Appendix to the Local Digital programme evaluation

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1. Local Digital programme expenditure

1.0.1. This appendix includes a detailed breakdown of Local Digital programme expenditure between FY 18/19 and FY 24/35 in nominal terms. It provides further detail to Chapter 9 in the main report on costs used for VfM calculation.

Table A1.1. Local Digital programme costs (£m).

	FY 18/19	FY 19/20	FY 20/21	FY 21/22	FY 22/23	FY 23/24	FY 24/25	Total
Local Digital Fund	2.56	3.85	4.42	5.21	4.53	0.13	0.00	**20.69**
Grants	1.25	2.48	4.40	5.20	3.41	0.00	0.00	16.73
Consultancy costs	1.03	1.19	0.00	0.00	0.79	0.00	0.00	3.02
Staff costs	0.28	0.18	0.02	0.01	0.32	0.13	0.00	0.94
Future Councils					7.45	1.33	0.00	**8.78**
Grants					6.00	0.00	0.00	6.00
Consultancy costs					1.20	1.20	0.00	2.39
Staff costs					0.26	0.13	0.00	0.39
Cyber Support			5.07	9.51	8.39	1.01	1.02	**25.01**
Grants			4.30	9.50	6.07	0.00	0.00	19.87
Consultancy costs			0.75	0.00	2.13	0.75	0.70	4.34
Staff costs			0.02	0.01	0.19	0.26	0.32	0.81
CAF					1.06	3.18	10.10	**14.34**
Grants					0.20	0.00	4.20	4.40
Consultancy costs					0.67	2.93	5.58	9.17
Staff costs					0.19	0.26	0.32	0.77
Training	0.82	0.97	0.02	0.01	0.28	0.53	0.00	**2.64**
Consultancy costs	0.80	0.94	0.00	0.00	0.15	0.40	0.00	2.29
Staff costs	0.03	0.03	0.02	0.01	0.13	0.13	0.00	0.34
LD Strategy and further research					1.18	2.19	3.13	**6.50**
Consultancy costs					1.05	2.00	2.87	5.92
Staff costs					0.13	0.19	0.26	0.58
Other cyber spend					0.00	0.00	2.16	**2.16**
Other programme spend	0.01	0.12	0.47	0.11	0.60	1.23	0.58	**3.11**
Total	3.38	5.27	10.29	16.14	23.49	9.59	17.00	**85.16**
Relevant total	**3.38**	**4.93**	**9.99**	**14.85**	**23.49**	**9.59**	**17.00**	**74.56**

Explanatory note of Table A1.1. The allocation of spend across workstreams is based on estimates using information from the Local Digital team and evaluation insights. These breakdowns are indicative rather than exact, as spend was not recorded in this format within the MHCLG finance system. Spend is categorised into: (1) Grants - direct funding to councils under Section 31 of the Local Government Act 2003; (2) Consultancy costs - payments to suppliers supporting delivery; and (3) Staff costs - civil servant salaries. “Other digital spend” and “Other cyber spend” reflect investments outside the evaluated workstreams. “Other Local Digital (LD) spend” includes monitoring and evaluation (M&E), travel, agency staff, secondments, and miscellaneous items.

2. Workstream Theories of Change

2.0.1. This appendix includes the individual workstreams' Theory of Change visual logic models, referenced in the main report.

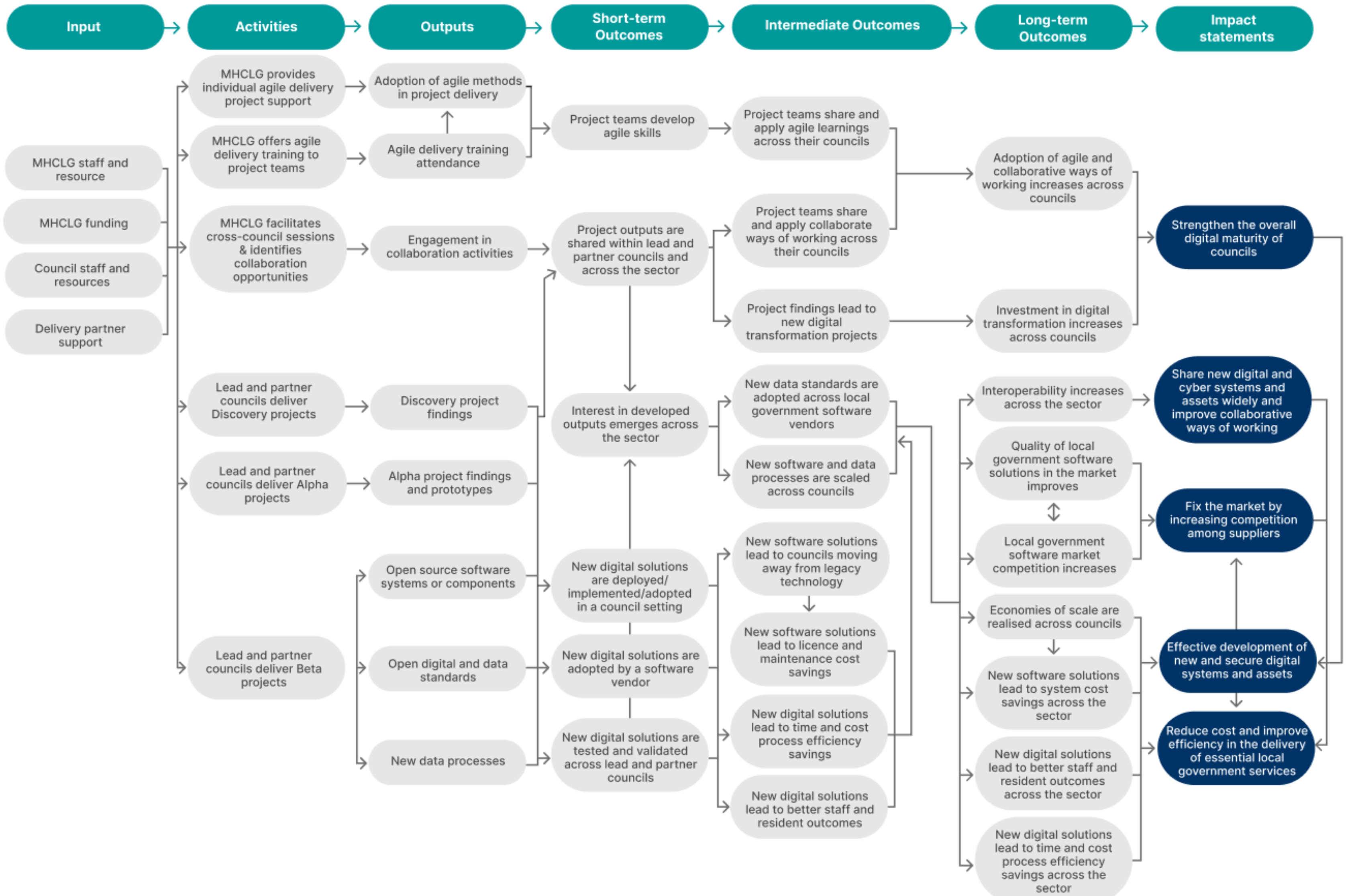


Figure A2.1. Local Digital Fund Theory of Change.

Figure A2.2. Future Councils Theory of Change.

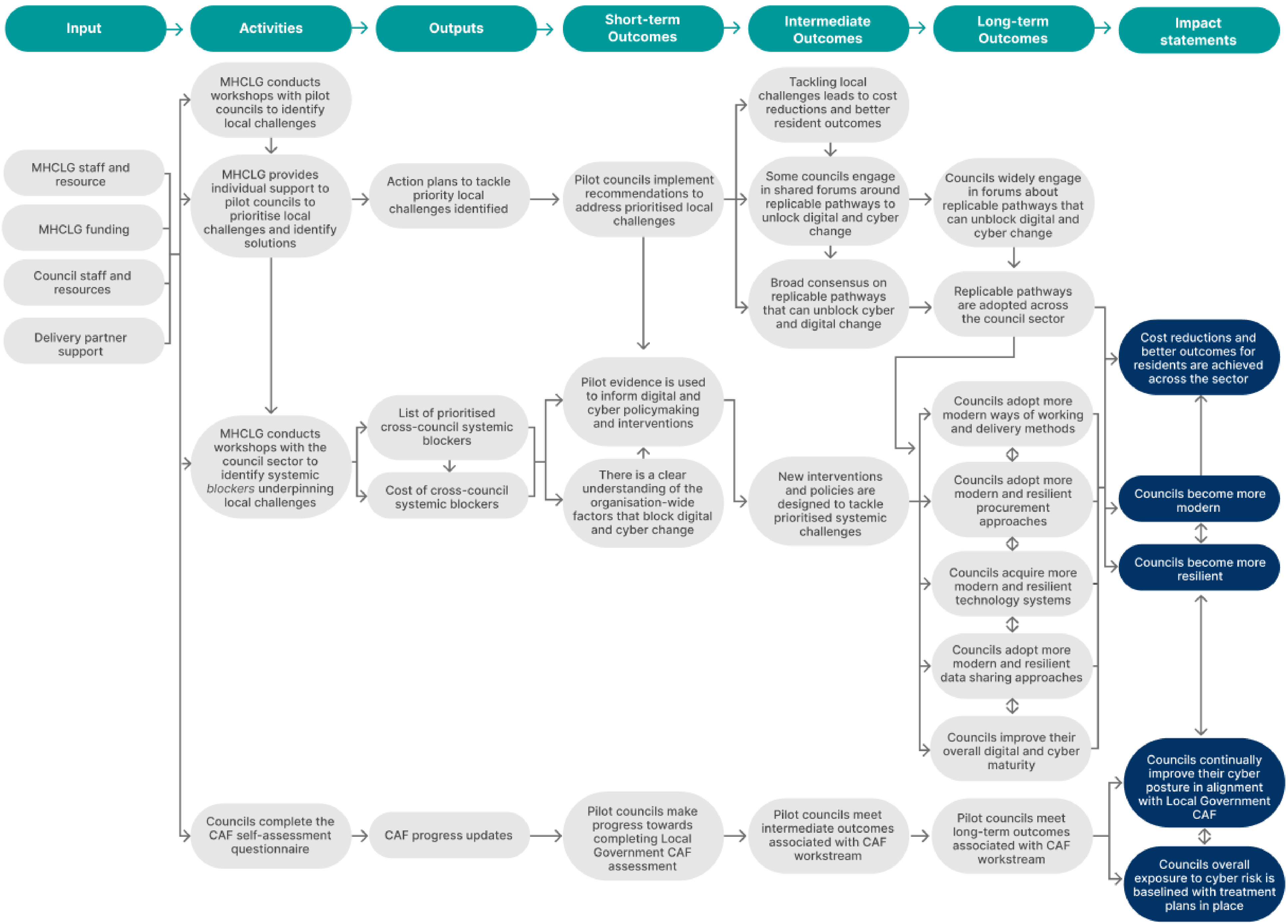


Figure A2.3. Cyber Support Theory of Change.

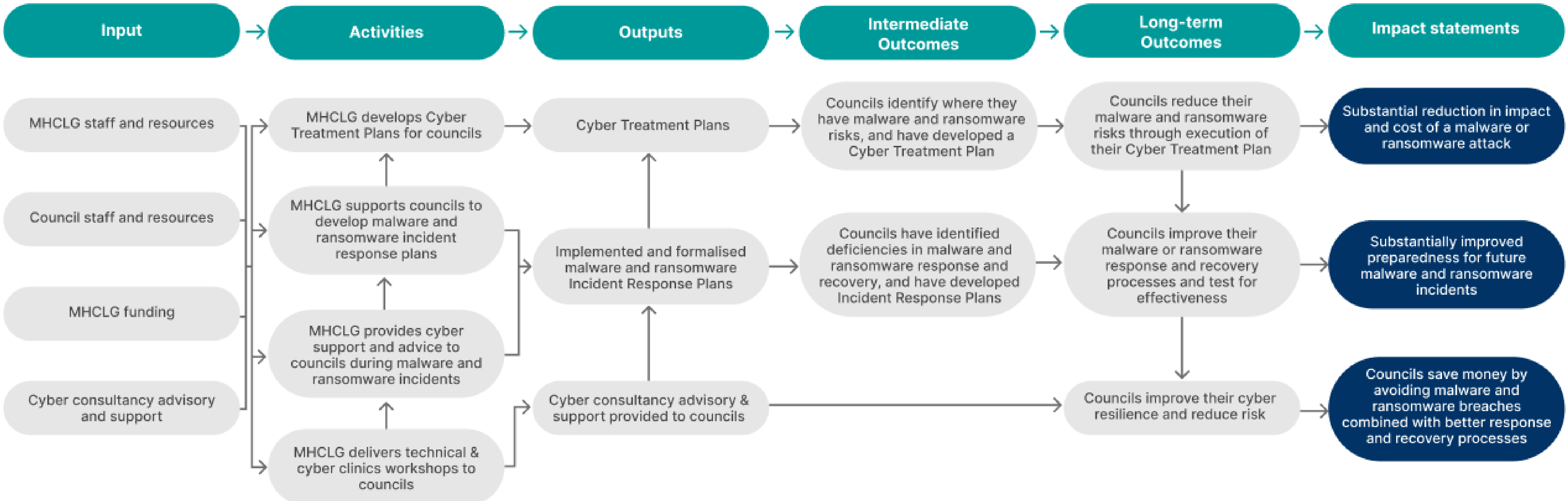


Figure A2.4. CAF Theory of Change.

