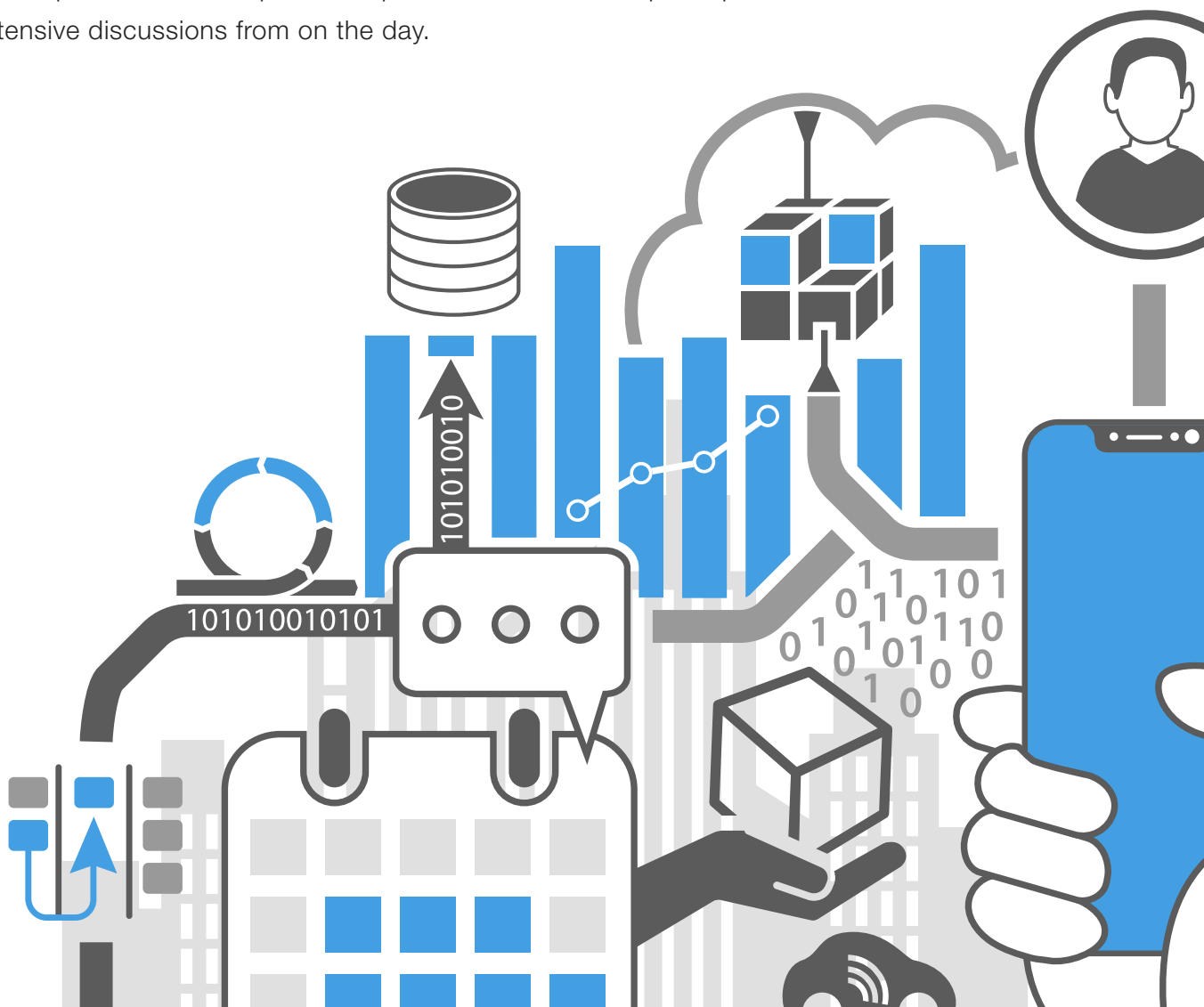
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INSIGHTS REPORT

On 2 March, NLGN's corporate partner Capita hosted the latest event in our Innovation Exchange programme in Covent Garden, London. Over 20 participants from local authorities across the country reflected on a wide range of experiences of using digital tools within councils across a variety of departments. The goal was to understand how adoption of new transformative, digital techniques can be as smooth and as impactful as possible.

Though participants had different experiences and different backgrounds, all attendees agreed that digital transformation of local authorities is inevitable, and sharing best practice is imperative for raising standards everywhere. The day was designed for everyone to share their experiences in an in-depth peer-to-peer learning session, sharing not just their successes but also things that hadn't worked so well.

This report is based on pre-event phone interviews with participants and the intensive discussions from on the day.



FOREWORD

When ‘digital’ first entered the language of local government, it meant something different to almost everyone. Yet it evolved into a way of working rather than a process. For our children, ‘digital’ isn’t something they think of or even articulate as a concept – they just do it. For the internet generation, what we refer to as digital is arguably a culture and default lifestyle; one that has not only raised, but completely transformed, expectations around service delivery. To them, it’s normal. From a council perspective, it is not - or perhaps, not yet. And perhaps the starting point for councils is to think about the digital response to consumer expectation from the perspective of people and culture, not kit, apps or technology per se.

