

# **Building Smart Communities: making a success of local government digitalisation in England**

**A WPI Strategy report for Vodafone UK**

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Together we can



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 [wpi-strategy.com](http://wpi-strategy.com)

 [nick@wpi-strategy.com](mailto:nick@wpi-strategy.com)

 [@wpi\\_strategy](https://twitter.com/wpi_strategy)

## About Vodafone

Vodafone is a technology communications company that connects people, businesses and devices to help our customers benefit from digital innovation. Our services span mobile, fixed line connections, home and office broadband, and the Internet of Things (IoT).

We have a strong track record as a tech pioneer, making the UK's first mobile phone call, sending the first text message, and making the UK's first live holographic call using 5G in 2018. We were also the first to start carrying live 5G traffic from a site in Salford, Greater Manchester. We have 5G in 100 locations in the UK and 240 across Germany, Spain, Italy and Ireland.

Our 4G network coverage currently reaches more than 99% of the UK population. And in October 2020, Vodafone was named Network Provider of the Year by readers of leading technology advice website, Trusted Reviews.

Today, Vodafone serves more than 18 million mobile and fixed-line customers in the UK. To help deliver Gigabit UK, our full-fibre broadband roll-out programme now covers 15 UK towns and cities through partnerships with CityFibre and Openreach.

For more information about Vodafone UK, please visit: [www.vodafone.co.uk](http://www.vodafone.co.uk)

## Foreword

As many councils embrace new technology, the local government digital landscape is set to be transformed. The only problem is that too many councils are not yet certain to be part of the picture. While some are boldly leading the charge towards a digital future, other councils are still lacking what they need to play a full part in the journey. With all local councils running critical services, that could be a problem.

If the Government puts in place the right conditions and incentivises investment, then cutting-edge mobile technologies like IoT and 5G will benefit all communities across the country. In the years ahead, council services from rubbish collection to pothole monitoring could be improved and managed at the tap of a screen or the click of a button. Going further, city-wide smart devices will have the capacity to transform everything from parking efficiency to air quality. Recent research shows that the difference between an attractive and an unattractive investment environment for 5G is worth as much as £7bn a year to the UK economy by 2030.

However, while digitalisation will bring significant benefits for both councils and consumers, the reality is that not all local authorities have been making equal progress. While there has been some real forward movement in digitalisation in local government, given resources, not all councils have gone as far as they would like when it comes to the take-up of digital technologies. Recent research shows that over a third of councils are unable to confirm exactly how much of the information they store and manage is digitised. In the years ahead, more needs to be done to ensure that all local authorities can make the most of the digital future and are supported to do so.

In this report we have outlined a number of ways to help make this happen. For example, Regional Innovation and Technology Offices (RITOs) could be set up, led by digital leaders with a successful track record in local government. Modelled on the London Office of Technology and Innovation, RITOs would support local councils and investment zones, helping to guide the rollout of major digitalisation projects, mapping against full fibre and 5G infrastructure.

But no amount of digital expertise will make the difference for councils if local authorities continue to be short changed when it comes digitalisation. Rather than expecting councils to siphon cash from frontline services, new funding mechanisms are urgently needed to help improve digital services. Given the well-documented funding pressures on councils, it is understandable that some may have thought twice about making digital spending decisions. But as many in the digital sector have pointed out, investing in digital now is not just about transforming services. Done correctly, it will also mean efficiency savings in years ahead.

To help plug the gap on digital spending and encourage councils to invest for the digital future, we therefore recommend that central government introduces a Local Government Digitalisation Fund. This would be a central pot to which councils could apply in order to carry out specific digital projects, helping to ensure that funding cuts do not deter local authorities from making the leap to invest in digital.

If RITOs were in place across the UK, then councils could work up their plans in conjunction with them. We recognise that the current economic climate is particularly challenging and there is an increasing strain on government services, but continued investment in digitalisation will ensure that councils can deliver high-quality services both now and in the future.

In the years ahead, with the right 5G strategy, the whole of the UK will get to feel the full benefits of the next generation of mobile technology. All local authorities deserve to be part of that story.

**Claire Harris, Head of Small, Medium and Enterprise Business, Vodafone UK**



# Introduction: Opportunities and challenges

Fully digitalising local government offers a major opportunity: better services, delivered more efficiently, in ways tailored to the needs of residents. Digitalisation can also lower costs, in turn freeing up resources and providing more flexibility for council leaders. But what is digitalisation? Put simply, it is the conversion of processes from analogue to digital. For example, installing smart parking sensors to track the use of carparks, or meeting over video rather than in-person.

To understand the landscape of digitalisation in English councils, we interviewed several chief executives and digital leaders over a three-month period in early 2022. We wanted to understand from stakeholders themselves what the opportunities and challenges of digitalisation were. Some of their comments are threaded throughout the report and a full summary of the interviews is included in the annex.

Clearly, some real progress has been made in local government digitalisation. During our interviews with council stakeholders, we identified two major areas of ongoing digitalisation:

1. **Being a smarter council, with technologies which allow for the integration and connection of council systems for those who work within them.**
2. **Delivering smarter services, both in the home and in wider areas such as streets, neighbourhoods and cities.**

However, we also established that local government digitalisation has been uneven across England, especially since the Covid-19 pandemic began. The aim of this report is to investigate the main issues holding some councils back in their digitalisation and to suggest policy changes at central and local government level that could accelerate it.