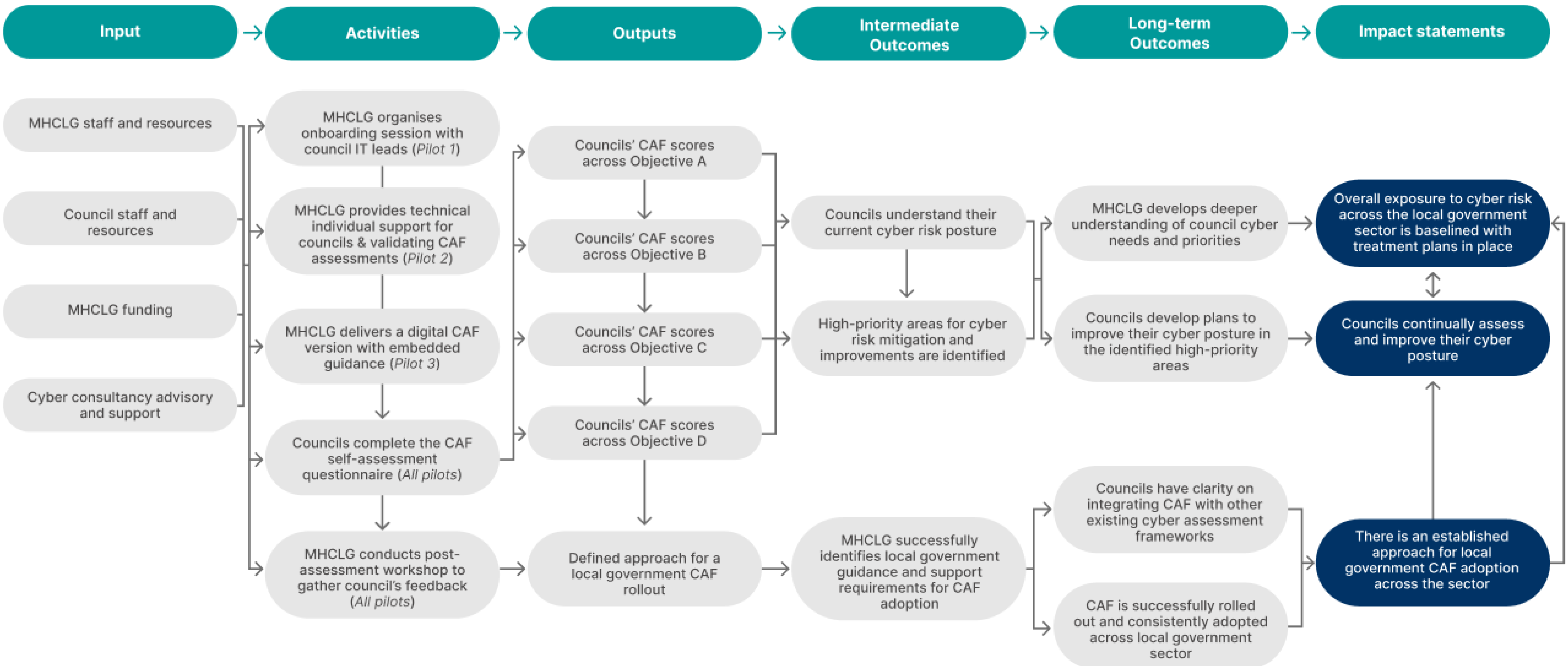
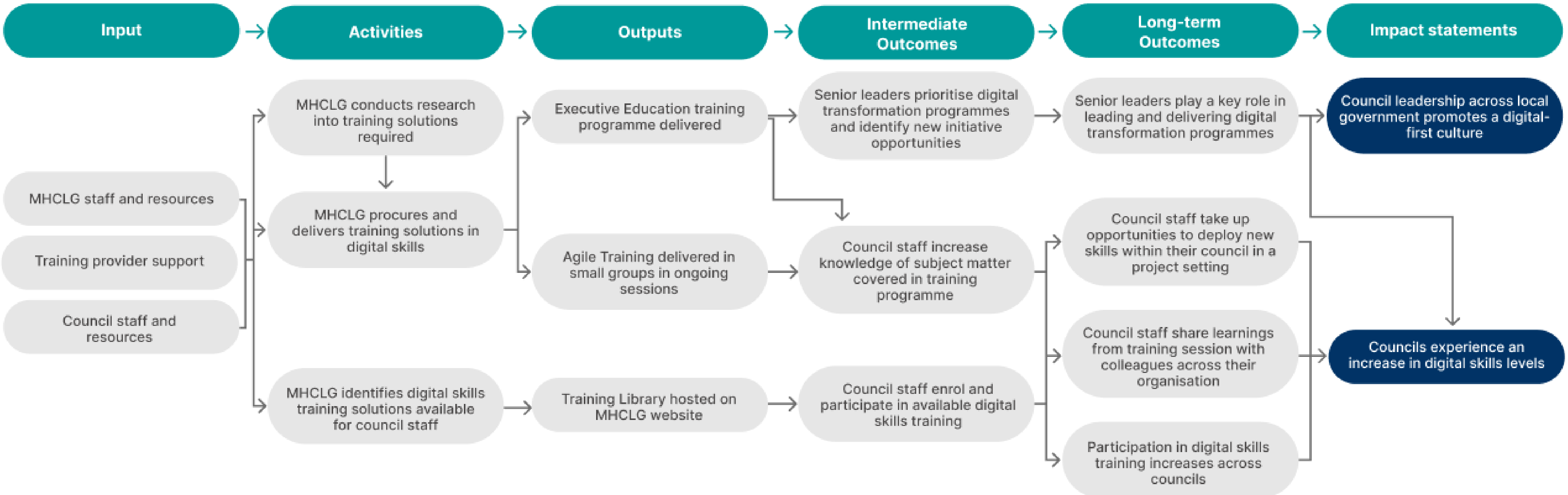


Figure A2.5. Training Theory of Change.

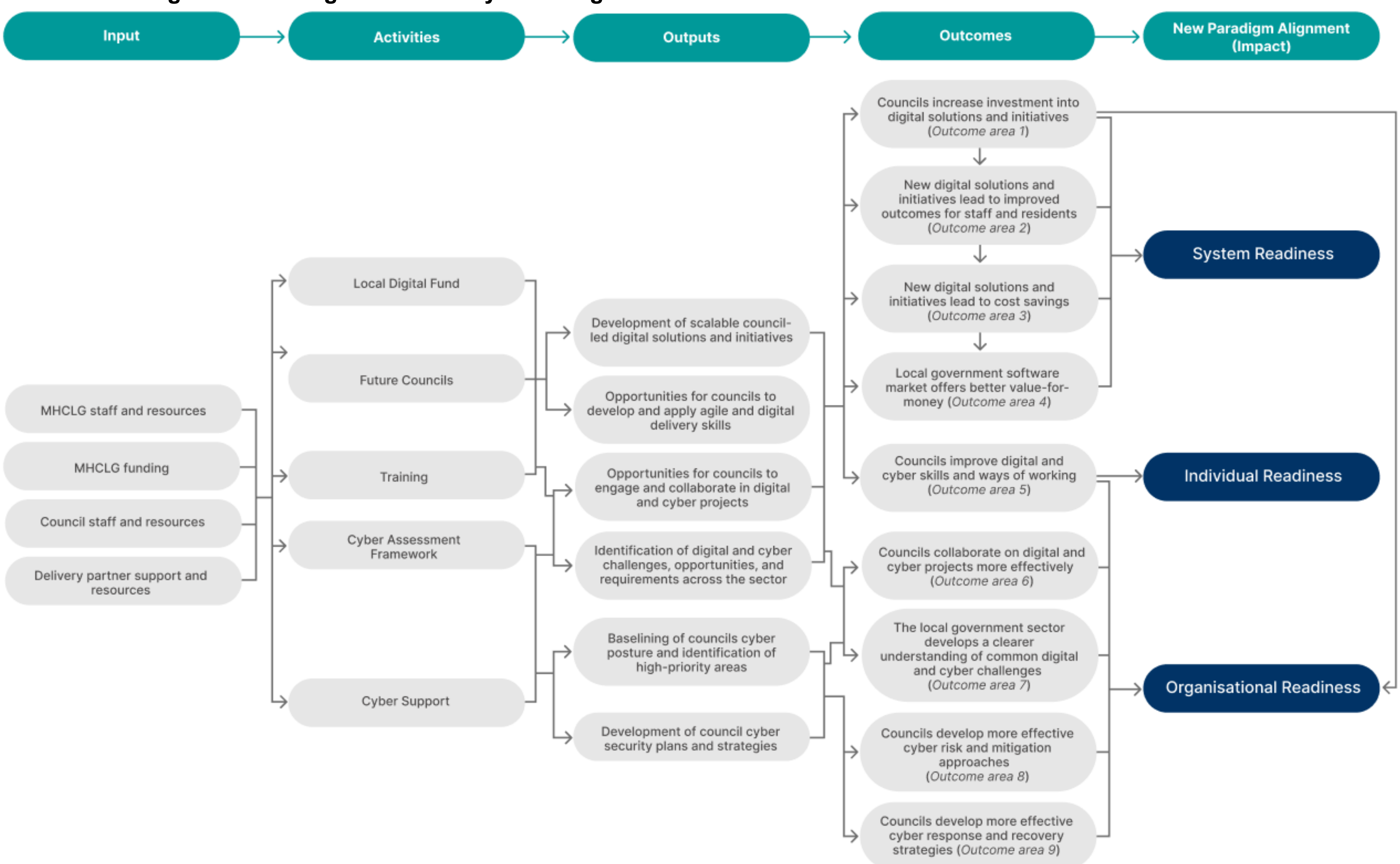


3. Programme outcome areas mapping

3.0.1. This appendix lists the Local Digital programme's outcome areas, indicating their alignment with specific workstream outcomes and their contribution to system, organisational, or individual readiness for digital transformation. It also summarises achievement (rated as high, medium, low, or not achieved) and data confidence levels for each outcome. The overall Impact Evaluation of each outcome area is presented in Chapters 4-8 of the main report. For ease of reading, outcome area names have been simplified in the main report, we indicate the simplified version in brackets in this appendix.

3.0.2. Figure A3.1 first introduces the Programme Level theory of change.

Figure A3.1. Programme Theory of Change.



Outcome area 1. Councils invest in the exploration and adoption of innovative digital solutions. (Area 1. Investment in digital innovation). This outcome consolidates the following outcomes from individual workstreams:

Outcome	Workstream	Focus	Achievement	Confidence
New digital solutions are deployed / implemented / adopted in a council setting	Local Digital Fund	System readiness	Low to Medium	Medium
New software solutions lead to councils moving away from legacy technology	Local Digital Fund	System readiness	Low	High
Project findings lead to new digital transformation projects	Local Digital Fund	Organisational readiness	Low	Medium
Investment in digital transformation increases	Local Digital Fund	Organisational readiness	Low	Medium
Pilot councils implement recommendations to address prioritised local challenges	Future Councils	Organisational readiness	Medium	Medium
Councils acquire more modern and resilient technology systems	Future Councils	System readiness	Low	High
Senior leaders prioritise digital transformation programmes and identify new initiative opportunities	Training	Organisational readiness	Not achieved	High
Senior leaders play a key role in leading and delivering digital transformation programmes	Training	Organisational readiness	Not achieved	High

Outcome area 2. New digital solutions and initiatives lead to improved outcomes for staff and residents. (Area 2. Staff and resident satisfaction). This outcome consolidates the following outcomes from individual workstreams:

Outcome	Workstream	Focus	Achievement	Confidence
New digital solutions lead to better staff and resident outcomes	Local Digital Fund	System readiness	Low	Medium
New digital solutions lead to better staff and resident outcomes across the sector	Local Digital Fund	System readiness	Low	Medium
Tackling challenges leads to cost reductions and better resident outcomes	Future Councils	System readiness	Low	Low

Outcome area 3. New digital solutions and initiatives lead to cost savings (Area 3. Cost savings associated with digital initiatives). This outcome consolidates the following outcomes from individual workstreams:

Outcome	Workstream	Focus	Achievement	Confidence
New software solutions lead to licence and maintenance cost savings	Local Digital Fund	System readiness	Medium	Medium
New digital solutions lead to time and cost process efficiency savings	Local Digital Fund	System readiness	Medium	Medium
New software solutions lead to system cost savings across the sector	Local Digital Fund	System readiness	Low	High
New digital solutions lead to time and cost process efficiency savings across the sector	Local Digital Fund	System readiness	Low	High
Tackling challenges leads to cost reductions and better resident outcomes	Future Councils	System readiness	Low	Low

Outcome area 4. Local government software market offers better value for money. (Area 4. Software market changes). This outcome consolidates the following outcomes from individual workstreams:

Outcome	Workstream	Focus	Achievement	Confidence
The quality of local government software solutions in the market improves	Local Digital Fund	System readiness	Low	High
Interoperability increases across the sector	Local Digital Fund	System readiness	Low	High
Local government software market competition increases	Local Digital Fund	System readiness	Low	High
New data standards are adopted across local government software vendors	Local Digital Fund	System readiness	Low	High
New digital solutions are adopted by a software vendor	Future Councils	System readiness	Low	High

Outcome area 5. Councils improve digital and cyber skills and ways of working. (Area 5. Digital skills and ways of working). This outcome consolidates the following outcomes from individual workstreams:

Outcome	Workstream	Focus	Achievement	Confidence
Council staff enrol and participate in available digital skills training	Training	Individual Readiness	Medium	Medium
Participation in digital skills training increases across councils	Training	Individual Readiness	Low	Medium
Council staff increase knowledge of subject matter covered in training programme	Training	Individual Readiness	High	Medium
Council staff take up opportunities to deploy new skills within their council in a project setting	Training	Individual Readiness	Medium	Medium
Project teams develop Agile skills	Local Digital Fund	Individual Readiness	Medium	Medium
Project teams share and apply Agile learnings across their councils	Local Digital Fund	Organisational Readiness	Medium	High
Adoption of Agile and collaborative ways of working increases across the sector	Local Digital Fund	Organisational Readiness	Low	Medium
Councils adopt more modern ways of working and delivery methods	Future Councils	Organisational Readiness	Low	Medium
Councils improve their overall digital and cyber maturity	Future Councils	Organisational Readiness	Low	Medium

Outcome area 6. Councils collaborate on digital and cyber projects more effectively. (Area 6. Collaboration). This outcome consolidates the following outcomes from individual workstreams:

Outcome	Workstream	Focus	Achievement	Confidence
Council staff share learnings from training session with colleagues across organisation	Training	Individual Readiness	Low	Medium
Project outputs are shared within lead and partner councils and across the sector	Local Digital Fund	Organisational Readiness	Low	High
Project teams share and apply collaborative ways of working across their councils	Local Digital Fund	Organisational Readiness	Medium	Medium
Interest in developed outputs emerges across the sector	Local Digital Fund	Organisational Readiness	Low	Medium
Economies of scale are realised	Local Digital Fund	Organisational Readiness	Low	High
New software and data processes are scaled across councils	Local Digital Fund	System Readiness	Low	High
Some councils engage in shared forums around replicable pathways to unlock digital and cyber change	Future Councils	Organisational Readiness	Low	Medium
Councils widely engage in forums about replicable pathways that can unblock digital and cyber change	Future Councils	Organisational Readiness	Low	Medium
Broad consensus on replicable pathways that can unblock cyber and digital change across the sector	Future Councils	Organisational Readiness	Low	High
Replicable pathways are adopted across the council sector	Future Councils	Organisational Readiness	Not achieved	High
Councils adopt more modern and resilient data sharing approaches	Future Councils	Organisational Readiness	Low	High

Outcome area 7. The local government sector develops a clearer understanding of common digital and cyber challenges. (Area 7. Understanding of digital and cyber challenges). This outcome consolidates the following outcomes from individual workstreams:

