



DIGITAL TRANSFORMATION

Insight Paper

Digital transformation – the importance of choosing the right technology

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In 2008/9 UK local authority expenditure was £113 billion. With inflation taken into account, as of 2023, total local authority expenditure would need to exceed £174 billion to match this. Local authority expenditure in 2023-2024 is projected to be £117.6 billion, meaning combined UK local authority budgets, adjusted for inflation, have been reduced by over £57 billion in real terms since 2008. It is not difficult to see why councils have issued Section 114 notices, declaring they cannot spend any more money.

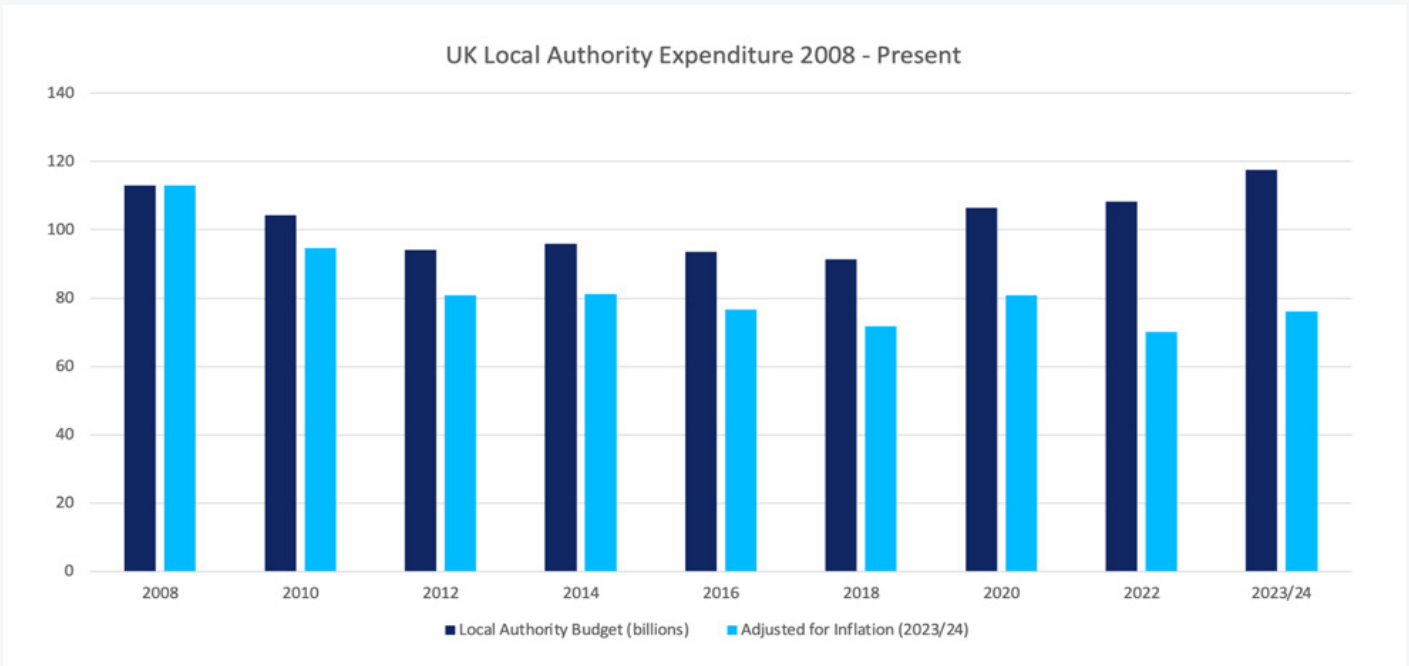


Figure 1 - UK Local Authority Expenditure 2008 - Present

Regardless of who wins the next general election, there won't be a money tree enabling local authorities to increase expenditure. Chief executives and senior leaders already know that:

- They will need to rationalise or cut services.
- They will need to continue headcount reduction.
- They will need to do more with less.

And despite the above, the government and public will be expecting:

- That current services and service levels are maintained and improved.
- That costs to use public services do not increase further.

Where does technology fit into this?

Since 2008, it has been recognised that technology will be a key driver in assisting local authorities to achieve their ambitions. Over the last 15 years, most local authorities have embarked on some form of digital transformation, replacing legacy systems with dedicated digital solutions. However, without a standardised and proven delivery methodology, transformation across UK local authorities has often been patchy and inconsistent. Birmingham City Council, having recently issued a Section 114 notice themselves, is a cautionary tale, having lost a reported £100 million in a failed digital transformation project.

Nevertheless, when local authority leadership teams get together to set their corporate plans, it is almost guaranteed there will be a reference somewhere within the plans to implement digital transformation to improve services, increase efficiency, and cut costs.