That acceleration is essential. Transforming public services at a local level is difficult and takes time. In 2022, many councils are approaching digitalisation from very different starting points, including varied budgets, the state of current digitalisation efforts, the digital skills of current staff, the needs of citizens, and council culture. That fragmented landscape increases the challenge of transforming services, and while there is no set pathway to full digitalisation that all councils can follow, there are principles for digital government that can speed up local efforts to change. Most of the benefits of full digitalisation aren't possible without world class connectivity, so any strategy for digitalisation needs to go hand-in-hand with investment in full 5G, full fibre, and related technologies including IoT and cloud.

As councils seek to move forwards on digitalisation, there are common challenges. Through our interviews with council leaders, we identified three main barriers holding back local government digitalisation:

1. **A disconnect between central government and local government in terms of incentives, organisation, and guidance.**
2. **A lack of funding at local government level generally, which means less funding for digitalisation programmes.**
3. **Traditional digital, data, and technology procurement procedures that hold back innovation in local government.**

The good news is that there are solutions that can be implemented for each of these barriers, and part of that will involve central government stepping up and increasing both funding and guidance if local councils are to take full advantage of digital technologies. Clear visions from new regional digital bodies, staffed by digital leaders who can share best practice with councils, would also go a long way to creating a new digital operating model for local government. The overarching need is for councils to be given the funding and powers to do what is right for them in their own circumstances.

In this report we have summarised five key recommendations to support the transition to a fully digitalised local government future. New Regional Innovation and Technology Offices (RITOs) could help to bridge the disconnect we have outlined. Establishing a Local Government Digital Fund would allow the government to ensure that the public sector can afford full 5G to the extent that the private sector can. We call this 'levelling the playing field' between the public and private sectors. Finally, new pre-engagement guidance would improve procurement procedures.

The disruption of the pandemic and the responses to it have created a window of opportunity to accelerate digital innovation in communities across the country. In many areas the pandemic exposed digital weaknesses, but in most cases lessons have now been learned. This report is a contribution to the effort to kickstart digital innovation in every council — our hope is that central and local government can use its insights to speed up digitalisation and improve services for all residents.



# Chapter 1: The future of local authority digitalisation

The digital landscape at local government level is on the verge of a major change. In the coming years, if the Government puts in place the right conditions and incentivises investment, the benefits of full 5G, IoT and cloud technology will be available to more communities across the country. This will help realise the full potential of village, town and city-wide smart devices, transforming everything from bin collection to parking efficiency to air quality. Anything that can be measured has the potential to be improved through more targeted, more efficient, data-driven services.

There is no one size fits all digital solution for councils up and down the country. Nevertheless, throughout our research and interviews for this report, it became clear that there is a need to set out exactly what a fully digitalised council looks like: what is the prize on offer if councils are to invest in digital?

During our interviews with council stakeholders, we identified being a smarter council and delivering smarter services as two major areas of digitalisation. 'Smarter' in this context means having fully developed IoT capability which is increasingly autonomous and fully progressed internal digital systems. These are not mutually exclusive categories – to advance in one will almost always mean advancing in another – but the two categories allow us to fully explore the technology on offer.

Over the next three pages, we have outlined a vision of the 'council of the future'. This provides a glimpse into what digitalisation would look like in practice, and how digitalisation could benefit councils and communities across England.



**Being a Smarter Council:**— technologies which allow for the integration and connection of council systems for those who work within them.

Smart councils have fully integrated and connected council systems.

Since 2013, the Government’s Cloud First policy has requested that all public sector organisations consider cloud solutions before any other solution is sought. In turn, those cloud services should enable the deployment and scale of new technologies, helping to overcome the barriers of legacy digital. This is a particular problem in many areas of local government.

Increasingly, technologists are encouraging local councils to see themselves as a ‘platform’ for other services, with local government acting as the enabler or “broker,” sitting at the centre of a large web of local partners and service providers.<sup>1</sup> But for that to be the case, functions within each council need to speak to each other. For example, education and children’s services could be linked up, as could traffic and pollution data, ensuring real-time information can be sent between different council functions. Making sure that councils are fully integrated internally is the first step on this journey.