Outcome	Workstream	Focus	Achievement	Confidence
There is a clear understanding of the organisation-wide factors that block digital and cyber change	Future Councils	Organisational Readiness	High	Medium
Pilot evidence is used to inform digital and cyber policymaking and interventions	Future Councils	Organisational Readiness	High	High
MHCLG develops a deeper understanding of council cyber needs and priorities	Cyber Assessment Framework	Organisational Readiness	Medium	High
MHCLG successfully identifies local government guidance and support requirements for CAF adoption	Cyber Assessment Framework	Organisational Readiness	High	High
Local Government CAF is successfully rolled out and consistently adopted across the sector	Cyber Assessment Framework	Organisational Readiness	Not achieved	High

Outcome area 8. Councils develop more effective cyber risk and mitigation approaches. (Area 8. Effective cyber risk and mitigation strategies). This outcome consolidates the following outcomes from individual workstreams:

Outcome	Workstream	Focus	Achievement	Confidence
Councils identify where they have malware and ransomware risks, and have developed a treatment plan	Cyber Support Fund	Organisational Readiness	High	High
Councils reduce their malware and ransomware risks through execution of their treatment plan	Cyber Support Fund	Organisational Readiness	High	High
Councils improve their cyber resilience and reduce risk	Cyber Support Fund	Organisational Readiness	Medium	High
Councils understand their current cyber risk posture	Cyber Assessment Framework	Organisational Readiness	Medium	Medium
High-priority areas for cyber risk mitigation and improvements are identified	Cyber Assessment Framework	Organisational Readiness	Low	Medium
Councils develop plans to improve their cyber posture and in the identified priority-areas	Cyber Assessment Framework	Organisational Readiness	Low	Medium

Outcome area 9. Councils develop more effective cyber response and recovery strategies. (Area 9. Effective cyber response and recovery strategies). This outcome consolidates the following outcomes from individual workstreams:

Outcome	Workstream	Focus	Achievement	Confidence
Councils have identified deficiencies in malware and ransomware response and recovery, and have developed a treatment plan	Cyber Support Fund	Organisational Readiness	High	Medium
Councils improve their malware or ransomware response and recovery processes and test for effectiveness	Cyber Support Fund	Organisational Readiness	Medium	Medium

4. Digital and Cyber Maturity Survey

4.0.1. This appendix provides a summary of the Digital and Cyber Maturity Survey findings, referenced in Chapter 3 of the main report. While the survey was initially intended to inform the Impact Evaluation of the Future Councils and Local Digital Fund workstreams, the absence of statistically significant results means it has been used solely as a descriptive overview of digital and cyber maturity across the sector.

Executive Summary

4.0.2. The Local Digital Programme aimed to transform digital practices within English councils, focusing on digital maturity, skills, technology systems, ways of working, cyber maturity, and cyber skills. As part of the evaluation, we conducted a three-wave survey (June–September 2023, March–May 2024, and October–December 2024) with councils receiving the intervention concurrently with the evaluation, allowing us to establish baseline data. This included Future Councils participants and Round 6 Local Digital Fund councils.

4.0.3. However, due to low response rates and concerns about the internal validity of the findings, any changes in values between waves are not statistically significant. We therefore recommend not interpreting these changes or, at the very least, only view them as minor indications of trends. Rather, the survey serves as an opportunity to understand how the sector perceives its own status quo in terms of digital and cyber maturity.

4.0.4. The survey covered areas aligned with the Local Digital programme's intended outcomes, with some questions relating specifically to individual workstreams (for example, Digital Skills assessed the overall digital capability across the sector). Most questions were posed at the council level to provide a high-level overview of key concepts, such as the presence of an open company culture or whether a council has a digital strategy. Responses were collected using Likert scales (e.g., statements rated from 1 'do not agree at all' to 5 'completely agree'), binary options (yes/no), or continuous measures (e.g., percentages from 0 to 100). Exact questions can be found in Tables 4.1 to 4.6 of this appendix.

4.0.5. Taking all (non-binary) questions issued in the first wave, which had the highest response rate, the mean scores per survey area are presented in Table A4.1.

Table A4.1. Mean scores per Digital and Cyber Maturity survey area.

Survey area	**Mean score**	**Interquartile range**
Digital maturity	3.54	0.75
Digital skills	3.03	2
Technology systems	2.98	1.92
Ways of working	3.25	0.5
Cyber maturity	3.53	1.36
Cyber skills	3.29	2

4.0.6. It is evident that, on average, councils' responses are close to the theoretical mean of the scale (2.5), with some categories, such as digital maturity, being slightly higher and some, such as digital skills, being slightly lower. Over all categories, it was rare that responses to questions deviated strongly from the average. The findings for the different categories may be - very cautiously - interpreted as follows;

4.0.7. **Digital maturity.** Councils generally viewed their digital maturity as slightly above average. About 70% (54/79) reported having a clear technology leader in place. However, data management was a weaker area: the statement "My council has a mature approach to using and managing data, including data tooling, governance and ethics" received the lowest average score (mean 3.00), indicating room for improvement.

4.0.8. **Digital skills.** Although most councils (57/68; 84%) offered digital skills training in the past year, uptake was modest. Around 40% (27/68) reported that fewer than a quarter of staff completed this training, suggesting limited reach or effectiveness.

4.0.9. **Technological systems.** Use of legacy systems varied widely. While 40% (24/60) spent less than 13% of their budget on legacy systems, 15% (9/60) spent over 50%. Experimentation with new technologies was common (37/61), and cloud hosting was growing, yet 20% (13/66) still hosted over 80% of services on-premises, indicating uneven progress in modernisation.

4.0.10. **Ways of working.** Open-source adoption remained low across the sector. Only 15% (12/79) said their technology stack was primarily open-source, and just 20% (16/79) reported sharing open-source tools they had developed.

4.0.11. **Cyber maturity.** Around 80% of councils (13/16) had a dedicated cyber security lead, indicating strong leadership. However, the principle of "security by design" was less embedded. The relevant statement received a mean score of 3.18, suggesting inconsistent implementation of recognised standards such as CIS, ENISA, or NIST.

4.0.12. **Cyber skills.** Councils reported strong provision of cyber training (90%), and nearly half (10/22) said over 60% of staff had completed it, highlighting better uptake compared to general digital skills training.

Rationale

4.0.13. The Local Digital Programme set out to change aspects of the English public sector on which there was little comprehensive information, for instance, on the use of agile frameworks in daily working routines or the regularity of offering cyber training. Because of this, a survey has been administered to a large sample of English councils, obtaining information on important aspects that may have had an influence on the different workstreams' success.

4.0.14. Covering six topic areas - Digital maturity, digital skills, technology systems, collaboration and ways of working, cyber maturity and cyber skills -, the survey was initially designed to estimate the causal effect of the Local Digital Programme on relevant council characteristics. However, given data constraints and a pivot in the methodological approach to the evaluation, this intent has been discarded (more details for interested readers with a background in data analytics are presented in the next section).

4.0.15. The results presented here offer an overview of the most important council characteristics in the context of the Local Digital Programme and how they have changed over time. The mean values for each question are presented separated by topic area, including a very brief interpretation of the findings.

Initial Approach and Limitations

4.0.16. The initial idea behind the Digital and Cyber Maturity Survey was to capture the most pertinent characteristics of councils and measure to what extent they have changed (in most cases: improved) as a result of participating in the programme, particularly the Local Digital Fund and Future Councils workstreams. As only a select number of councils participated in the programme (in other words, received a treatment), this created an opportunity to follow a quasi-experimental design. The intent was to isolate the causal effect of the Local Digital Programme and thereby understand the magnitude of its impact.

4.0.17. Methodologically, it was planned to run a Difference-in-Difference analysis. In other words, the causal effect would be identified by including data from two different (but comparable) groups across two time points; One before the intervention, and one after the intervention. To identify a comparable group to the treated councils, we have employed Mahalanobis Distance Matching (MDM). Through this method, we have identified four comparable non-treated councils for each treated council, based on several relevant sociodemographic attributes. Attributes included population, core spending power, region and council type. Although the statistical model would ultimately only require one non-treated council per treated council, response rates were a major concern in this design.

4.0.18. Several challenges occurred during the survey design and data collection process that ultimately led us to pivot to a more qualitative method and using the collected survey data to provide an overview of where the sector stands and enrich our findings. These challenges included but are not exhausted by;

1.) **Validity concerns.** The questions were asked at an organisational level but answered by individuals, e.g., about how often best practices are shared with other councils. This experience, however, may vary depending on who answers the survey. Further to this, there was no way for us to ensure that the same person answered the survey questions at different time points, either because of receiving the email, because of workload or because of employee turnover. Therefore, the inherent biases that inform some questions (such as “My council has an open culture.”) may have changed over time.

2.) **Response rates.** While we have accounted for the risk that non-treated councils may be less inclined to answer by generating more matches for treated councils, response rates have declined over time. This is particularly problematic as the response rates did not decline uniformly, meaning that for some treated councils, none of the matched councils responded, whereas for other treated councils, there were multiple responses. For the purpose of Difference-in-Difference analysis, responses from matches to *all* councils would have been preferable. This amplified the third challenge.

3.) **Statistical power.** Even in a scenario where all councils would have responded, statistical power would have likely been low. In layman terms, statistical power describes the extent to which one can be confident in the results of their statistical analysis; More precisely, to which extent they can be confident that all significant effects are estimated as such. It is a function of effect size and sample size, the latter of which was limited due to the fact that less than 20 councils have received the relevant treatment. The sample size was further reduced due to councils not responding to the survey.

4.0.19. For full transparency, we have run Difference-in-Difference analysis on the 8 survey items that have been identified as most relevant. None of the results were significant, which we ascribe to the lack of statistical power and thus will not report.

Results

4.0.20. The survey findings are relevant to contextualise the qualitative research that has been conducted over the course of the evaluation. We will now present them grouped by topic area, the first of which is digital maturity.

4.0.21. We report the mean, median and missing values for each question. Note that mean refers to the arithmetic mean or ‘average’. Median refers to the mean point of the distribution, e.g., half of all respondents answered the given value or lower. Questions with binary responses have been marked with (binary). Values in % have been recorded into 1 (0-20), 2 (21-40), 3 (41-60), 4 (61-80), 5 (81-100).

4.0.22. A total of 79 councils participated in Wave 1, 21 participated in Wave 2 and 55 participated in Wave 3. As councils reported survey fatigue when asked to fill out the survey in Wave 2, it has been decided to aim for more participants in Wave 3 instead. Additionally, the survey in Wave 3 has been substantially shortened and only included the most important items to increase participation.

4.0.23. Table A4.2. shows that there are only minor differences across Wave 1 and 2, which extends to the questions administered in Wave 3. It can thus be concluded that, while the sector perceives its own digital maturity slightly higher than average (as scales ranged from 1 to 5), this has not changed much over the course of the evaluation period.

Table A4.2. Digital Maturity.

	Wave 1			Wave 2			Wave 3		
	Mean	Median	MV	Mean	Median	MV	Mean	Median	MV
My council has a clear, identified leader responsible for technology, such as a Chief Technology Officer or Chief Digital Officer.	3.96	4	0	4.00	4	0	-	-	-
My council has an open culture that values digital ways of working, and we share experiences, work collaboratively with other organisations, and reuse good practice.	3.63	4	0	3.86	4	0	-	-	-
My council always applies Agile methods to digital projects, including testing what we have built and iterating our work based on regular feedback with users and other useful data.	3.24	3	0	3.33	3	0	3.32	3	0
My council equips staff with the digital and technical skills they require to successfully complete and deliver their responsibilities.	3.35	3	0	3.19	3	0	3.40	4	0
My council has an internally or externally published digital strategy that lays out the council's plan for digital transformation over at least a 24-month period.	3.54	4	2	3.29	4	0	-	-	-
My council has a mature approach to using and managing data, including data tooling, governance and ethics.	3.00	3	2	2.86	3	0	-	-	-
My council has a mature approach to technology procurement and working with technology suppliers.	3.64	4	2	3.95	4	0	-	-	-
My council regularly uses G-Cloud, Digital Outcomes and Specialists, or other central government frameworks optimised for technology procurement.	3.98	4	13	4.33	4	0	-	-	-

4.0.24. Table A4.3. paints a similar picture, although the proportion of councils whose staff have received training focused on digital skills in the year prior to the survey has gone down slightly. This result might, however, be an artifact in the sense that there may be fixed intervals at which training occurs and Wave 1 was closer to said intervals or that digital skills training was just less prevalent in the sample that answered to Wave 2, which is not equal to Wave 1.

Table A4.3. Digital Skills.

	Wave 1			Wave 2			Wave 3		
	Mean	Median	MV	Mean	Median	MV	Mean	Median	MV
Have staff at your council been offered training focused on developing their digital skills in the last 12 months? (binary)	0.81	1	9	0.67	1	3	-	-	-
Roughly what percentage of your council staff have completed at least one training programme focused on developing their digital skills in the last 12 months?	3.03	3	15	2.19	2	5	-	-	-

4.0.25. Table A4.4. shows mixed results regarding councils' technological systems. While a higher proportion of services are reported as being cloud-hosted in Wave 2 compared to Wave 1, spending on maintaining existing systems and the allocation of dedicated budgets for new digital systems appear relatively limited. Moreover, adoption of new technologies in service delivery was reported in Wave 1 but not in Wave 2, suggesting either a slowdown in innovation or differences in reporting across survey waves.

Table A4.4. Technological Systems.

	Wave 1			Wave 2			Wave 3		
	Mean	Median	MV	Mean	Median	MV	Mean	Median	MV
Roughly what percentage of your digital budget is spent maintaining technology systems that meet any part of the description below?	3.02	3.00	17	1.65	1	1	1.89	1	0
Roughly what percentage of services in the council are currently cloud-hosted?	3.11	3.00	11	3.62	4	0	2.80	3	0
Over the last six months, has your council applied any new technologies in the delivery of service areas? (binary)	0.83	1	15	-	-	-	-	-	-
Does your council have a dedicated budget specifically for the introduction of new digital systems? (binary)	0.39	0	16	0.42	0	2	-	-	-
If yes, roughly what percentage of your total digital budget does this allocation represent?	2.94	3	59	2.00	2	15	-	-	-

4.0.26. With the exception of cloud-hosted software, which sees a slight spike in Wave 2, how councils have rated their organisation's and staff's technological skills has not changed substantially over time. Regarding cloud-hosted software, the reported mean drops again in Wave 3, indicating that this is likely not an ongoing trend but due to the sample composition.

4.0.27. Table A4.5. reveals a similar picture to the tables listed prior, in which not major changes in values across waves can be identified.

Table A4.5. Ways of Working.