This is more than a case of there simply not being many local government people out there who are truly ‘digital first’. We can see a need for a wholesale shift in mindset.

For us, ‘digital’ is about disruptive interventions that change behaviours - not always about using technology. Digital in local government to date has been more about responding to a specific problem or process than developing this new mindset of raised consumer expectation. We hear of many senior leaders who are being bombarded internally with conflicting approaches to digital - from the most basic to the radical – and it can be hard to know who to listen to. There is also huge variation across the sector. And

while putting forms on a council website or enabling citizens to request or transact basic services online is now the norm, we are still a long way from drone parking wardens or driverless gritting vehicles. But there is at least a consensus that councils have started the journey. Social media has, for example, been embraced by many local authorities as a key way to hire new staff or communicate with residents – though, only for a relatively small number of chief executives, is it an effective part of their leadership approach.

So, more than just recruiting digital experts from the Amazons of this world, councils will need people from a range of professional backgrounds with digital skills and capability. Digital is not just the responsibility of the chief technology officer – digital is now a core leadership competency that needs to be developed within the organisation. This will challenge norms around job descriptions, pay and career planning – and you may not contain or retain them for long. Sometimes, however, a disruptor is exactly what is needed.

As we have found, there are numerous definitions of digital and numerous challenges for driving this type of transformation across the council. We hope this contribution to the emerging thinking will be valuable as you plot your own course.

NICK COLE, Director, Veredus

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HOW ARE WE CURRENTLY EMPLOYING DIGITAL TOOLS?

The journey of digital transformation is not direct. Councils have often had very bumpy rides with the adoption of new digital platforms and processes. Sometimes serious problems have emerged with new systems but, even when they haven't, the digital journey is often disruptive and challenging for all involved. This means successful digital transformation relies on an underlying organisational culture that can accommodate such disruption and change. Organisational culture, as much as governance or technological capability, is key to creating this resilience.

Our discussions covered three broad areas regarding challenges to this transformation, and possible solutions: staff engagement; effective use; and resident engagement.

STAFF ENGAGEMENT

Resistance to digital transformation from council employees is common. This can occur at the highest levels, where senior management may simply be uninterested in the technicalities of digital change or, more often, require overly high levels of proof that a major digital innovation will deliver significant financial savings or will radically improve performance. But resistance can be

considerably wider than this, occurring at all levels of a council.

HOW DO WE SOLVE THIS?

A. CULTURE

Shifting organisational culture is key to creating a more conducive environment for digital transformation. This is no small endeavour. It requires significant effort that will always go beyond the question of digital change alone to encompass more general issues such as openness to innovation. It is an issue that has been dealt with extensively by NLGN.

Leadership is key in shifting organisational culture. This is as true in the digital sphere as any other. Senior managers and members must be open to digital change if the wider organisation is to follow suit. This means local government chiefs showing a close interest in the potential and detail of digital, recognising that, while a business case for change must be made, it cannot necessarily answer every question about likely return prior to launch and development.

Genuine digital transformation is innovative and should push at boundaries. This means it will not always succeed entirely, and will often require many iterations and adaptations along the way. Leaders need to accept this and give permission to digital teams to respond to failure and problems in an agile and open way.

B. STAFF IMPACT AND TRUST

Wider staff resistance to digital change can arise from fears that such change will lead to redundancies, de-skilling and very high levels of disruption. It is vital to address these concerns honestly and openly as early as possible in any process of digital transformation. More often than not, fears are groundless, but can prove hard to shift once they are entrenched.

Given the stop-and-start nature of digital journeys, there may have been previous, unsuccessful attempts at digital transformation, which can prejudice staff against further ones. Like in any comparable situation, building trust benefits from honesty in leadership. Digital transformation has the best chance of success if everyone is on the same page about the aims and the methods from the outset.

Digital transformation should not be “done” to people, and showing an openness to concerns from staff or residents is incredibly important. Creating a forum where concerns can be voiced, with the knowledge that the leadership will listen, will aid this. It is also important to manage expectations beforehand, on what this process can and cannot achieve.

It is the responsibility of leadership to clarify that digital transformation does not automatically lead to a cut in positions. Digital transformation can lead to savings, but free-

up resources that can be allocated more effectively to areas of acute need or those which could benefit from more personalised interventions. It is also beneficial to commit some portion of savings made to the training of staff, and maintenance and improvement of new technology.

With regards to the actual implementation of new technologies, councils have reported that establishing a system of digital champions can be effective. This is comprised of staff at various levels who are enthusiastic about, and well-practised in, the use of digital tools - who are committed to identifying colleagues who struggle with adopting new digital methods and assisting them. These champions can also provide very good feedback to digital teams about areas of implementation that would benefit from improvement.

EFFECTIVE USE

Councils have often found that the digital products and platforms offered by the private sector are rarely entirely fit for purpose. This is especially true when it comes to interoperability and the flexibility to meet their needs, which change over time.