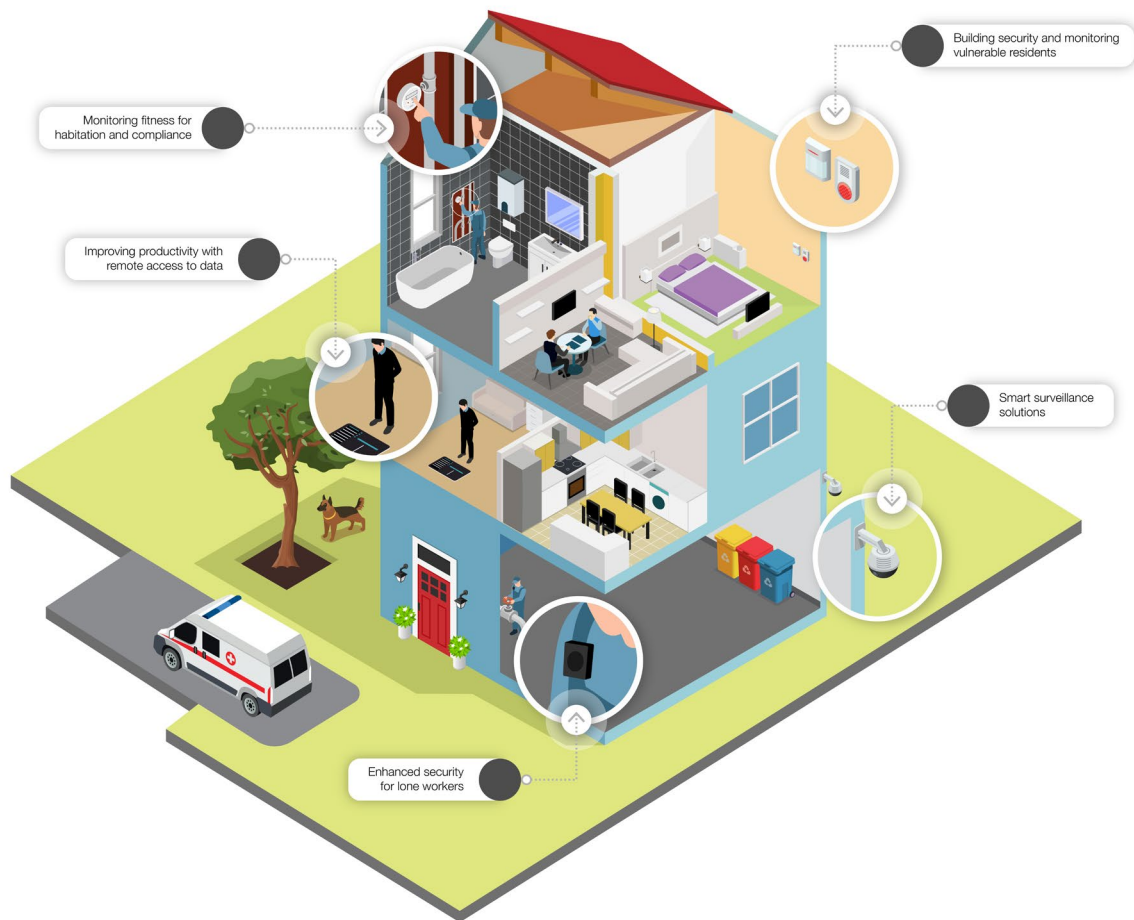




**Delivering Smarter Services: in the home, with the resident** – smart technologies are often deployed at the level of an individual or property, aiding decision-making and resource allocation in local government

Technology used out ‘in the field’ is another transformative aspect of council delivery. Historically, a significant amount of local government work lies in deciding when and where to commit resources, and this remains true today. Until recently, it was much harder for councils to predict and pre-empt issues in their areas due to slower data gathering and processing. Now, however, digitalisation has helped to shift councils onto the front foot. Key to this, as Oxford University’s Smart Cities project noted in 2019,<sup>2</sup> are IoT decision-support technologies. These technologies make it possible for councils to respond to potential problems before a resident seeks resolution.

The use of IoT technology in council services can range from the use of tablets in the delivery of social care to smart monitoring around council and social housing. This also extends to improving the productivity of front-line staff by creating apps to immediately input data on location (reducing paperwork) and providing them with access to residents’ records outside the office. Some of these devices don’t necessarily rely on full fibre and 5G infrastructure, but the rollout of this infrastructure hugely expands their effectiveness. In any case, full 5G will open up a completely new level of connectivity with associated innovative devices. A 2019 report from Mobile UK found that 87% of councils had not audited their assets to assess their suitability to host 5G technology – clearly indicating that they need support in order to reap the benefits of full 5G.<sup>3</sup>