	Wave 1			**Wave 2**			**Wave 3**		
	Mean	Median	MV	Mean	Median	MV	Mean	Median	MV
How often does your council share best practice with the wider local government sector, for example by hosting online webinars, publishing blog posts, or sharing digital resources?	2.79	3	8	3.10	3	0	2.80	3	0
Roughly what percentage of the technology used in your council is open source?	3.24	4	22	1.10	1	4	1.16	1	0
If your council has ever used or developed open source technology, have you ever shared the source code with other councils or with MHCLG for wider sharing? (binary)	0.32	0	21	0.31	0	5	-	-	-
Do digital services in your council receive testing for accessibility and inclusion?	3.72	4	9	3.95	4	0	-	-	-
Does your council refer to the Government Digital Service (GDS) development lifecycle for the delivery of digital services? (binary)	0.61	1	15	0.77	1	3	-	-	-

4.0.28. Table A4.6., depicting the results on cyber maturity, reveals a slightly different picture than the prior tables. More precisely, there is a fairly clear tendency for values to increase over time. This might be due to an increase in council's awareness of the importance of cyber security, but given the higher prevalence of councils that participated in the Local Digital programme in the survey sample, could also indicate that the programme has contributed slightly to councils' cyber maturity improvements. This effect, however, has not been found in Difference-in-Difference analyses and can thus only be interpreted with much caution.

Table A4.6. Cyber Maturity.

	Wave 1			Wave 2			Wave 3		
	Mean	Median	MV	Mean	Median	MV	Mean	Median	MV
My council conducts regular cyber security risk assessments, and updates are implemented as a result.	4.00	4	59	4.19	4	0	4.40	5	5
My council's cyber security policies are reviewed at least annually and the board has clear oversight of this process.	3.35	3	59	4.10	4	0	4.24	4	5
My council's cyber security policies are published internally and all council staff have an understanding of them.	3.24	3	59	4.00	4	0	-	-	-
All systems in my council are secure by design, following a recognised standard such as CIS, ENISA, NIST or equivalent.	3.18	3	59	3.57	4	0	-	-	-
My council has a clear, identified leader responsible for cyber, such as a Chief Information Security Officer or Chief Cyber Officer.	4.06	5	59	3.95	4	0	-	-	-
My council has a cyber incident response plan that outlines what to do in the event of a data breach or other form of security incident.	3.82	4	59	4.20	4	0	-	-	-
An automated solution (e.g. a SIEM) is in place for analysing logs and identifying security events, this includes automated alerting to the security team.	3.59	5	59	3.95	5	0	-	-	-
Backup and recovery is tested at least once every 12 months, with findings from exercises being documented as lessons learnt.	3.47	3	59	3.30	3	0	-	-	-

4.0.29. Table A4.7. echoes the findings of Table A4.6., in which the values listed for cyber-related council characteristics show a slight upward trend.

Table A4.7. Cyber Skills.

	Wave 1			Wave 2			Wave 3		
	Mean	Median	MV	Mean	Median	MV	Mean	Median	MV
Have staff at your council been offered training focused on developing their cyber skills in the last 12 months? (binary)	0.88	1	59	0.95	1	0	-	-	-
Roughly what percentage of council staff have completed at least one dedicated training course to develop their cyber skills in the last 12 months?	3.29	3	55	4.20	5	2	-	-	-

Discussion

4.0.30. Overall, the English public sector rates its digital and cyber maturity fairly close to the mean values they could enter in the survey. Judging from the overall survey results, there is no clear tendency for this to change over the course of the survey and, therefore, the course of the Local Digital programme.

4.0.31. Given the little magnitude of changes in the values and the overall sample sizes, it is unsurprising that inferential statistics were not applicable. The results should thus be seen as circumstantial evidence that helps interpret the more qualitative findings from the evaluation and provide a good starting point to design for future policy design.

4.0.32. Due to the limitations listed earlier, the findings should not, however, be the sole source of information, as they are not representative of the general populace (in other words, they do not represent all English councils) and there are some concerns about the validity of the responses.

5. Programme reach and the role of the Local Digital Declaration

5.0.1. This appendix is divided into two sections. Section 5.1 provides an overview of funding and participation across the local government sector, broken down by council type, region, population size, geographical classification, and spending power. Section 5.2 discusses the impact of the Local Digital Declaration on the representativeness of councils participating in Future Councils and the Local Digital Fund, where signing the Declaration was a requirement. This analysis forms part of the Process Evaluation referenced in Chapter 3, cited in relevant workstream sections (Chapters 4-8), and in the Process Evaluation summary in Chapter 9. All funding is in nominal terms.

5.1. Programme reach data

Table A5.1. Council type and funding.

Authority type	LDP participation	% of total no. of local authorities in category	Total funding	Average funding
Combined authority	6	55	£1,194,950	£199,158.3
County council	25	96	£3,397,345	£135,893.8
District council	126	62	£13,136,675	£104,259.3
London borough	27	84	£6,690,846	£247,809.1
Metropolitan district	33	92	£8,402,155	£254,610.8
Unitary authority	51	81	£10,036,994	£196,803.8

Table A5.2. Council region and funding.

Region	LDP participation	% of total no. of councils in category	Total funding	Average funding
East	30	70	£4,302,883	£143,429.4
London & South East	93	76	£14,332,909	£154,117.3
Midlands	56	68	£9,027,672	£161,208.4
North East	9	75	£2,506,785	£278,531.7
North West	34	81	£5,410,135	£159,121.6
South West	26	70	£3,971,400	£152,746.2
Yorkshire & the Humber	14	70	£2,087,231	£149,087.9

Table A5.3. Council population and funding.

Population	LDP participation	% of total no. of councils in category	Total funding	Average funding
0 - 99,999	43	59	£4,794,817	£111,507.36
100,000 - 129,999	42	62	£3,945,242	£93,934.33
130,000 - 179,999	52	74	£7,393,677	£142,186.1
180,000 - 309,999	53	77	£9,230,739	£174,164.9
310,000 - 1,599,999	66	96	£15,854,540	£240,220.3

Explanatory note of Table A5.3. Given the absence of standard intervals or predefined buckets for categorising council populations, we divided councils into quintiles to represent how funding was distributed among councils of different sizes. These are 5 population categories that split the councils evenly; each includes approximately 70 councils. The population figures do not include 6 councils which were replaced in 2023 by North Yorkshire and Somerset. They received a total of £420,000.

Table A5.4. Council geographical classification and funding.

Geographical classification	LDP participation	% of total no. of councils in category	Total funding	Average funding
Predominantly rural	66	64	£8,634,950	£130,832.6
Predominantly urban	146	79	£26,886,720	£184,155.6
Urban with significant rural	48	70	£5,978,345	£124,548.9

Table A5.5. Council spending power and funding.

Spending power	LDP participation	% of total no. of councils in category	Total funding	Average funding
£5,200,000 - £11,069,999	39	56	£3,894,817	£99,867.09
£11,070,000 - £14,129,999	45	64	£5,000,908	£111,131.30
£14,130,000 - £138,959,999	47	68	£5,602,730	£119,207.01
£138,960,000 - £257,279,999	57	81	£9,148,581	£160,501.42
£257,280,000 - £1,082,779,999	68	97	£17,571,979	£258,411.46

Explanatory note of Table A5.5. Given the absence of standard intervals or predefined buckets for categorising core spending power, we divided councils into quintiles. These are 5 spending power categories that split the councils evenly; each includes approximately 70 councils. The core spending power figures do not include 6 councils which were replaced in 2023 by North Yorkshire and Somerset. They received a total of £420,000. An overview of the relationship between council spending power, multiple deprivation scores, council reserves and funding are found in Table A5.5.

5.2. The role of the Local Digital Declaration

5.2.1. The Local Digital Declaration represents the starting point of the Local Digital programme, promoting a shared vision for transforming local digital services to be more user-focused, safe, and effective. As of January 2025, 306 organisations - 265 of them councils - have signed the Declaration, leaving 52 councils yet to join. Signing is voluntary but required for councils to access funding from the Local Digital Fund and Future Councils workstreams. Analysing signatory patterns helps assess whether certain councils were unintentionally excluded from funding opportunities and provides insight into sector-wide engagement with the programme's digital transformation goals.

Local Digital Declaration signatories over time

5.2.2. One way we have analysed the Local Digital Declaration is by looking at how signatory numbers have grown over time. Notably, signatory numbers increased during these application periods for the Local Digital Fund, and Future Councils, suggesting that funding opportunities encouraged councils to join (see Figure A5.1.). However, the largest rise in signatories occurred outside of these windows. Table A5.6. illustrates the number of eligible councils at each application deadline, highlighting the growing engagement over time.

Figure A5.1. Local Digital Declaration signatories over time.

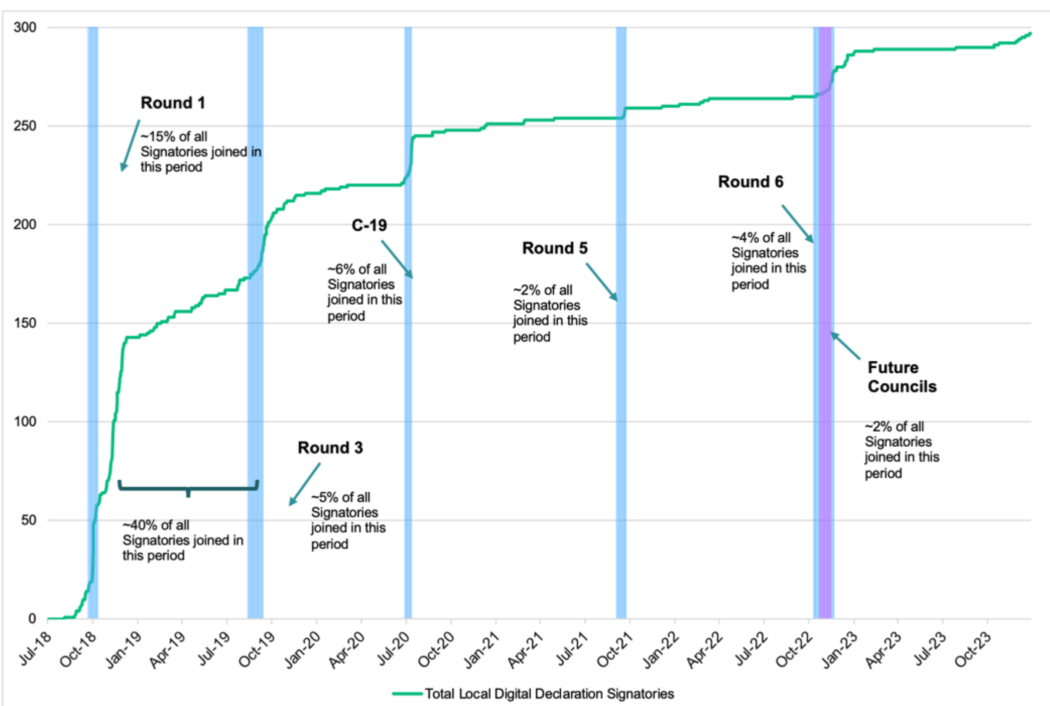


Table A5.6. Eligible councils on deadline date.

Application	Number of eligible councils
Round 1	58
Round 3	189
C19 Challenge	240
Round 5	259
Future Councils	273
Round 6	278

Factors determining a council's signatory status

5.2. We analysed which factors influence a council's likelihood of signing the Local Digital Declaration using logistic regression (see Table A5.7.).

Table A5.7. Logistic regression on the likelihood of having signed the Local Digital Declaration

Y = Signed the Local Digital Declaration				
Core Spending Power	1.958***	5.888***	1.941***	5.690***
	0.227	2.657	0.236	2.624
Region Fixed Effects	No	No	Yes	Yes
Council Type Fixed Effects	No	Yes	No	Yes
Constant	3.10e-05***	0***	4.41e-05***	0***
	6.04e-05	0	9.02e-05	0
Observations	349	349	349	349
Robust Standard errors reported in row below the estimate. Significance levels: *** p<0.01, ** p<0.05, * p<0.1				

5.2.3. This method identifies statistically significant predictors and measures their impact through 'odds ratios.' The analysis included council type, region, and core spending power. Results show that higher core spending power is strongly and significantly associated with a greater likelihood of signing the Declaration. The analysis covers 349 councils - more than the current 317 - because it includes all councils that existed during the Local Digital programme, including those that have since merged or ceased to exist.

5.2.4. The results strongly suggest that the pool of Local Digital Declaration signatory councils has - on average - a higher core spending power than non-signatory councils. This aligns with the results observed in the analysis presented earlier in the report, where a positive correlation is identified between a council's spending power and its engagement with the programme.

5.2.5. We also explored alternative explanations by looking at deprivation scores, and council reserve levels. While deprivation scores initially appeared significant, their effect disappeared after accounting for spending power, and council reserve levels showed no significant effect.

5.2.6. The findings strongly suggest that core spending power is the primary explanation for having signed the Local Digital Declaration. However, it is not necessarily a direct reflection of economic conditions. Based on past conversations with councils, we assume that core spending power serves as a salient marker of councils' capacity and capability levels, as core spending power is an indicator of council size. Those councils tend to have a better digital infrastructure and more personnel in place compared to their smaller counterparts.

5.2.7. Further analysis reveals that councils applying to the Local Digital Fund and Future Councils workstreams also had significantly higher core spending power than those that did not apply. However, among applicants, there was no significant difference in spending power between those selected and those not selected. This suggests that although the selection process itself was not biased, the eligibility criteria (signing the Declaration and submitting an application) inherently favour larger, better-resourced councils - potentially excluding smaller or less well-funded councils from participating.

6. Local Digital Fund funding distribution analysis

6.0.1. This appendix presents the analysis of participation and funding distribution across councils involved in the Local Digital Fund. It mirrors the broader programme-level analysis found in Section 5 of this appendix but focuses specifically on the Local Digital Fund. This analysis forms part of the Process Evaluation and is referenced in the Local Digital Fund section of Chapter 4 in the main report.

6.0.2. Table A6.1 shows how LDF funding is distributed by council type, indicating that metropolitan districts and London boroughs received the highest total allocations, while average funding per authority was highest among London boroughs.

Table A6.1. Council type and funding.

Authority type	LDF Recipients	% of total no. of local authorities in category	Total funding	Average funding
County Council	6	23%	£1,977,345	£321,224
District Council	11	5%	£2,396,675	£217,880
London Borough	11	34%	£4,370,846	£397,350
Metropolitan District	13	36%	£4,762,155	£366,320
Unitary Authority	12	19%	£2,681,994	£223,500
Combined Authority	2	20%	£544,950	£272,475

6.0.3. Table A6.2 presents funding by region, highlighting that London & South East councils received the largest share of total funding, while Midlands councils recorded the highest average funding per authority.

Table A6.2. Council region and funding.

Region	LDF Recipients	% of total no. of councils in category	Total funding	Average funding
East	4	9%	£1,074,550	£268,638
London & South East	23	19%	£6,217,909	£270,344
Midlands	7	8%	£3,366,005	£480,858
North East	4	27%	£836,785	£209,196
North West	9	20%	£3,065,085	£340,565
South West	4	11%	£961,400	£240,350
Yorkshire & the Humber	5	23%	£1,212,231	£242,446

6.0.4. Table A6.3 examines funding by council population size, showing that larger councils (310,000–1,599,999 population) received the bulk of total funding, whereas smaller councils secured fewer allocations with lower average awards.