In addition, for historical and technical reasons, different departments within a council often find themselves using different products and platforms. This exacerbates the problems of interoperability, and creating digital and data silos within organisations.

Governance of digital transformation and systems can also be challenging when multiple stakeholders, with different approaches to and understanding of digital matters, have to be engaged.

HOW DO WE SOLVE THIS?

A. CUSTOMER FOCUS

When exploring the transformation of service delivery by digital means, councils often start with an overview of existing products delivered by the private sector. While it is helpful to know what hardware or software already exists as a starting point, it is an approach that can set immediate limitations on new technology. It is more fruitful to start conversations with private sector partners by identifying and explaining the problems you want to solve – rather than available products.

By shifting the approach from problems to solutions, the possibilities often become greater. Software designers are very capable nowadays, and hardware design is becoming more and more innovative and flexible. As such, councils can demand much more bespoke solutions than existing legacy systems are able to provide.

The Government has made public their [digital service standard](#), which can be adapted to the local government sector. An example of this has been provided by [LocalGov Digital](#), in which council staff can contribute to the design process.

By employing customer-focused design, tools and technology can work on addressing local issues, help staff carry out their jobs, and gain acceptance with residents as their customer service experience runs smoothly. Some local authorities have enhanced this effort by designing “digital personas” that provide staff with different combinations of hardware and software dependent on the requirements of their job and the needs of their clients.

B. STREAMLINING

One of the greatest benefits of digital transformation is the ability to use data to anticipate service demands. But if councils have several types of technology across the organisation, this existing hardware often cannot carry out the cross-analysis of data from multiple policy areas – particularly if the data is in different formats. This limits the scope for a collaborative, joined-up approach, as well as comprehensive policy analysis.

If a council is going to actively collect data from residents to be more efficient, they need to move away from a mindset of collecting it by department, and move towards collecting it holistically. This minimises the impact on residents and ensures that only necessary data is being collected. Where authorities choose to rely on information supplied by residents, the digital platform needs to be as simple as possible, with all data inputted in one place.

This would also make sharing data across the council and wider public services more effective.

C. SHARING

Data sharing is an ongoing concern for local government. To make the most effective policy decisions, everyone needs access to as much shared data as possible. There are concerns, however, from both residents and public sector organisations, about how to share data legally and ethically. There are different protocols for sharing and handling data across the public sector and, in particular, varying concerns about whether data is anonymised. Some councils have taken the approach of removing any identifying details, and packaging the data as cohorts, in areas such as health, social care or education.

RESIDENT ENGAGEMENT

One of the greatest concerns that participants raised regarding the success of digital transformation was whether residents would be accepting of change. The ubiquity of digital products in citizens' lives would suggest residents would be open to digital transformation in general. Participants reported, however, that the response to councils' attempts to transform service delivery digitally were often met with resistance and suspicion from residents.

HOW DO WE SOLVE THIS?

A. TRUST

Residents can perceive local government as believing that they “know what’s best” for them. This can engender defensiveness towards digital interactions. Participants reported that because of this perceived paternalism, residents can be suspicious when personal information is requested from the council – particularly when it is felt this information is not necessary, such as requiring address and phone number when reporting a pothole or a similar minor problem.

Tools that don't require residents to provide personal details can issue a tracking number, with which residents can follow up the issue on which they engaged with the council. The private market does this very well, such as with parcel deliveries.

It helps for councils to explain clearly to residents the benefits that come from engaging digitally. There are a number of benefits to residents, such as, being able to report problems immediately without filling in forms, and quicker processing of routine payments including council tax.

B. EASE OF USE

Councils should keep in mind that some residents can struggle with digital tools, and this can make residents less inclined to use

them. Making digital tools as accessible as possible, therefore, should be prioritised. But many councils have found that enthusiasm for digital tools seems low across many demographic groups. Participants reported that residents were not interested in using digital tools that asked them to repeatedly supply the same information or required them to set up individual accounts on a multitude of systems.

Some councils have employed dedicated Digital Inclusion Officers with success, who are trained to signpost and support residents specifically when using digital tools to engage with their authority.

Good design is still paramount. If the software and hardware can accommodate it, the ability to collect all personal data under one log-in should be implemented.

CONCLUSION

The transformative potential of digital technologies is clear for those working in local government. However, there is also a palpable sense of frustration about the many blockages that exist to seizing the opportunities. The Innovation Exchange revealed that the great majority of these blockages exist not in the realm of the products or technology but with the process of adoption within the council itself.

There was a recognition that the key to addressing the problem of adoption resides heavily in changing the culture of councils to become more focused on digital solutions and willing to accept the beneficial disruption that digital technologies can bring. It also relies on building greater trust with residents and taking a more customer focused approach to those residents.

Ultimately, those working on digital change remain optimistic about the prospects for the transformation and fully expect councils will adopt the necessary approaches to allow adoption even if the changes may take longer than hoped in some areas.