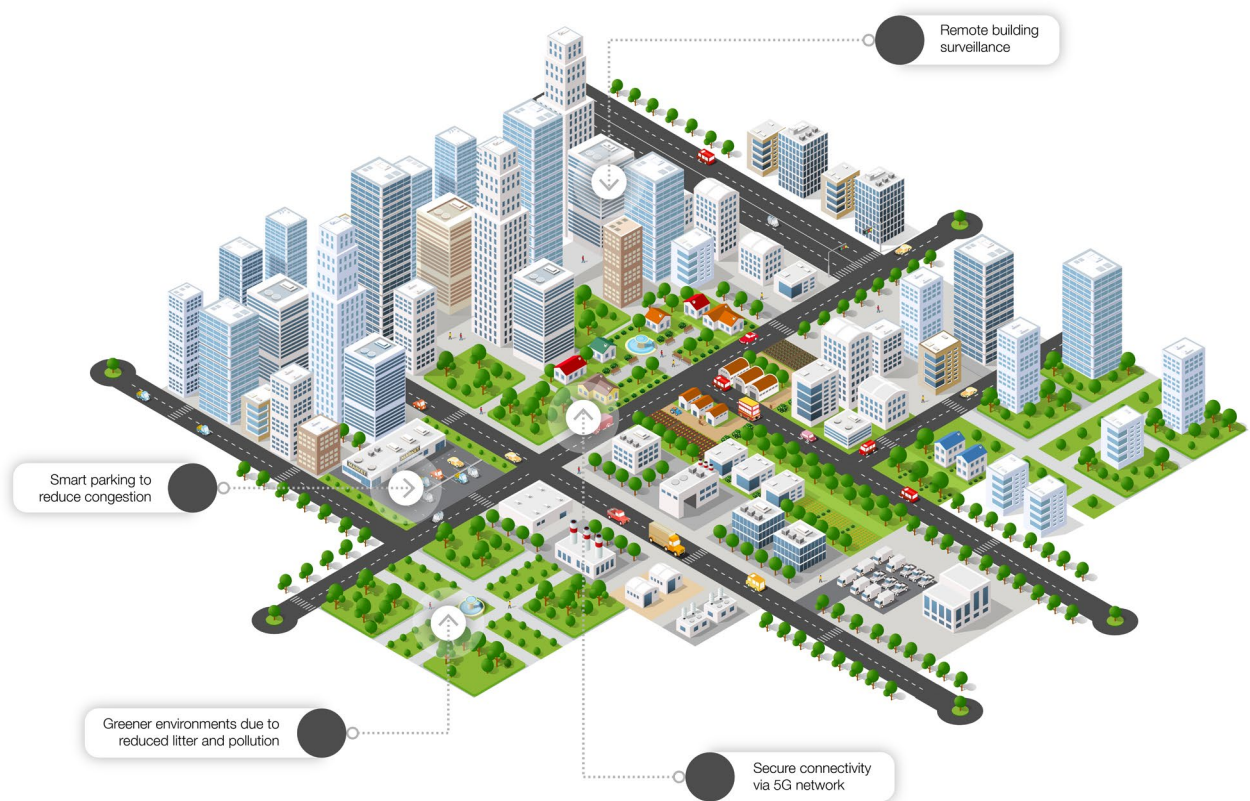


**Delivering Smarter Services: on the street, in the neighbourhood** – some smart devices measure a wider area than a single property or individual, such as a street, neighbourhood, or city.

Digital insights gathered from technology deployed on streets and in neighbourhoods provide key insights to improve residents' services. Crucially, they provide councils with the ability to respond to problems before they worsen and to communicate with residents about solutions.

For example, IoT monitors installed in urban centres can measure the level of harmful chemicals in the air, improving overall health and air quality for the local population. Remote technology also allows parking operators to better manage spaces. Smart bins can change the routes that waste management services travel through areas, allowing them to collect waste only when necessary. According to Oxford Internet Institute, however, only 16% of councils are currently experimenting with these kinds of predictive analytics.<sup>4</sup>

The councils that embrace the full benefits of digitalisation have moved from reacting to predicting, adopting IoT technologies to make resource allocation more efficient and to ensure decision-making is as effective as possible.



# Chapter 2: Current barriers to a fully digitalised future

**Councils have experienced an average 50% reduction in central government funding over the past twelve years.<sup>5</sup> The response to this funding reduction at a local level has differed: in some areas it has spurred necessary digital innovation to combat new and unexpected challenges, in others it has exacerbated problems and may even have slowed the take-up of digital technologies.**

Despite the difficult backdrop, there has generally been real progress in digitalisation in local government, albeit less than in the private sector. A majority of resident-to-council contact, for example, is now digital.<sup>6</sup>

The big challenge is about levelling the playing field so that all communities can realise the vision of a fully digitised future set out in the previous chapter. Recent research shows that over a third of councils are unable to confirm exactly how much of the information they store and manage is digitised.<sup>7</sup> Furthermore, two in five (40%) have no plans to implement systems to share citizen information with government agencies and partners, such as social care providers and private healthcare businesses.

Given digital strategies largely focus on the importance of data collection, sharing, and analysis to improve services, this low level is a concern. The benefits could be enormous: the Local Government Association has estimated that a “full digital uptake” in local authorities could add £63 billion to the UK economy.<sup>8</sup>

**“Recent research shows that over a third of councils are unable to confirm exactly how much of the information they store and manage is digitised.”**

So what is holding some communities back from reaping the benefits of a fully digitised future? During our interviews with chief executives and digital leaders, we identified three significant barriers. This chapter looks at each of these in detail and suggests policy solutions.

## **1. A disconnect between central government and local government in terms of incentives, organisation, and guidance.**

Throughout our research for this report, including our qualitative interviews with stakeholders, we uncovered a disconnect between how national programmes and strategies are designed and how these programmes and strategies are implemented and experienced at a local level. This is partly an aspect of the diversity of financial and social conditions within which councils find themselves, but it may also be due to a genuine comprehension gap between central and local government. There are too many decisions made in Whitehall which cannot address the diverse challenges facing local councils.

There are three aspects to this:

1. Firstly, some of our interviewees noted that figures in central government may have lacked knowledge about local government, its responsibilities, and capabilities;
2. Secondly, there has been a tendency to design digitalisation guidance for central government and presume such guidance also applies to local council digitalisation, when it often does not or would need considerable adaptation before it did;
3. And thirdly, the Government Digital Service (GDS) should include more consultation with local government during the development of new initiatives and applications. Council leaders may have helpful insights into how government technology is best used by local councils.