Table A6.3. Council population and funding.

Population	LDF Recipients	% of total no. of councils in category	Total funding	Average funding
0 - 99,999	2	3%	£388,150	£194,075
100,000 - 129,999	4	6%	£1,213,575	£303,394
130,000 - 179,999	8	11%	£1,025,344	£128,168
180,000 - 309,999	16	23%	£5,007,406	£312,963
310,000 - 1,599,999	24	35%	£8,554,536	£356,439

6.0.5. Table A6.4 sets out funding by geographical classification, with predominantly urban councils accounting for the majority of total allocations, though predominantly rural councils recorded slightly higher average funding levels.

Table A6.4. Council geographic classification and funding.

Geographical classification	LDF Recipients	% of total no. of councils	Total funding	Average funding
Predominantly rural	7	7%	£2,374,950	£339,279
Predominantly urban	38	21%	£12,166,718	£320,177
Urban with significant rural	8	12%	£1,508,345	£188,543

6.0.6. Table A6.5 details funding by spending power, indicating that councils with the highest overall spending power also received the largest share of funding, both in total and on average.

Table A6.5. Council spending power and funding.

Spending power	LDF Recipients	% of total no. of councils	Total funding	Average funding
£5,200,000 - £11,069,999	2	3%	£388,150	£194,075
£11,070,000 - £14,129,999	5	7%	£1,282,575	£256,515
£14,130,000 - £138,959,999	7	10%	£1,121,063	£160,152
£138,960,000 - £257,279,999	14	20%	£4,283,581	£305,970
£257,280,000 - £1,082,779,999	26	37%	£9,113,645	£350,525

6.0.7. Table A6.6 presents regression results examining the relationship between core spending power and applications to the LDF. The findings suggest a statistically significant association across model specifications, even when controlling for region and council type fixed effects.

Table A6.6. Core spending power and applications.

Y = lg(Core Spending Power)				
	(1)	(2)	(3)	(4)
Applied to the LDF	1.490***	0.148***	1.505***	0.143***
	-0.173	-0.0448	-0.167	-0.0449
Constant	17.10***	19.11***	16.88***	19.11***
	-0.132	-0.0633	-0.156	-0.0638
Observations	268	268	268	268
Region Fixed Effects	No	No	Yes	Yes
Council Type Fixed Effects	No	Yes	No	Yes
Goodness of Fit	0.219	0.955	0.281	0.956
Robust standard errors in parentheses. *** p<0.01, ** p<0.05, * p<0.1				

Explanation note of Table A6.6. Table A6.6. shows the difference between the average core spending power of eligible councils that submitted at least one application to the Local Digital Fund and those that did not. The dependent variable for this regression, core spending power, has been log transformed, and so interpretation of the value of the results has been adjusted.

6.0.8. The notable difference between the Goodness of Fit between the results where we control for Council Fixed Effects (Columns 2 & 4) and those where we do not (Columns 1 & 3) strongly indicate that the key characteristic that drives observed differences between the 2 sets of councils is the type of councils they contain rather than the region of those councils' origin. Looking at the results in column (4), which has the best Goodness of Fit, we can conclude that, among eligible councils, those that applied to the Local Digital Fund had on average 14% higher Core Spending Power than those that did not apply, controlling for Region and Council Type.

6.0.9. Table A6.7 reports regression results on core spending power and application success. Unlike applications, the results show no strong or consistent relationship between spending power and the likelihood of success, with coefficients generally small and not statistically significant.

Table A6.7. Council spending power and application success.

Y = lg(Core Spending Power)				
	(1)	(2)	(3)	(4)
Successfully applied to the LDF	0.3	0.0463	0.221	0.0645
	-0.239	-0.0643	-0.237	-0.0677
Constant	18.40***	19.24***	18.43***	19.23***
	-0.133	-0.0488	-0.177	-0.0498
Observations	166	166	166	166
Region Fixed Effects	No	No	Yes	Yes
Council Type Fixed Effects	No	Yes	No	Yes
Goodness of Fit	0.01	0.936	0.04	0.939
Robust standard errors in parentheses. *** p<0.01, ** p<0.05, * p<0.1				

Explanation note of Table A6.7. Table A6.7. shows the difference between the average core spending power of councils that received funding through the Local Digital Fund and those that were unsuccessful. The dependent variable for this regression, core spending power, has been log transformed, and so interpretation of the value of the results has been adjusted.

6.0.10. The notable difference between the Goodness of Fit between the results where we control for Council Fixed Effects (Columns 2 & 4) and those where we do not (Columns 1 & 3) strongly indicates that the key characteristic that drives observed differences between the 2 sets of councils is the type of councils they contain rather than the region of those councils' origin. We can see that across the 4 columns that a successful applicant was not significantly more resourced than their unsuccessful counterparts.

7. Software market analysis

This appendix presents a summary of an analysis we have conducted of software markets as part of the evaluation of the Local Digital Fund (Chapter 4 main report). One of the main objectives of the Fund was to influence the software market. This section presents a summary of the analysis conducted of the following software markets;

- Adult's Social Care
- Children's Social Care
- Enterprise Resource Planning (ERP) and Income Management Systems (IMS)
- Financial Management Systems (FMS)
- Housing Management Systems (HMS)
- Revenues and Benefits

7.0.1. The analysis was conducted within FY24/25.

Market concentration overview

7.0.2. Market concentration levels, whether high or low, do not inherently indicate positive or negative conditions. Measuring competition helps show where action might be needed and which types of interventions would work best.

7.0.3. The HMS market has four major vendors and several smaller ones. To assess how concentrated the market is, we use the Herfindahl–Hirschman Index (HHI), which is calculated by squaring the market share of each firm and summing the results. A higher HHI score indicates less competition and greater market power. Based on available data (Eurostat, n.d.). The HMS market shows moderate concentration with a score of 1,850 (out of 10,000). Consensus is that 1,800+ is moderately concentrated, and 3,000+ is highly concentrated.

7.0.4. In general, markets where local government is the main or only customer, such as Social Care, R&B and IMS, are highly concentrated. Markets with significant private or third-sector demand, such as HMS, FMS and ERP, have more suppliers and lower HHIs. ERP still approaches high concentration because of high implementation costs and data migration barriers.

7.0.5. **Children and Adult Social Care:** These systems support case management and finance for statutory care services. The buyer base is 153 English upper-tier authorities, with no private-sector customers. Three main suppliers operate in the market, with seven suppliers in total. Most councils (83%) use the same vendor for both adult and children's services. The HHI is about 3,800, which indicates a highly concentrated market.

7.0.6. **Enterprise Resource Planning:** ERP platforms cover finance, HR, payroll and procurement functions. Buyers include local government, the wider public sector and private sector organisations. Unit4 holds about 35% of the market, Oracle about 28% and SAP about 22%, with two smaller challengers. The HHI is about 2,800, which indicates moderate to high concentration.

7.0.7. **Financial Management Systems:** FMS systems cover core accounting, budgeting and purchasing. Buyers include local authorities, central & wider public sector, and private-sector organisations. Unit4 has the largest share at about 30%, followed by Advanced, Civica, TechnologyOne and small and specialist vendors. The HHI is about 1,600, which places the market at the upper end of competitive or lower end of moderate concentration.

7.0.8. **Housing:** HMS systems track housing stock, resident services and repairs. The buyer base includes local authority landlords, housing associations and some private providers, with about 1,600 customers in total. The market has four large vendors and ten smaller ones. The HHI is about 1,850, which indicates moderate concentration.

7.0.9. **Income Management Systems:** IMS systems process, reconcile and report all council income and payments. The main buyers are local authorities. Access Group (Pay360) has about 60% of the market, Civica about 28% and Adelante about 6%. Four smaller vendors share the remaining market. The HHI is about 4,100, which shows a highly concentrated market.

7.0.10. **Revenues and Benefits:** These systems handle back-office processing for council tax, NNDR and housing benefit claims. The buyer base is English and Welsh billing authorities only. Capita, Civica and NEC each hold around a third of contracts. The HHI is about 3,300, showing a highly concentrated market.

Pricing overview

7.0.11. Price differences between local authorities typically reflect the scale of operations - for example, housing stock numbers for HMS and social worker counts for social care:

- In HMS, the pricing and housing stock size show a relationship - vendors serving larger housing stocks command higher prices.
- Social care system costs show a clear correlation with authority size, rising steadily from £170,000 for the smallest authorities (0-100 users) to £400,000+ for the largest ones (400+ users). However, we also found that social care suppliers charge high fees for contract additions, such as new interfaces or system components added after the initial agreement.

7.0.12. In markets where pricing is based on the number of modules, it was more difficult to illustrate an underlying price trend. This is because data on module breakdowns is typically in confidential contracts, not in the public domain.

Contracts duration overview

7.0.13. The average contract duration across analysed software markets is around 5 years (as seen in Table A7.1.). However, there are also instances of longer contracts, which can last up to 20 years (as seen in Table A7.2.).

Table A7.1. Average contract duration across local government software systems.

Market	Active contracts (in years)	All contracts (in years)	Sample size
Revs & Bens	5.8	5.1	172
Finance Management System	6.4	5.2	201
Enterprise Resource Planning	4.6	5.7	143
Income Management System	5.12	4.9	143
Social Care Case Management	5.7	5.5	151
Housing Management System	4.6	4.2	171
Average	5.4	5.1	

Table A7.2. Examples of local authority software systems with contract terms over 10 years.

Market	Council	Annual contract value (£k)	Contract duration
Revs & Bens	Oxford	52.4	10.4
Finance Management System	Braintree	20	15.6
Enterprise Resource Planning	Worcester	8.9	15.3
Social Care Case Management	Leicestershire	204.4	14.7
Housing Management System	Ashford Borough Council	8.2	21.9

8. Local Digital Fund cost assumptions

8.0.1. This appendix outlines the assumptions used to estimate the costs associated with the Local Digital Fund workstream. These assumptions inform the VfM analysis presented in Chapter 4 of the main report.

8.0.2. **Bidding costs:** Refers to the costs incurred by councils when preparing funding bids. Based on a sample of 6 council interviews who were able to estimate time spent on preparing bids, each bid required approximately one full-time week of a council staff member's work. Using this estimate, we calculated the total costs associated with the bidding process (see Table A8.1.).

8.0.3. We calculated cost estimates for bidding using both lower and upper salary bands to reflect the range of staff involved in preparing bids. Salaries were based on typical pay grades for ICT Project Managers - used as a proxy role since all projects would have included someone in an ICT or digital project management capacity, even if not all staff had that exact title. We took the list of participating councils and randomly selected approximately 20% of them. We used a combination of councils' own published salary reports – when available – and job postings or salary aggregator websites like Glassdoor to obtain the necessary information.

8.0.4. Following this approach, the highest salary band used was £66k and the lowest at £48k. Using a 37-hour workweek, and 52 working weeks per year, we determined the average cost of staff time required to complete a bid. This cost was then multiplied by the 196 applications submitted across rounds, including both successful and unsuccessful applications. Continuous Funding applications were excluded, as they did not require a competitive bid preparation.

Table A8.1. Administrative costs associated with Local Digital Fund bidding.

Number of applications	Average cost (low)(£k)	Average cost (high)(£k)	Midpoint (£k)
196	0.9	1.3	1.1
Total costs	180.4	245.8	**213.1**

8.0.5. **Project management costs:** This category includes costs related to project management during delivery. The process and impact evaluation found that many councils did not account for these costs and considered them additional. To address this, we identified which councils included project management costs in their applications. We then calculated an average cost based on project phases, considering that the time spent on each phase varies significantly. This is shown in Table A9.2. We applied these averaged values to the 42 projects that had not accounted for these costs.

Table A8.2. Project management costs associated with Local Digital Fund.

	Average project management costs per project phase (£k)
Discovery	12
Alpha	28.8
Beta / Live	51.7

8.0.6. **Output maintenance costs:** For the five out of the twelve Local Digital Fund projects for which we have conducted an individual cost-benefit analysis, we account for reported ongoing maintenance costs required to sustain project outputs beyond the funding period when available. Maintenance cost data is unavailable for the remaining seven projects, and due to the wide variation between projects, it is not feasible to extrapolate from the existing data.

8.0.7. **Additional council investment:** Some councils contributed additional funding to their projects beyond the grant they received. This cost was reported in their funding applications. We have identified these contributions for 15 councils, adjusted them for inflation (using the grant issue date as a reference), and incorporated them into the overall Local Digital Fund costs. Costs range from £10k to cover staff time costs as part of the Improving Local Authority Building Control Services, to £500k invested by the Greater London Authority to build and deploy The Planning London Datahub.

8.0.8. For one of the projects, Reducing Invalid Planning Applications (RIPA), we also account for the additional funding of £1.3m received from MHCLG Digital Planning.

9. Future Councils funding distribution analysis

9.0.1. This appendix presents the analysis of participation and funding distribution across councils involved in Future Councils. It mirrors the broader programme-level analysis found in Section 5 of this appendix but focuses specifically on Future Councils. This analysis forms part of the Process Evaluation and is referenced in the Future Councils section of Chapter 5 in the main report.

9.0.2. Table A9.1 shows the distribution of applicants across council types, indicating that unitary authorities submitted the highest number of applications, while county councils had the highest shortlist rate.

Table A9.1. Distribution of applicants across council type.

Council Type	Shortlisted	Applied	Shortlist Rate
County Council	2	4	50%
District Council	2	17	12%
London Borough	2	9	22%
Metropolitan District	1	14	7%
Unitary Authority	5	23	22%
Total	**12**	**67**	

9.0.3. Table A9.2 presents the distribution of applicants across English regions, highlighting that London & the South East submitted the most applications, while the North East recorded the highest shortlist rate.

Table A9.2. Distribution of applicants across English regions.

Region	Shortlisted	Applied	Shortlist Rate
East	2	8	25%
London & the South East	4	24	17%
Midlands	2	16	13%
North East	2	3	67%
North West	0	3	0%
South West	2	7	29%
Yorkshire & the Humber	0	6	0%
Total	**12**	**67**	

9.0.4. Table A9.3 reports the determinants of applying to the Future Councils workstream. Logistic regression results show that core spending power is a strong and statistically significant predictor across all model specifications, whereas the presence of Local Digital Declaration signatories nearby is not significantly associated with application likelihood.

Table A9.3. Determinants of an application to the Future Councils workstream.