If most local authority business plans have a focus around integrating digital technology into every aspect of the business, identifying the right path to transformation becomes incredibly important, as well as being problematic and costly if not handled correctly.

In this insight paper we will be focusing on the technology itself. Importantly, we will explore the advantages and disadvantages of both single digital platforms and more dispersed technology sets that are integrated together or managed as standalone platforms to fulfil transformation objectives.

Why is digital transformation important?

According to McKinsey Consulting, 70% of all digital transformation projects fail. Failure is often attributed to not achieving efficiencies set against the project, either in terms of finance or resource savings. However, data also suggests that in 15% of these cases, failure is

attributed to buying the wrong technology from the outset, or buying technology that does not sufficiently support business objectives.

Typically, there are two directions of travel for local authorities when conducting digital transformation.

One direction is to allow technology to be bought on a service area by service area basis (multi-platform).

The other direction is to consolidate many systems into one system, or a significantly reduced number of systems (single platform).

By conducting a SWOT analysis (Strengths Weaknesses Opportunities Threats), let's look at the advantages and disadvantages of these two approaches - single platform versus multi-platform - to offer insight and potentially mitigate risk for those embarking on technology projects.



What does a single platform mean?



In technology terms, a single platform is best described as a multi-purpose platform (usually from a single supplier) with numerous components or separate modules that make up a single enterprise offering that can be used across a local authority.

Its technologies are cross cutting and as applicable to one department or business areas as much as for another. A single platform will usually contain low-code or no-code attributes, both to make the system easier to use for less technical staff and for the technology to be built on and developed easily.

Strengths

- Local authorities only have one vendor to manage, making communication easier and more efficient.
- The platform can be utilised across multiple local authority service areas simultaneously, resulting in significant cost savings.
- Central transformation teams supporting delivery have only one technology stack to learn as opposed to multiple technologies.
- Single platforms require less integration into 3rd party systems. Integrations can be temperamental and costly to implement, manage and maintain.

Weaknesses

- To be applicable within multiple service areas, the technology is often more generic, therefore service areas are not necessarily getting the ‘best in class’ technology specific to their own needs.
- Implementation pan authority may be slower as generally single platforms are orchestrated from a centrally based transformation team.
- It is not guaranteed that every single business process can be migrated and successfully working on a single platform.
- If the local authority decides to replace some or all of the technology in the future, everything potentially needs to be replaced, risking organisational disruption as opposed to localised departmental disruption.

Opportunities

- Single technology stacks present opportunities to more easily consolidate / merge business areas, presenting greater efficiency opportunities.
- Single platforms take up significantly less in-house IT resource, enabling this valuable resource to be better utilised elsewhere.

- Data is residing in one platform, therefore it is easier to extract and manipulate for analytical purposes.
- Opportunity for seamless communication between all service areas within a single platform, providing a single repository of consistent data shared across the entire authority.

Threats

- This approach is higher risk, higher reward, as the local authority places a large bet on one vendor's technology being successfully implemented across the authority.
- Individual business areas may be reticent to adopt the technology if they think that they are not getting 'best in class' technology built specifically for their service area.
- Particular service areas may go 'rogue' and refuse to implement this technology, which can result in not all business benefits being realised and the overall project objectives jeopardised.
- Vendors stop developing on less profitable components of the solution, which over time could adversely affect a particular service area.



What does a multi-platform system mean?



In technology terms, a local authority with a multi-platform technology stack incorporates several different technology products across their service areas.

This technology may possess the capability to integrate into other technologies in situ via web services, or may simply stand alone and service a single business area as a separate siloed solution.

Strengths

- Rather than settling for a single generic system, service areas can instead be given ‘best in class’ products specific to their own needs.
- Specialised products are more likely to meet most bespoke requirements for a service area.
- Procurement and implementation can be conducted by subject matter experts in individual service areas more swiftly compared to pan authority system projects.
- Service area leaders have greater autonomy to pick the products they feel best suits their needs, as opposed to potentially compromising with a generic corporate solution.

Weaknesses

- Overall costs across the authority are likely to be significantly higher when added together due to the procurement of multiple systems.
- Central IT teams will be supporting multiple systems, therefore their expertise and resource is spread thinly across the IT estate.
- Data silos become more prevalent as separate service areas collect data in separate systems. This makes it much more difficult to keep consistent records and to analyse data across the authority.
- Integration is required to enable separate systems to communicate, which often break and are expensive to build and maintain.

Opportunities

- Individual business areas can potentially be more agile, moving quickly to bespoke technology to maintain and improve good standards of service.
- If you need to uncouple technology with a particular vendor, this can be localised within one service area without pan authority disruption.