Jon McGinty, Managing Director of Gloucester City Council and previously Director of Gloucestershire County Council, said the solution to this should be “a much closer working relationship between central government and local government.”

This report agrees. Central government now has an opportunity to rectify this disconnect, creating a layer of support at a regional level but above local councils. This is especially important after the Covid-19 pandemic, which stretched the expertise of some councils. We recommend that Regional Innovation and Technology Offices (RITOs) be founded, modelled on the London Office of Technology and Innovation. RITOs could be led by digital leaders with a successful track record in local government and could help to deliver better digital services, ensuring opportunities to procure technology that can make a difference are not missed. RITOs would be a ‘bottom-up’ intervention, founded and part-funded by councils themselves, potentially attached to the new governance areas established in the ‘county deals’.

We also suggest that central government aim to improve digital skills by establishing a “race to end the digital divide” scheme, providing support and resources to allow employers and public sector organisations to upskill their workforce. Such a scheme would seek to rapidly boost the level of digital skills across the UK, particularly in areas outside major urban centres.

## Vodafone's work on the digital divide

Vodafone aims to be a sector leader on developing initiatives to help to end the digital divide. Our broadband social tariff is an example of this work. For £12 per month Vodafone Essentials Broadband is available to people on Job Seekers Allowance, Universal Credit, Employment and Support Allowance, Disability Allowance or Personal Independence Payment.

There are no set-up or leaving fees, and customers won't be subject to in-contract price changes. The plan gives access to Vodafone's quality Fibre 1 or Full Fibre 1 plan for 12 months, providing fast and reliable connectivity with average download speeds of 38Mbps.

This new tariff complements our existing mobile social tariff, VOXI for Now, which gives access to unlimited data, calls and text for £10 a month. Vodafone is the only network provider to offer social tariffs across fixed and mobile, meaning eligible customers can access mobile and broadband connectivity for 72 pence a day.

We also run our everyone.connected and charities.connected schemes. Our everyone.connected scheme is attempting to get 1 million people connected by the end of 2022. We're working with charity partners, our customers and employees to give digital access and skills to the most vulnerable people in our society. Our charities.connected scheme provides free SIMs to charities concentrating on digital inclusion. Those charities that need to provide support can apply for free Vodafone SIMs, each loaded with 20GB data a month for six months, plus unlimited calls and texts.

## London Office of Technology and Innovation

The London Office of Technology and Innovation (LOTI) is an advisory body that sits between London's councils, helping boroughs work together to bring the best of digital and data innovation to improve public services and outcomes for Londoners. Its membership is made up of a coalition of London boroughs, the GLA and London Councils.

LOTI was founded in 2019 and has since proved an invaluable resource for digitalisation efforts in every borough, helping to share cutting edge innovation and best practice. Part of its role, for example, is to hire 'digital apprentices' across London boroughs and it is also developing some high demand roles as a service to boroughs, among lots of other initiatives. It is funded through a combination of membership fees and funding from the GLA and London Councils.

LOTI builds and runs technology projects with the boroughs in order to improve resident services. Crucially LOTI works with various teams within boroughs, beyond simply the digital teams. That way, LOTI ensures the most innovative digital projects are truly cross-borough and, increasingly, cross-city.

## 2. A lack of funding at local government level generally, which means less funding for digitalisation programmes.

As mentioned at the beginning of this chapter, local councils have experienced a 50% funding reduction on average since 2010. Yet local government still spends around £1.8bn annually on technology and digital, or around 1% of total spending.<sup>9</sup> There is a huge demand for digitalisation to improve efficiency and effectiveness within councils. Technology can deliver cheaper, better services but only if invested in, which means providing adequate funding to do so. This money cannot be diverted from frontline services. Instead, councils need support to build a bridge between now and the future, and additional funding is necessary to do that. While most have succeeded in moving the majority of interactions online, there is still a long way to go in 'fully digitalising' local authority services. Part of this is a skills issue within councils themselves, paired with uncertainty over which digital spending decisions would make most sense. Many in the digital sector have made the argument that increased digital spend now means efficiency savings later. But with funding for frontline services a necessity, it is often difficult for local authorities to 'make the leap' to invest in digital.

That has meant that during the funding transition of the past twelve years, the pressures on traditional council services (including those which are statutory duties) has increased. Larger demands on children's social care alone are expected to see costs rise by £600 million per year to 2025.<sup>10</sup> One respondent who wished to remain anonymous, noted "funding cuts have been a huge problem for nearly all councils. The Government is right that efficiency savings can create more opportunities to think in a smart way about where we spend money, but a lot of this [digital] investment is huge and required ahead of time."

We recommend that central government introduce a Local Government Digitalisation Fund: a central pot to which councils could apply in order to carry out specific digital projects. The plans for these projects could be – but would not need to be – worked up in conjunction with RITOs. This new fund would go a long way to 'plugging the gap' on digital spending.

We also suggest that central government encourages each council to create a “5G adoption plan”. These changes would allow for councils to adopt a variety of technologies (including IoT, cloud technology, and 5G) more rapidly, ensuring there is far less of an adoption gap between the private and public sectors.