Y = Applied to be a pilot council					
Core Spending Power	1.475***	3.173***	1.495***	1.693***	2.844**
	-0.144	-1.367	-0.151	-0.19	-1.333
Local Digital Declaration Signatories within 50 km				0.992	1.005
				-0.00868	-0.0159
Region Fixed Effects	No	No	Yes	No	Yes
Council Type Fixed Effects	No	Yes	No	No	Yes
Constant	0.000282***	9.32e-11***	0.000218***	3.12e-05***	5.71e-10**
	-0.00051	-7.75E-10	-0.000408	-6.34E-05	-5.24E-09
Observations	264	264	264	244	244
Robust Standard errors reported in parenthesis. *** p<0.01, ** p<0.05, * p<0.1					

Explanatory note of Table A9.3. This table presents five logistic regression models estimating the likelihood of a council applying to be a pilot council. Across all models, ‘Core Spending Power’ is a strong and statistically significant predictor, with positive coefficients significant at the 1% or 5% level. The presence of ‘Local Digital Declaration signatories within 50 km’ is included in the final two models but shows no significant association with application likelihood. Model specifications vary by inclusion of region and council type fixed effects, with the sample size decreasing slightly in the last two models (from 264 to 244). Overall, the results suggest that councils with higher spending power are significantly more likely to apply, regardless of nearby digital peers or council characteristics.

9.0.5. Table A9.4 sets out funding by council type, showing that unitary authorities secured the largest share of funding, while county councils received no allocations.

Table A9.4. Council type and funding.

Authority type	FC Participants	% of total no. of local authorities in category	Total funding
County council	0	0%	£0
District council	2	1%	£1,500,000
London borough	1	3%	£750,000
Metropolitan district	1	3%	£750,000
Unitary authority	4	6%	£3,000,000

9.0.6. Table A9.5 details funding by region, with London & the South East, the East, and the South West each recording multiple participants, while the North West and Yorkshire & the Humber received no funding.

Table A9.5. Council region and funding.

Region	FC Participants	% of total no. of councils in category	Total funding	Average funding
East	2	5%	£1,500,000	£750,000
London & South East	2	2%	£1,500,000	£750,000
Midlands	1	1%	£750,000	£750,000
North East	1	8%	£750,000	£750,000
North West	0	0%	£0	
South West	2	5%	£1,500,000	£750,000
Yorkshire & the Humber	0	0%	£0	

9.0.7. Table A9.6 examines funding by council population size, showing that both mid-sized and larger councils (130,000–179,999 and 310,000–1,599,999) accounted for the largest shares of total allocations.

Table A9.6. Council population and funding.

Population	FC Participants	% of total no. of councils in category	Total funding	Average funding
0 - 99,999	1	1%	£750,000	£750,000
100,000 - 129,999	0	0%	£0	
130,000 - 179,999	3	4%	£2,250,000	£750,000
180,000 - 309,999	1	1%	£750,000	£750,000
310,000 - 1,599,999	3	4%	£2,250,000	£750,000

9.0.8. Table A9.7 presents funding by geographical classification, indicating that predominantly urban councils received the highest level of participation and funding, compared with smaller allocations in rural and mixed areas.

Table A9.7. Council geographic classification and funding.

Geographical classification	Cyber Participation	% of total no. of councils	Total funding	Average funding
Predominantly rural	2	1.94%	£1,500,000	£750,000
Predominantly urban	5	2.70%	£3,750,000	£750,000
Urban with significant rural	1	1.45%	£750,000	£750,000

9.0.9. Table A9.8 sets out funding by spending power, showing that councils with the highest spending power bands secured the majority of funding, while those in mid-range bands received little or none.

Table A9.8. Council spending power and funding.

Spending power	FC Participants	% of total no. of councils in category	Total funding	Average funding
£5,200,000 - £11,069,999	1	1%	£750,000	£750,000
£11,070,000 - £14,129,999	1	1%	£750,000	£750,000
£14,130,000 - £138,959,999	0	0%	£0	
£138,960,000 - £257,279,999	2	3%	£1,500,000	£750,000
£257,280,000 - £1,082,779,999	4	6%	£3,000,000	£750,000

9.0.10. Table A9.9 reports regression results on core spending power and application success, showing no significant relationship between spending power and whether councils were successful in being selected, even when region and council type effects are controlled for.

Table A9.9. Council spending power and application success.

Y = lg (Core Spending Power)				
	(1)	(2)	(3)	(4)
Successfully applied to FC	-0.0669	0.0348	0.407	0.0897
	-0.552	-0.191	-0.377	-0.179
Constant	18.65***	19.24***	18.52***	19.23***
	-0.18	-0.0875	-0.276	-0.0905
Observations	67	67	67	67
Region Fixed Effects	No	No	Yes	Yes
Council Type Fixed Effects	No	Yes	No	Yes
Goodness of Fit	0	0.92	0.296	0.925
Robust standard errors in parentheses. *** p<0.01, ** p<0.05, * p<0.1				

Explanatory note of Table A9.9. Table A9.9. shows the difference between the average core spending power of councils that were selected to participate in the Future Councils pilot and those that were unsuccessful. The dependent variable for this regression, core spending power, has been log transformed, and so interpretation of the value of the results has been adjusted.

9.0.11. The notable difference between the Goodness of Fit between the results where we control for Council Fixed Effects (Columns 2 & 4) and those where we do not (Columns 1 & 3) strongly indicates that the key characteristic that drives observed differences between the 2 sets of councils is the type of councils they contain rather than the region of those councils' origin.

9.0.12. We can see that across the 4 columns that a successful applicant was not significantly wealthier than their unsuccessful counterparts.

Cyber Support

9.0.13. This appendix analyses participation and funding distribution within the Cyber Support workstream. It includes a regression analysis exploring factors linked to funding received, and a list of Cyber Treatment Plan (CTP) sub-topics by council. These findings support the Cyber Support sections of both the Process and Impact Evaluations in Chapter 6 of the main report.

9.0.14. Table A10.1 shows funding distribution by council type, indicating that district councils participated most widely in cyber programmes, while London boroughs recorded the highest participation rate.

Table A10.1. Council type and funding.

Authority type	Cyber participation	% of total no. of local authorities in category	Total funding
County council	11	42%	£1,400,000
District council	99	49%	£9,200,000
London borough	20	63%	£1,550,000
Metropolitan district	21	58%	£2,850,000
Unitary authority	35	56%	£4,275,000
Combined authority	6	60%	£650,000

9.0.15. Table A10.2 presents funding distribution by region, with London & the South East accounting for the largest total allocation, while the North East had the highest average funding per participating council.

Table A10.2. Council region and funding.

Region	Cyber participation	% of total no. of councils in category	Total funding	Average funding
East	21	49%	£1,500,000	£71,429
London & South East	71	58%	£6,625,000	£93,310
Midlands	44	54%	£5,050,000	£114,773
North East	6	50%	£950,000	£158,333
North West	19	45%	£2,750,000	£144,737
South West	15	41%	£1,500,000	£100,000
Yorkshire & the Humber	10	50%	£900,000	£90,000

9.0.16. Table A10.3 examines funding by council population size, showing that larger councils (310,000–1,599,999) received the greatest share of total funding and higher average awards compared to smaller councils.

Table A10.3. Council population and funding.

Population	Cyber Participation	% of total no. of councils in category	Total funding	Average funding
0 - 99,999	39	53%	£3,425,000	£87,821
100,000 - 129,999	29	43%	£2,550,000	£87,931
130,000 - 179,999	39	56%	£4,175,001	£107,051
180,000 - 309,999	33	48%	£3,500,000	£106,061
310,000 - 1,599,999	41	59%	£5,224,999	£127,439

9.0.17. Table A10.4 sets out funding by geographical classification, highlighting that predominantly urban councils accounted for the largest share of participation and total allocations, with average funding also higher than in rural areas.

Table A10.4. Council geographic classification and funding.

Geographical classification	Cyber Participation	% of total no. of councils in category	Total funding	Average funding
Predominantly rural	52	50%	£4,750,000	£91,346
Predominantly urban	102	55%	£10,999,996	£107,843
Urban with significant rural	32	46%	£3,525,002	£110,156

9.0.18. Table A10.5 details funding by council spending power, indicating that councils with the highest overall spending power bands received the largest share of allocations, while those in the lowest band received less.

Table A10.5. Council spending power and funding.

Spending power	Cyber participation	% of total no. of councils in category	Total funding	Average funding
£5,200,000 - £11,069,999	35	50%	£2,600,000	£74,286
£11,070,000 - £14,129,999	29	41%	£3,000,001	£103,448
£14,130,000 - £138,959,999	40	58%	£4,300,000	£107,500
£138,960,000 - £257,279,999	32	46%	£3,325,002	£103,906
£257,280,000 - £1,082,779,999	45	64%	£5,650,002	£125,556

9.0.19. Table A10.6 reports regression results for Cohort A, showing no statistically significant association between MMR and the amount of support received, with very low explanatory power across all models.

Table A10.6. Determinants of funding for Cohort A.

Y = Amount of Support Received				
MMR	0.00797	0.0105	0.00478	0.00538
	-0.01	-0.01	-0.01	-0.02
Constant	11.69***	11.55***	11.61***	11.59***
	-0.39	-0.41	-0.48	-0.56
Observations	29	29	28	28
Region Fixed Effects	No	No	Yes	Yes
Council Type Fixed Effects	No	Yes	No	Yes
R-squared	0.012	0.099	0.424	0.426

Explanatory note of Table A10.6. MMR is not statistically significant in any specification, suggesting no strong relationship between MMR and funding received. Including region and council type fixed effects improves the model fit substantially (R^2 increases from 0.012 to 0.426), indicating these contextual factors explain more variation in support levels than MMR alone.

9.0.20. Table A10.7 presents regression results for Cohort B, indicating a small but statistically significant positive relationship between MMR and funding in most models. Model fit improves when fixed effects are included.

Table A10.7. Determinants of funding for Cohort B.

Y = Amount of Support Received				
MMR	0.0102**	0.00818*	0.00990**	0.00828
	0.00	0.00	0.00	-0.01
Constant	11.39***	11.41***	11.34***	11.39***
	-0.14	-0.14	-0.16	-0.17
Observations	63	63	62	62
Region Fixed Effects	No	No	Yes	Yes
Council Type Fixed Effects	No	Yes	No	Yes
R-squared	0.076	0.135	0.13	0.154

Explanatory note of Table A10.7. MMR has a positive and statistically significant association with funding in three of the four models, though the effect size is small. R^2 values are moderate (rising to 0.154

when all fixed effects are included), implying that MMR and contextual variables jointly explain a meaningful share of variation in funding.

9.0.21. Table A10.8 sets out regression results for Cohort C, where MMR is positively associated with funding, though effect sizes remain small. R^2 values rise when fixed effects are applied, suggesting contextual factors strengthen explanatory power.

Table A10.8. Determinants of funding for Cohort C.

Y = Amount of Support Received				
MMR	0.00584	0.00876	0.00511	0.00825
	-0.01	-0.01	-0.01	-0.01
Constant	11.36***	11.35***	11.50***	11.43***
	-0.19	-0.19	-0.22	-0.23
Observations	26	26	25	25
Region Fixed Effects	No	No	Yes	Yes
Council Type Fixed Effects	No	Yes	No	Yes
R-squared	0.04	0.164	0.307	0.397

Explanatory note of Table A10.8. MMR is not statistically significant in any model, but the coefficients are consistently positive. The explanatory power of the models increases notably with the inclusion of fixed effects (R^2 from 0.04 to 0.397), pointing to the importance of structural and regional differences in funding allocation.

9.0.22. Table A10.9 reports regression results for Cohort D, showing that MMR is not statistically significant, though model fit improves substantially when fixed effects are included, implying regional and council characteristics are more influential.

Table A10.9. Determinants of funding based for Cohort D.

Y = Amount of Support Received				
MMR	0.00376	0.00571	0.0062	0.0085
	-0.01	-0.01	-0.01	-0.01
Constant	11.44***	11.36***	11.34***	11.24***
	-0.17	-0.19	-0.18	-0.19
Observations	36	36	35	35
Region Fixed Effects	No	No	Yes	Yes
Council Type Fixed Effects	No	Yes	No	Yes
R-squared	0.012	0.045	0.259	0.319

Explanatory note of Table A10.9. MMR is never statistically significant, and effect sizes are smaller than in other cohorts. However, model fit improves with additional fixed effects (R^2 rises from 0.012 to 0.319), again suggesting that regional and council characteristics are more influential than MMR in determining support received.

9.0.23. Table A10.10 provides a breakdown of Cyber Treatment Plan focus areas and sub-topics, listing the specific areas of intervention such as backups, multi-factor authentication (MFA), access controls (AD), active cyber defence (ACD), operating systems (OS), logging (LOG), and ITHC.

Table A10.10. Cyber Treatment Plan focus areas and sub-topics.

Focus Areas	Topic	Description
Backups	BK1	Backup Design
	BK2	Backup (On Premise based Services)
	BK3	Backup (Cloud based Services)
	BK4	Email backups
	BK5	Database Backups
	BK6	Backup Security
	BK7	Recovery Point Objective (RPO) and Recovery Time Objective (RTO)
	BK8	Restore Testing
	BK9	Backup Logging and Alerting
MFA	MFA1	Usage
	MFA2	Areas Protected
	MFA3	Bring Your Own Device (BYOD) Protection
AD	AD1	Role-Based Access Control (RBAC) Usage
	AD2	Domain Controller Access
	AD3	Username and Password Policies
	AD4	M365 Integration
	AD5	Domain Controller Placement
ACD	ACD1	Early Warning Service
	ACD2	Web Check
	ACD3	Protective Domain Name Service (PDNS)
	ACD4	Mail Check
	ACD5	Logging Made Easy (LME)
	ACD6	Exercise in a Box (EiaB)

Focus Areas	Topic	Description
OS	OS1	Hardening
	OS2	Production Server OS Versions
	OS3	OS patching
	OS4	Hypervisor Versions
LOG	LOG1	Centralised Logging
	LOG2	Captured Data
	LOG3	Retention Periods
	LOG4	Alerting and Triage
ITHC	HC1	Annual ITHC
	HC2	Expanded Public Services Network (PSN) Scope
	HC3	Principal Security Concerns
	HC4	Corrective Action Plans
	HC5	In-house vulnerability scanning

10. Cyber Assessment Framework

10.0.1. This appendix includes a table of published rates from suppliers offering ‘NCSC CAF Assessment’ services under the CCS G-Cloud 14 Framework, Lot 3: Cloud Support (Digital Marketplace, 2025). We assume a full CAF assessment takes 12 working days, based on pricing from MONDAS Consultancy and Audit, which quotes £11.9k for an organisation of around 2,500 staff. Using their midpoint daily rate, this equates to 12 days of consultancy. This estimate is used in Chapter 7 of the main report (CAF, Value for Money section) to compare the cost of councils conducting CAF in-house using MHCLG tools versus outsourcing to external consultants.

Table A11.1. CAF supplier day rates.