- Potential to place greater ownership and responsibility in the hands of individuals in related service areas, working with a system they have chosen themselves.
- IT individuals can gain a knowledge of multiple technologies rather than specialising in just one area.
- IT departments become overworked by servicing multiple systems, resulting in degradation of service as valuable IT resources are spread thin.
- Procurement may not be driven by professionals with a sufficient understanding of buying technology, risking procurement of unsuitable or barebones solutions that only become workable or 'best in class' if significant additional investment is made.
- Master Data Management to support strategic decision making is much harder to achieve because of inconsistent data sources from siloed service areas.

Threats

- Purchases may not fit into the overall strategic direction of the local authority.



Conclusion - why single platform is the way to go

When considering the SWOT analysis, there are pros and cons to either approach. Every parish, town, county, district, borough, city, and unitary authority has different prevailing requirements, driven by factors including demographics, population sizes, funding, poverty, etc. The answer would normally not be totally straightforward. However, local authorities are no longer operating in 'normal' times, and the direction of travel is clear:

Council budgets will continue to see significant reductions.

Section 114 notices will continue to be declared by struggling authorities.

Many non-essential services will be discontinued.

Staff headcount reductions will be commonplace and extensive.

Expectations around service quality will remain high.

External scrutiny by the government and general public will be greater.

To mitigate these risks, local authorities need to move towards long-term technology solutions that offer greater opportunity for multi-purpose use, which single systems provide. This will mean greater centralised control of technology and digital transformation projects moving forward, which is necessary for realising declared and documented financial and efficiency savings. A single system allows for business processes to be continually and rapidly adapted as the need arises, leveraging every bit of functionality available. Local authorities need to be laser-focused in absorbing current business processes into a single shared solution, whether that involves collapsing legacy systems or moving non-digital processes digital. Whilst there will always be some compromise required by individual service areas, degradation of overall service will be avoided within these areas if the transformation is planned, managed, and communicated correctly. From a technology standpoint, local authorities need a 'council in a box', and a single system delivers this.

What are the key features of a single platform?

Cloud-hosted with minimal on-premise footprint.

Flexible, adaptable, and scalable to an authority's frequently changing needs.

Facilitates a single, simple council entry point for customers.

Consolidates incoming data into a single easily retrievable system.

Provides a holistic view of data to facilitate performance improvement.

Enables more efficient business processes to be built.

Can be implemented at varying paces to ease business-as-usual disruption.

Low-code or no-code, pushing every day management onto system users.

Affordable and cost-effective, regardless of authority size and budget.

Ability to integrate easily into other systems when required.

About Abavus Ltd and My Council Services

Abavus, alongside its partner company iTouchVision, design, develop and provide the award-winning My Council Services digital technology solution used by 50+ UK local authorities. This has enabled us to build a wealth of digital transformation experience since 2011.

From its early origins, we rapidly developed My Council Services to support the business needs of local authorities. This responsive, customer-focused approach has enabled us to thrive in a competitive marketplace. Our market-leading enterprise platform is utilised across the UK in all aspects of local authority business, including:

- Asset and Amenity Management
- Births, Marriages, and Deaths
- Customer Relationship Management
- Environmental Health
- Environmental Services
- Highways and Roads
- Housing
- Leisure and Parks
- Licensing, Planning, and Regulatory Services
- Mobile Working
- Parking Management
- Revenues and Benefits
- Street Cleansing
- Waste Management

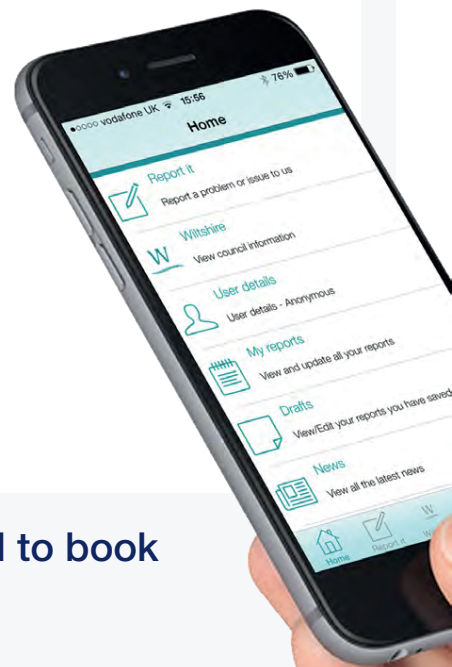
With a system straddling all local authority business areas, My Council Services is the go-to product for senior leaders and managers looking to deliver continuous and sustainable improvement and efficiency across their organisation.

Consultancy and training

Abavus also provides consulting and training services. This is to ensure that our clients are up and running with our technology solutions as quickly as possible. We draw upon our extensive knowledge and understanding of public sector organisations to drive digital transformation for business.



myCouncilservices



For more information about My Council Services and to book your free demo, contact us below:

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