There is now a need to boost funding and resources to ensure best practice is shared widely across the sector. The opportunities that this could create, however, are great — a more efficient and responsive local authority with inclusive services delivered by fully digitally-literate teams.

### 3. Traditional digital, data, and technology procurement procedures that hold back innovation in local government.

Local authorities are the custodians of economic development in any given place. They procure services for internal council work but also play a key role in bringing other services such as mobile connectivity to an area.

A 2021 report from the Accounts Commission on digital local government in Scotland (but applicable in this case to England as well) noted that “becoming a digital council involves moving away from technology-led strategies and plans to become more outward looking, focusing on how digital technology can deliver better outcomes for citizens, communities and council staff.”<sup>11</sup> This is a crucial insight. Peter Bishop, Director of Digital and Customer Services at Birmingham City Council, put this well in our interview with him: “digitalisation means putting residents at the centre of the service that we’re providing.”

Procurement procedures are essential to ensuring innovators within local government can bring forward changes to transform service delivery. But they work best when focused on residents and their needs, rather than on processes. What’s more, these processes differ hugely across local authorities. Rather than imposing yet more frameworks over the top of local government procurement, we suggest Government and the Crown Commercial Services introduce new advice on ‘pre-engagement’ with suppliers in their public procurement policy guidance document. This would aim to shift procurement from technology-led strategies to resident-focused.

#### Local Government Digitalisation – in numbers



value of local government spend on digital

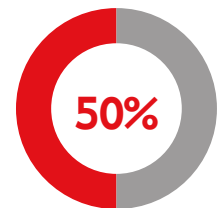
**£158 billion**

the value of 5G to the UK economy by 2030



**£63 billion**

the amount the Local Government Association thinks a “full digital uptake” by local authorities could add to the UK economy



average funding reduction to local government since 2010

# Council case studies

From our interviews with council leaders, we have pulled out three cases studies to demonstrate how different the challenges are across different levels of council: a small city council, a large midlands city, and the Greater London area. Each has different challenges, but each can effectively deal with those challenges with digital solutions.

## Case study: Sutton Council and the challenge of fly-tipping

Fly tipping can become a big problem – and it’s a huge cost to councils. Figures from the Department for Environment, Food & Rural Affairs reveal that, for the 2018-19 year, local authorities in England dealt with over 1 million (1,072,000) fly tipping incidents.

Sutton Council in south west London is trialling the use of IoT technology to combat this problem. Internet-connected cameras have been deployed at various fly-tipping hotspots across the Borough.

The cameras don’t record continuously all the time, instead activating only when their artificial intelligence detects what it thinks is illegal dumping. Footage is then wirelessly transmitted to the cloud for review by Council officers, helping them to identify fly tippers – or even any other perpetrator of a different type of crime. The important thing is that precise captured images can be shared instantly with relevant agencies and departments, 24 hours a day, in all weather conditions.

At the end of 2022, the trial will be assessed. If it has worked, it could be continued, with cameras being used to catch those committing other types of hard-to-detect crime. It is IoT schemes like this that are transforming council delivery, helping to ease the pressure on certain services by pre-emptively tackling problems at the root, before costs build up.



### Case study: Greater London and patchwork innovation

London, alongside Bristol, is the UK's pre-eminent smart city, with more smart devices per resident than anywhere else.<sup>12</sup> London boroughs are among the most digitally advanced local authorities in England. City Hall has helped to galvanise many boroughs while documents like the Emerging Technology Charter have been useful for digital leaders.

However, for many boroughs there is still further to go to ensure that digital and data innovation reaches through the entire organisation. With variable take-up of smart devices, there is also a real risk that some areas of London pull far ahead of others. To address this, Eddie Copeland, CEO of the London Office of Technology and Innovation, told us that collecting new forms of data should be a major objective for London.

Full fibre is now a mandatory part of the planning process for all new builds in London, but the full rollout of 5G will also have transformative effects on the city. As Theo Blackwell, Chief Digital Officer at City Hall, has said, "the arrival of 5G networks provides vast amounts of real-time data and allows for its processing more quickly, supporting a new generation of services and applications above and beyond those already in place."<sup>13</sup>

Ultimately, proper integration of smart devices with council services will mean shifting to a completely new service model. The challenge for London will be joining up this thinking so that silos no longer exist within councils nor between them.

### Case study: the West Midlands Combined Authority and transport effectiveness

The West Midlands Combined Authority has, like most of the combined authorities in England, led a successful digitalisation effort in recent years. That is probably partly due to its structure, size, and powers. Transport for the West Midlands was established in 2016 and a major part of its role is ensuring the Metro network remains agile and adaptive. With a tram system running on a single route, efficiencies and safety are key to a successful service — and until now safety and accessibility issues couldn't be monitored in real time.

That's why WMCA has embraced 5G for transport connectivity as part of the UK's first multi-city test bed, in partnership with Vodafone. In fact, combined authorities and other local authority areas have an important role to play in being enablers of 5G investment and rollout. The impact on the Metro system has been immediate: previously operators had to download CCTV footage outside of operating hours. Now, they can view cameras in the moment, with secure real-time updates on the status of every tram. WMCA has also implemented a smart parking application. High definition cameras scan roads and send information on available spaces to an app. That way, residents can know where parking spaces are before they arrive on a busy road.