Supplier	Low day rate (£k)	High day rate (£k)	Mid value day rate (£k)	Source	CAF cost (low) (£k)	CAF cost (high) (£k)
MONDAS Consultancy and Audit	0.4	1.6	1	Link	5.3	19.2
KEPP Information Security Services	0.9	1.1	1	Link	10.7	13.2
GOACO Group LTD	0.4	1.5	1	Link	4.7	18.6
tmc3 Limited	0.4	1.5	1	Link	5.1	17.8
NIXINFINITY - AI	0.4	1.7	1	Link	4.5.	19.8
Amethyst Risk Management Limited	0.8	1.6	1.2	Link	9.2	19.7
CGI	0.8	1.6	1.2	Link	9.4	19.2
DEFENCE DATASEC LTD	0.4	1.4	0.9	Link	4.8	16.8
TENACIUM DC LITD	0.4	1.5	1	Link	5.1	18
Average	0.5	1.5	1		6.5	18

11. Training

11.0.1. This appendix includes a table of indicative external courses with formats similar to the Agile Training offered in the Local Digital programme. Although these courses differ in content, delivery, and context, they provide a useful reference for assessing the general cost structure of comparable training. This comparison is referenced in Chapter 8 of the main report (Training, Value for Money section).

Table A12.1. Training courses benchmark comparisons.

Course	Provider	Price per trainee (£k)
Design Thinking for Results	Korn Ferry	1.3
Critical Thinking and Problem Solving	Korn Ferry	1.4
Managing Innovation Strategically	University of Cambridge	2.7

12. Research questions: Process Evaluation

12.0.1. In this section of the appendix, we address the Process Evaluation research questions.

12.1. Were there enough resources?

12.1.1. **MHCLG staff resources:** We found across the workstreams a broad consensus that there were enough resources to effectively deliver the programme, and effective central support from MHCLG. Process issues were rarely due to funding gaps. The main exception was the Local Digital Fund, where councils reported inadequate support for scaling and maintaining solutions beyond the Beta phase. Overall, MHCLG's resourcing was proportionate to programme outcomes, except in this one area.

12.1.2. **Delivery partner resources:** We also found that delivery partners were able to provide sufficient support to participating councils across workstreams, supplementing the offer from the core MHCLG team. We note that particularly the delivery partners of the Cyber Support workstream were able to provide scalable, well-targeted support across the large numbers of councils participating in the workstream. Similarly, the level of support from the delivery partner in the second phase of the Future Councils programme was high, with tailored centralised support, training and coaching.

12.1.3. **Funding amounts:** Overall, the scale of funding was not a major barrier to programme delivery. Most workstreams provided funding that was proportionate to project needs. With regards to the Local Digital Fund, where financial constraints were reported, they usually related to councils' difficulties in securing additional funding beyond the programme - not to shortcomings in MHCLG's support. The Future Councils workstream had a larger funding envelope, much of which remains unspent, suggesting that even a smaller budget may have been sufficient. The Cyber Support workstream did face some funding challenges. Councils would have benefited from ongoing or multi-year funding, rather than one-off payments, to support sustained cyber capability development. A continuous funding model may be more appropriate in this area.

12.1.4. **Council resource commitments:** A major constraint across the programme was councils' limited ability to commit sufficient resources. In the Local Digital Fund, many projects stalled due to under-resourcing - especially in consortiums where partner councils did not contribute as much as expected, leaving others to carry more of the delivery burden. In Future Councils, councils often failed to fully engage with the training offer due to capacity issues. Similarly, the Training workstream saw low senior-level participation. This lack of resourcing poses a significant risk to programme success and should be addressed in future intervention design.

12.2. Were there any unexpected or unintended issues in the delivery of the intervention?

12.2.1. While the programme broadly delivered as planned, several workstreams experienced delivery issues that affected outcomes;

12.2.2. The Future Councils workstream was delayed against its original planned delivery date, and had an extended period of onboarding for councils, before more urgency was introduced midway through the workstream. This meant that councils often failed to develop or execute clear plans by the end of the workstream and led to a feeling of a lack of clarity for some participating councils.

12.2.3. Cyber Support saw delays in the development of CTPs. In some cases, this led to councils developing to making investments before the full completion of their treatment plans, which may risk sub-optimal investment or delivery decisions being taken. We noted how this caused some councils to make investments into prevention and mitigation steps that fell beyond the scope of the Cyber Support intervention.

12.2.4. We have also observed delays through the delivery of the Local Digital Fund. For example, Round 6 projects started in June 2023, but most projects did not kick-off until September-October 2023, especially due to delays in the procurement of delivery partners. In terms of outputs, projects especially in Beta stages have often not been delivered within the planned timelines due to different factors including (1) lack of clarity regarding the future maintenance and support of the output, and in some cases (2) local government restructuring or internal council resourcing constraints.

12.2.5. Across workstreams, early and consistent delivery planning - with clearer expectations and better support - would likely have reduced delays and kept projects on track.

12.3. To what extent has the intervention reached all the councils that it was intended to reach?

12.3.1. First, we note that reach and participation across workstreams highlights the differences in their support profiles. The Cyber Support workstream involved both the highest total funding and widest council reach of all workstreams. The Future Councils workstream represents a relatively high-resource investment into a select group of councils. On the other end of the spectrum, the Training workstream supported a relatively wide range of councils without a direct financial intervention.

Funding distribution data across council types, regions, population, and core spending power for the programme is included in Section 5 of this Appendix.

12.3.2. Overall, while the Local Digital programme achieved broad geographic and council-type representation, participation and funding skewed toward larger, higher-funded councils - particularly those with higher spending power and serving larger populations. Councils with lower capacity, including smaller or less wealthy councils, were less likely to participate and received less support on average.

12.3.3. This pattern was reinforced by the Local Digital Declaration. The Declaration's use as a selection criterion favoured higher-funded councils. The MMR survey, though useful in an emergency context, had methodological weaknesses that may have reduced its effectiveness in targeting true cyber risk and improving sector-wide resilience.

12.3.4. Overall, while the programme succeeded in reaching a diverse set of councils, structural and design choices limited equitable access and may have constrained the programme's ability to target need and deliver balanced, sector-wide digital transformation.

12.4. To what extent has the project created a collaborative community? Is the community active and engaged?

12.4.1. Across each workstream, MHCLG has identified the benefit of close collaboration and knowledge sharing, to help to maximise the scale and reach of the programme, and to ensure that councils can benefit from good practices. And our evaluation found that most workstreams failed to maximise this opportunity.

12.4.2. For the Local Digital Fund, collaboration was at the heart of its approach, with councils partnering in delivery of projects, and solutions being scaled across the sector. For a small number of projects, especially LocalGov Drupal and Open Digital Planning, there has been effective collaboration between multiple council partners. We note, however, that in these cases of collaboration and community building around a project area, this is usually driven by a third-party organisation.

12.4.3. In Future Councils, it was observed by some councils that collaboration and partnerships were difficult because councils were solving different problems or were at a different level of maturity. Most participating councils observed that they would have preferred MHCLG to coordinate greater levels of collaboration among workstream participants.

12.4.4. The cyber workstreams have generally not focused on building or maintaining an active community of councils. We note in our Cyber Support evaluation that the workstream might have benefited from a greater focus on sharing and scaling practices and solutions across workstream participants.

12.5. To what extent has the process built leadership, partnerships, and/or capability in councils?

12.5.1. **Leadership buy-in:** Leadership engagement was a common challenge across all workstreams and often limited project success. In the Local Digital Fund, project progress typically relied on individual champions rather than wider leadership support. Where leadership was engaged, teams reported having more time and backing to deliver projects. In the Training workstream, senior buy-in was notably low - few senior executives took part in the Executive Education programme. In the Cyber Support workstream, leadership engagement was also limited. Councils found it hard to get senior leaders involved in cyber issues, often due to low awareness or technical understanding. The lack of clear, independent benchmarks made it harder for leaders to assess risk or progress. Future cyber interventions should engage senior leadership more directly - for example, through awareness training or benchmarking tools.

12.5.2. **Partnerships:** Our answer to the process question above (P4) summarises the extent to which councils build effective partnerships through the lifecycle of the programme. Broadly, partnerships have been developed in a non-systematic way, with some workstreams failing to drive sustained collaboration and partnerships. However, it is worth noting that some projects have seen multi-council partnerships, at a scale that is uncommon for the council sector. This especially true of Open Digital Planning (with over 70 council members), and LocalGov Drupal (with over 40). Despite cases where partnerships have been less sustained, these examples show that partnership can happen at large-scale with support from the programme and facilitated by a third-party organisation (i.e., MHCLG and the Open Digital Cooperative respectively).

12.5.3. **Capability building:** Each workstream approached capability building differently. Future Councils offered the most structured support, with workshops and mentoring focused on user-centred design. While some councils found this valuable, others reported limited benefit. In contrast, Local Digital Fund and Cyber Support focused more on learning through doing, with councils gaining skills via project delivery rather than formal training. Although Local Digital Fund did not include structured training as standard, some participants accessed Agile Training alongside delivery, combining practical experience with skill development. Conversely, Training workstream participants often lacked the chance to apply what they learned, which limited impact. Looking ahead, MHCLG should aim to combine structured learning with practical application. Greater emphasis should also be placed on building capability at the senior leadership level, where the biggest gaps were often identified.

12.6. To what extent have the economic growth challenges in priority places been addressed?

12.6.1. **Regional and economic distribution:** The Local Digital programme has not clearly tackled economic or regional growth challenges. Data on applications, participation, and funding (mentioned in question P3) shows a bias towards larger councils with more capacity to bid and deliver projects. This focus may have limited the programme's ability to address wider economic growth issues. Participation rates were fairly even across regions and council types. However, councils with greater spending power tended to engage more and receive higher funding on average. We recommend MHCLG adopt application, selection, and funding processes that more actively consider regional and economic priorities. Further, tools which may serve to consolidate unequal outcomes, like the Local Digital Declaration, should be used with caution.

12.6.2. **Service area distribution:** The Local Digital Fund offers the clearest view of how funding was distributed across service areas. Most funding went to "Central Services" (e.g. revenues and benefits, HR, content management, and resident registration), where there is broad potential for digital improvement. Significant funding also went to Housing and Planning, which align with MHCLG's core responsibilities. However, a notable share supported Adult and Children's Social Care projects - areas outside MHCLG's remit. Interviews suggest this reflects a wider gap in digital funding for social care. Overall, funding has largely aligned with service area needs, but also highlights unmet demand in sectors beyond MHCLG's direct focus.

12.6.3. **Prioritisation of greatest cyber costs and risks:** The Cyber Support workstream aimed to address councils with the greatest exposure to cyber risks, and the greatest potential costs in case of a breach. The MMR survey was used effectively to identify and onboard councils with the greatest cyber risk, with the MMR score being an effective predictor of a council's likelihood to have received treatment. However, there are reasons why the MMR score itself may not be a fully effective predictor of cyber risk, or potential cyber costs, largely due to inconsistently weighted factors. Moreover, we found that there was no relationship between a councils MMR score, and the scale of funding it received to execute its treatment plan. Therefore, we concluded that, while the MMR survey was used to identify and select councils to be treated through Cyber Support, funding allocations and decisions were not necessarily based on council MMR score. Taken together, it is our assessment that the programme can be broadly said to have identified and prioritised councils with the greatest cyber risk, but that future interventions can carry this out in a more targeted and consistent way.

12.7. What worked well, or less well, for whom, and why?

12.7.1. Answering this question fully would require summarising a large amount of the findings contained in the evaluation report. Instead, our response focuses on the narrower question of how different stakeholder groups have perceived or experienced the programme.

12.7.2. **Participating councils:** Broadly, we found high levels of satisfaction across councils that participated in the programme. This observation was most consistently true of council representatives that participated in the Cyber Support workstream. Conversely, we found that participants in the Training workstream were the most consistently unsatisfied of our observation group.

12.7.3. **MHCLG senior leadership:** MHCLG senior leadership team members have not been formally interviewed but have played a key role in the development of the Process Evaluation. In this process, the MHCLG senior leadership has expressed the existing workstream structures can sometimes be limiting when trying to deliver the programme's overall objectives, and so they have been exploring how workstream approaches might be changed or replaced going forward.

12.7.4. **MHCLG delivery staff:** MHCLG delivery staff were interviewed as part of each workstream evaluation. As mentioned in the evaluation report, there has been strong support and appreciation from councils for the roles played by MHCLG delivery staff members. Likewise, we found that MHCLG delivery staff members have generally perceived the programme positively and have felt empowered and supported throughout. One frustration noted in some interviews was a lack of clarity about the future direction of the programme, and how workstreams come together to deliver MHCLG's broader objectives for the local council sector.

12.7.5. **Delivery partners:** Delivery partners have been interviewed in some cases. The programme has included overall delivery partners for a given workstream, as well as individual delivery partners for most of the projects funded by the Local Digital Fund. At the workstream level, relationships with the delivery partners have been mixed. Our interviews have broadly indicated that delivery partner relationships have been most effective in the Cyber Support workstream, and least effective in the Training workstream. For future interventions, we recommend that MHCLG develops aims to appoint a delivery partner before work is kicked off, and that clear lines of responsibility between MHCLG and the delivery partner are established.

12.8. What can be learned from the delivery methods used? Could the intervention have been procured and delivered for less cost than it was?

12.8.1. Workstreams used different methods to select councils. The Local Digital Fund and Future Councils relied on competitive applications, while Cyber Support targeted high-risk councils, and CAF and Training invited volunteers. Councils found application-based processes burdensome and preferred the flexibility offered by Future Councils. For future programmes, we recommend more flexible application models, while ensuring clear delivery plans. Care should also be taken to avoid favouring higher-funded councils (i.e., with higher core spending power) a risk observed in our analysis.

12.8.2. Each workstream has pursued a central support model, with MHCLG and the workstream delivery partner offering a range of advisory and support services to participating councils. We have seen across workstreams that this central model has worked well, and has been an effective way of disseminating expertise, and connecting councils tackling similar challenges. In particular, we have found that central support from MHCLG staff has been effective, and well-received from participating councils. We have recommended a greater central role for the Cyber Support workstream that could include training, technical consultancy and cyber security tools to enable more flexible, ongoing funding approaches.

12.8.3. Finally, we note that this programme introduced the use of the GDS Service Manual, and associated guidance, in its delivery approach. This includes the use of 'Discovery' project management approaches within the Local Digital Fund. Discoveries are short, experimental research projects aiming to explore the feasibility of a new idea or service. The Discovery phase is usually the first phase in the wider lifecycle of a service, followed by an Alpha and a Beta phase, where an end-user-oriented service will be developed and eventually rolled out. These project management structures can help to deliver more cost-effective digital services, as they provide clear stage-gates to help teams to better understand the problem and their users, to confirm whether this is a problem that can be solved, and to map the resources required.