In many ways, transport in the West Midlands is a model to follow, and it has only been possible with central government funding. As devolution deals are rolled out in other areas, there are clear benefits to implementing 5G solutions to local authority problems.



# Recommendations

Our first chapter set out what a 'council of the future' might look like. These are ambitious visions for local government delivery — but they are within the grasp of all councils. The technology that councils need already exists, and this report has set out a model to allow them to adopt this technology and in turn improve service delivery. Setting out to become fully digitalised also sends a signal to other organisations – including those in the private sector – that an area is an innovative place to do business.

However, throughout our research for this report, including our qualitative interviews with stakeholders, policy proposals were frequently suggested to us that interviewees hoped would reduce the disconnect between central and local government. A frequent request was the need to create common pathways and resources for best practice as well as incentives and funding. The opportunities are great — a more efficient and responsive local authority with inclusive services delivered by fully digitally-literate teams. We have therefore created the following five recommendations to support the transition to a fully digitalised future for local government:

1. **Central government and local government to jointly create and commit to Regional Innovation and Technology Offices (RITOs)**, modelled on LOTI in London, which would help to coordinate digital innovation across England's regions and could also guide full fibre and full 5G rollout. Where combined authorities exist, they should lead on digitalisation initiatives. The governance bodies established by new 'county deals' could also be encouraged to set up and fund local RITOs.
2. **Central government to create a Local Government Digital Fund**, a central long-term pot of funding (available until at least 2030) to which councils can apply to fund projects. Councils would apply on a case-by-case basis and could work up proposals with RITOs.
3. **Central Government to encourage full 5G adoption by local government to support the digitalisation of council services.** We recommend that central government encourages each council to create a '5G adoption plan' and that central government considers incentives for local government adoption. Part of this is in ensuring that the market is structured in a way that makes high levels of investment possible. Government should also show leadership in this area by encouraging procurement of full 5G and IoT in all major local government buildings. Take up ambitions could also be set by sector, with Government creating partnership models between the private sector 5G suppliers in areas like the NHS or local government.
4. **Government should introduce new pre-engagement guidance with suppliers**, to ensure that all digital solutions for local government are resident rather than technology-led. This would aim to shift procurement from technology-led strategies to resident-focused.

# Annex: Qualitative Interviews – a summary analysis

We conducted qualitative interviews with seven key stakeholders in the first three months of 2022 in an attempt to understand how digitalisation is working at a local level. In this section, we summarise the responses to each question. Our interviewees were:

- Eddie Copeland, Chief Executive, London Office of Technology and Innovation
- Philip Clifford, Policy Adviser, Local Government Association
- Jon McGinty, Managing Director, Gloucester City Council
- Peter Bishop, Director of Digital and Customer Services, Birmingham City Council
- Carol Thomas, Director of Digital and ITC, Southend on Sea Borough Council
- Robert Ling, Assistant Director for Technology and Change, North Yorkshire County Council
- Jonathan Stephenson, Chief Executive, Brentwood Borough Council & Rochford District Council (also representing the Association of South Essex Local Authorities)

We chose these stakeholders because they represent a cross-section of types of local authority in England, but they also reflect the variety of different levels of digitalisation and digital capability. The answers were revealing, sometimes in their similarity and sometimes in their difference. Gloucester City Council experienced a serious cyberattack only two weeks before our scheduled interview date, which is reflected in the answers their Managing Director Jon McGinty gave to our questions.

- **What does digitalisation mean to you and your council?**

Digitalisation tended to mean a very similar thing to most council leaders: making processes more efficient and responsive to citizens. As Robert Ling stated: “Digitalisation should basically just be us helping people get where they need to be.” Peter Bishop responded similarly: “putting the citizens at the centre of the service that we’re providing.”

Philip Clifford suggested Tom Loosemore, Partner at Public Digital and former Deputy Director of the Government Digital Service, had the best definition: “applying the culture, practices, processes & technologies of the Internet-era to respond to people’s raised expectations.”

- **Where are the primary digitalisation opportunities and challenges for your council?**

This question met a broad array of answers, which speaks to the great diversity of digitalisation challenges facing councils. The opportunities were straightforward enough, primarily “transforming public service delivery,” as Jon McGinty said. He added that the use of data and data analytics was a major area where councils could do more: “there are very few resources being put into that. Compared to European countries the UK isn’t doing enough.”

Others noted the benefit of digitalising specific services. Robert Ling stated that “a good example of turning an opportunity into reality is when we gave vulnerable citizens Alexa devices, allowing them to order food from local shops and restaurants.”

For Jonathan Stephenson, the main opportunity was supporting digital connectivity via broadband rollout: “Most of the public buildings in South Essex were operating on below 20Mb with a consequent impact on how services could be delivered... ASELA have committed to delivering full fibre gigabit capable digital connectivity to every household, business and community facility by 2025 as one of our five key programmes.”

The challenges were more diverse, though data integration and collaboration was a constant theme. Robert Ling, again, was direct about the challenges of the 'digital divide': "For me, the biggest challenge that we're facing is that we're missing digital skills. There are skills that council workers have, but often they are not skilled enough, which limits the practical digitalisation of local services. This is also true of our citizens - if you want patients or service users to use the tools you've put in place, how can they use these services if they don't have the skills to do so?"

For Eddie Copeland in London, the issue was about broader principles of data sharing: "individual boroughs are quite good at using their own data for prediction and prevention and using it to target resources more carefully, especially through Covid-19, such as realising who is most vulnerable. But it isn't enough for individual boroughs to use their own data — data collaboration is also important, as the issues facing citizens transcend borough boundaries."

For Peter Bishop, the benefits of smart devices and IoT technology will be best realised through data sharing: "early intervention would require integration of all the data that a council has about an individual, so that a council can respond before the problem becomes too bad. Without effective data sharing it will not add enough value."

Carol Thomas thought that digitalisation opportunities lie in automating repetitive tasks and allowing residents to access self-service at times that suit them: "challenges we face are similar to many others who are grappling with doing more with less, and coping with technical debt in the midst of a cost of living crisis."

- **Looked at as a whole, how far along the path to 'full digitalisation' would you say you are?**

Most respondents saw themselves as only partway along the path to 'full digitalisation'. For Jon McGinty, the cyberattack Gloucester City Council suffered had set back their digital timeline, with £360,000 being reserved in order to help restore systems.

Some leaders mentioned that council services were siloed and digital systems were often in need of simplification, with some problems being caused by a lack of communication across the digital function in various services and verticals. It is clear that there are very few councils that have reached full digitalisation in England, with most needing, as Eddie Copeland noted, to integrate the digital function into all other areas of council delivery: "these skills and tools have to be across the organisation, not just in the tech team, in the same way you have broad finance or HR policies."

- **How would you measure ROI? What does success look like to you?**

These two questions, designed to elicit slightly different responses, were asked in succession. Success for most councils is an improved service. For Carol Thomas, it meant improved service and economic prosperity, "attracting inward investment, job creation, and digital inclusion." It also meant collaboration, ensuring that successful councils shared best practices with those who weren't as far along the digitalisation journey.

Peter Bishop stated that "success is when the ethos behind "digital" e.g. user centred design, re-use and better use of data - all putting citizens first - is being used by everyone else in the organisation."

For Jon McGinty, the marker of measuring ROI was even simpler: no one contacting the council to complain.

- **Where do you aim to be in five years' time and what will be the most challenging areas to digitalise?**

Answers to this question were admirably ambitious. Most councils aimed to be much more "local", "responsive", and – as Robert Ling noted – able to "predict behaviour more accurately" through the use of IoT smart devices.

Peter Bishop went further. For him, Birmingham City Council had an aim to be the best digital council in the country within two years. That meant "employees being digitally effective in their roles, creating user-centred processes, integrated data and evidence-based decision making delivering better outcomes for citizens."

For Jonathan Stephenson, the answer was using full fibre broadband to its fullest: “We are already working with parish councils and community groups to identify how full fibre connectivity can best be leveraged for the benefit of the local community. For example, creating community digital hubs which could support the delivery of public services... from here on out we will be maximising the use of the full fibre connectivity and within the next few years we want to develop and deliver a South Essex-wide public sector IoT network.”

Carol Thomas suggested that the most challenging areas to digitalise would be in adult social care and, to a certain extent, child social care as well. This was echoed by most other respondents. As Carol said, “they’re challenging because they’re so complex and have so many dimensions... there is enormous potential there as they need coordination and automation and working smarter. There is a lot of money being spent on those services across the country that could be spent in a smarter way.”

Eddie Copeland said digitalisation might allow local authorities to open up a completely new model of delivery: “within five years, an ambitious form of digitalisation would create entirely new service models to meet residents’ needs. Across the globe, local authorities play a different role to that which they play in the UK — councils match those who need certain services with those who can provide them. They are the hub of a local network. Digitalisation here could lead to similar transformation in delivery.”



# Endnotes

- 1 [https://media.nesta.org.uk/documents/connected\\_councils\\_report.pdf](https://media.nesta.org.uk/documents/connected_councils_report.pdf), p. 5
- 2 <https://smartcities.oii.ox.ac.uk/wp-content/uploads/sites/64/2019/04/Data-Science-for-Local-Government.pdf>
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- 4 <https://smartcities.oii.ox.ac.uk/wp-content/uploads/sites/64/2019/04/Data-Science-for-Local-Government.pdf>
- 5 <https://reform.uk/sites/default/files/2020-05/Accelerating%20Innovation%20in%20Local%20Government.pdf> p. 4
- 6 <https://www.local.gov.uk/sites/default/files/documents/transforming-public-servi-80e.pdf>
- 7 <https://www.computerweekly.com/news/252492394/Local-authorities-lagging-behind-in-digitisation-of-citizen-records>
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- 9 <https://www.techuk.org/resource/future-gazing-where-next-for-local-government-tech-in-2022.html>
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- 12 <https://researchbriefings.files.parliament.uk/documents/POST-PN-0656/POST-PN-0656.pdf>
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WPI Strategy Limited

5-6 St Matthew St

London

SW1P 2JT

@WPI\_Strategy

[wpi-strategy.com](http://wpi-strategy.com)

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