12.9. How did external factors influence the delivery and functioning of interventions?

12.9.1. As with most public sector programmes during this period, the largest external factor influencing the delivery of the Local Digital programme was the COVID-19 pandemic. This was most notably the case during the delivery of the Cyber Support workstream, where the shift toward digital-first delivery models for councils brought a wave of new cyber threats to the sector. It is our assessment that all of the workstreams responded quickly and effectively to the new constraints introduced by COVID-19, and MHCLG were able to adapt to deliver remote-first programme structures.

12.9.2. **Policy and regulation factors:** Many councils noted during interviews that they have had new demands placed on their digital and technology services as a result of changing Government policy: and that support is needed to ensure that they can meet these policy changes. Some of the examples mentioned include the Health and Care Act, the upcoming requirements relating to planning data, and the Government Cyber Security Strategy 2022 - 2030. However, except for the Government Cyber Security Strategy 2022-2030, these policy changes are largely outside the programme's purview and fall beyond MHCLG's direct responsibility. Therefore, this feedback underscores the necessity for better alignment across central government regarding policies impacting local government. Achieving this alignment cannot be solely through the Local Digital programme or even within MHCLG's domain.

12.9.3. **Council organisational factors:** We identified some cases where council boundary changes introduced barriers to completing or continuing their projects. This was particularly the case in the Local Digital Fund workstream. A notable example is Sedgemoor District Council, which played a pivotal role in the Revs and Bens project led by Teignbridge District Council and funded by the Local Digital Fund.

12.9.4. Sedgemoor was the original developer of the software that the Fund supported to update and scale across the sector. However, local government reorganisation in April 2023 resulted in Sedgemoor being abolished and replaced by the unitary authority of Somerset Council. This structural change posed a significant challenge, as Somerset Council needed to determine which Revs and Bens system to adopt among the different systems from the formerly separate councils. Given this context, finding the resources and support to continue developing the original project has become increasingly complex. This situation illustrates how local government boundary changes can disrupt project continuity and risk undermining the aims of the Local Digital Fund and the wider programme. It also highlights broader challenges for digital services arising from boundary changes - an issue likely to grow in significance with Local Government Reorganisation plans following the publication of the English Devolution White Paper in December 2024.

12.9.5. **Technology market factors:** As discussed throughout this report, many councils indicated that a critical factor influencing their ability to drive digital transformation has been the wider technology market. In particular, we noted that in many areas, there are highly concentrated technology markets available to local councils. We heard from councils that this concentration of market power among a few suppliers can lead to practices that create a "lock-in" effect. This can limit councils' ability to switch to software that better suits their requirements, forcing them to stay with outdated or suboptimal systems. It can also pose a barrier to implementing components or enhancements developed through the Local Digital Fund, as integrating these new solutions with existing systems becomes challenging. The Process Evaluation has found that local council technology market dynamics are a major barrier to digital transformation, and that future interventions should aim to tackle or mitigate market challenges more directly.

12.10. How did the delivery partners influence implementing the interventions?

12.10.1. Delivery partners have been interviewed in some cases. The programme has included overall delivery partners for a given workstream, as well as individual delivery partners for most of the projects funded by the Local Digital Fund. As we note above (P7), the role of delivery partners across the workstreams has been mixed. In some cases, we have recommended how a delivery partner can help to establish an even stronger centralised support and coaching offer for councils. This is because councils often face common challenges and resource gaps, and centralisation of support could meet these challenges in a more scalable way than one-to-one consultancy relationships with individual councils. Our principal recommendation for improving ways-of-working with delivery partners is to ensure that partner onboarding is complete before work is kicked off, and that clear lines of responsibility between MHCLG and the delivery partner are established.

13. Research questions: Impact Evaluation

13.0.1. In this section of the appendix, we address the Impact Evaluation research questions.

13.1. Did the intervention achieve the expected outcomes, and to what extent?

13.1.1. The Impact Evaluation reveals that the Local Digital Fund has achieved mixed outcomes across its three main areas, with varying degrees of success in relation to the expected goals. While some aspects of the programme are still ongoing and may produce further results, as of September 2024, the evaluation identifies the following key findings:

13.1.2. **Digital services and products:** The grant funding provided through the Local Digital Fund and Future Councils workstreams has been successfully used by councils for digital projects. However, the Impact Evaluation suggests that these projects have often focused on incremental improvements rather than transformative changes to service delivery. With some exceptions, such as LocalGov Drupal, most funded solutions have not been widely scaled across the sector. As a result, the benefits of the workstreams appear to have been largely confined to the councils directly involved. The limited scope of many projects and the challenges of scaling have likely constrained the broader impact originally envisioned in this area.

13.1.3. **Digital cultural shift:** The introduction of the Local Digital Declaration in 2018 appears to have raised awareness of digital transformation within participating councils, particularly among their digital teams. Along with the Local Digital Fund, it seems to have contributed to the spread of Agile and digital service delivery methods, as well as fostering informal networks for knowledge sharing among digital professionals. However, this cultural shift seems to be concentrated primarily within funded councils or those with higher digital maturity and has not yet reached the wider local government sector. The Impact Evaluation suggests that digital transformation is still not widely regarded as a core function in many councils, where challenges such as leadership buy-in and disconnects between digital teams and other service areas persist.

13.1.4. **Cyber security:** The programme appears to have been more effective in supporting improvement in cyber resilience across the sector, particularly through the Cyber Support workstream. This workstream has encouraged councils to take targeted actions to reduce their risk levels - especially regarding malware and ransomware - and to enhance their response and recovery processes. As a result, participating councils have made progress to improve their overall cyber resilience, with the potential for future cost savings. However, the Impact Evaluation highlights ongoing challenges, such as the need for stronger organisational buy-in to sustain investment in cyber security and a general lack of capability across the sector. These challenges may affect the long-term sustainability of the programme's impact.

13.1.5. In conclusion, the Local Digital programme appears to have achieved partial success. It has supported digital service development, though the changes have mostly been incremental, with limited evidence of scaling across the sector. The programme seems to have encouraged a cultural shift towards digital practices in some councils, although this impact appears to be largely confined to digital teams. The most notable progress seems to be in improving cyber resilience, although challenges around organisational buy-in and capability persist. Overall, while the programme has delivered some positive outcomes, it has not yet fully realised its intended large-scale impact.

13.2. To what extent can the outcomes be attributed to the intervention? To what extent did the intervention cause the observed changes?

13.2.1. **Digital products and services:** Outcomes from projects funded through the Local Digital Fund and Future Councils can be partially attributed to the intervention. While some councils had pre-existing plans, MHCLG support accelerated delivery, enabled Agile adoption, and strengthened organisational buy-in. In high-additionality cases - such as LocalGov Drupal and SAVVI - the scale and impact would likely not have been achieved without programme support. Although no formal counterfactual exists to isolate the intervention's impact, we observe varying levels of additionality depending on project context, with the highest where internal capacity was limited or scaling effects were achieved.

13.2.2. **Digital cultural shift:** The programme's influence on sector-wide adoption of digital delivery practices is difficult to isolate. However, the Local Digital Fund appears to have been the primary driver, with many councils associating their adoption of Agile and digital approaches with funded project delivery. In contrast, Agile Training increased individual knowledge but had limited organisational reach. While evidence of cultural change exists, attributing it directly to the programme remains challenging without a clear counterfactual.

13.2.3. **Cyber security:** Improvements in cyber security - particularly through the Cyber Support workstream - show the highest levels of additionality. While this varies across the different CTP focus areas, most activities show high to very high additionality due to their complexity and the level of funding required. The exception is ITHC, which showed low additionality. Similarly, progress made through the CAF workstream can largely be attributed to the intervention. Councils told us they would have likely not prioritised this work without the funding and support provided, especially given there was no legal requirement to complete the assessment.

13.2.4. Notably, every outcome of the Local Digital programme is partly confounded by the Local Digital Declaration, as a councils' participation in the programme has been contingent on the council signing the Local Digital Declaration at a prior point in time. The extent to which the Local Digital Declaration influenced councils' motivation and was a successful and meaningful driver for digital transformation has been deemed out of scope of this evaluation, mostly because the declaration was rolled out prior to the Local Digital programme.

13.2.5. In summary, the Local Digital programme significantly facilitated digital and cybersecurity projects, primarily through direct funding and central government support. However, attributing the programme's impact on the broader cultural shift towards digital practices is more complex, as this change involves multiple factors beyond the intervention itself.

13.3. What causal factors resulted in the observed impacts?

13.3.1. As with all digital and cyber projects, the factors that contributed to observed impacts are complex and multifaceted. We discuss these below, as well as assessing in which intervention areas they were present.

13.3.2. **Funding:** Of course, the primary causal factor for success in digital and cyber projects was funding. It has been noted throughout this report that the Local Digital programme has taken place in the context of a tight financial environment for local councils, particularly with respect to change or transformation budgets. We found across all interventions that the funding provided was a key motivator for participation, and a key enabler for delivery of outcomes. In the Local Digital Fund, we found that some projects were not successful in the long-term because they were unable to access sustainable funding beyond initial development phases. This reflects the fact that major digital projects require significant long-term funding, which needs to be planned carefully by councils and MHCLG. We found that the delivery plans developed for the Cyber Support treatment plans were usually the most effectively and tightly scoped in terms of funding. In other words, councils usually received the right amount of funding to deliver the plans they had developed.

13.3.3. **Space to test and experiment:** However, as we have shown, funding is not the only contributing factor. Many of our interviews with councils found that they valued the space to test and experiment with new systems and approaches, and this was a critical success factor. Our evaluation of Future Councils suggests that councils benefited especially from the 'permission' to pursue more novel or high-risk digital projects with a specific fund. Similarly, the Agile delivery method of the Local Digital

Fund (Discovery-Alpha-Beta) allowed councils to test and learn through the development cycle. For councils, the official endorsement from MHCLG for iterative and Agile development approaches was useful for convincing stakeholders across the council to allow more novel, or riskier projects.

13.3.4. **Central government support:** In general, councils found that support from MHCLG (or ‘central government’ more broadly) was an important enabler of success. This was particularly the case for CAF, where clear funding and policy direction allowed councils to communicate strong central government support. Beyond this, central government endorsement of novel ways of working and risk taking were important for ensuring buy-in within the council. We found that the Training intervention probably benefited from this causal factor the least. The design of the Training programme itself failed to align to other similar initiatives (within Central Digital and Data Office, Government Digital Services, Office for National Statistics and others) and lacked clear central government buy-in.

13.3.5. **Common frameworks and language:** Many councils outlined that common frameworks, language and approaches allowed them to make progress on digital and cyber projects. Likewise, we identified areas where there may have been a lack of common frameworks. While the Local Digital Declaration did not strictly aim to establish a common digital framework or set of standards, it has aimed at building a community of local councils around digital, as well as some common goals and ambitions. We found that it is very likely that councils benefited from this shared understanding of how other councils were approaching digital projects, as well as high-level Agile delivery approaches, like Discovery-Alpha-Beta. However, we heard from some councils that more could have been done to build a concrete digital skills and delivery framework across the sector (like the GDS Service Manual), building from the high-level commitments in the Declaration. Our analysis of the Cyber Support intervention found that councils probably would have benefited from a common cyber maturity assessment approach, and so all councils were supportive of the role that CAF might play in the future.

13.3.6. **Specialist support:** We found that it is likely that some councils benefited from the specialist technical support that was provided through the programme, but that it was more useful in some areas than others. We consistently found that the specialist technical support provided during the Cyber Support programme unlocked capability that did not exist in the council, both in developing and executing their treatment plans. Most councils said that they would have benefited from further specialist support in order to drive longer-term change in their cyber posture. The specialist support provided for the Future Councils initiative and the Local Digital Fund received mixed feedback. Our findings strongly indicate that lower maturity councils benefited from the training and support offered, which enabled them to directly translate the learned knowledge into the pursuit of their projects with greater confidence. On the contrary, higher maturity councils found the sessions to be less useful.

13.3.7. **Clear action plans:** Finally, the ability to develop clear action plans was a factor that enabled some projects to be successful. This is likely because, in lower maturity environments, organisations benefit from having highly clear and well-structured plans to follow. Again, we heard very positive feedback about the impact of action plans (Cyber Treatment Plans) within the Cyber Support intervention. We found that within both the Local Digital Fund and Future Councils, participating councils did not have such a clear roadmap from identified problem to solution, and that this undermined the effectiveness of delivery. It is quite common in cases where projects did not scale, or were not pursued, that there was a lack of a clear delivery roadmap and operational plan developed at the project outset.

13.4. What would have happened without the programme? Did the intervention cause a difference?

13.4.1. Considering what would have happened without the programme has been an important way to ascertain the counterfactual scenario, and therefore assess the programme's impact. To understand the programme's impact, we asked councils what might have happened without it or the funding. We summarise these 'do nothing' scenarios across key themes. However, we recognise inherent uncertainty in these assessments, as alternative policies or external factors could have influenced outcomes independently of the programme.

13.4.2. There would have been less interest and investment in digital innovation across the council sector. Without the Local Digital programme, there would have been less progress across the council sector on investment in digital innovation. We found that both the provision of funding, and the 'permission' to take risks, stimulated investment into digital projects. This was also driven by the community aspects of the programme, especially the Local Digital Declaration, which helped to raise the profile of digital and data.

13.4.3. There would be fewer, or no, open-source digital projects across the local council sector. The Local Digital Fund has invested in many open-source digital projects, a small number of which have scaled. Open-source projects require an initial contributor or group to develop the project, before sharing openly. We have found that councils lack the motivation and funding to pursue open-source projects without the funding and wrap-around support of the Local Digital programme. Our analysis has found a small number of open-source projects led by councils, usually frameworks, standards and design systems, which have not received any support from the Local Digital programme. Without the programme, it is highly likely that there would have been fewer live and historic open-source local council projects, even if adoption of open-source technologies remains low in the sector.

13.4.4. Digital methods and ways of working would be less commonly used. We found consistently across all interventions that the adoption of digital methods and ways of working, especially Agile delivery methods, was a common by-product of investing into specific projects. These approaches are outlined at a high-level in the Local Digital Declaration but are also encouraged through the delivery of other interventions. Our research with councils found that many councils adopted digital approaches and ways of working, often for the first time within the council. However, these ways of working were usually not used beyond digital teams.

13.4.5. There would be little change to the actual digital services in use across the local council sector. However, our analysis of the Local Digital Fund and the Future Councils interventions found that only a small number of services developed are live in use. Even in cases where projects have scaled to other councils, or have received follow-on funding, only a small number were being used regularly by residents and officers. To that end, it is our assessment that, without the programme, there would be little difference in the services that are being regularly used by councils in Live environments.

13.4.6. There would be little change to the underlying local council software market dynamics. Similarly, it is our assessment that there would be little change to the wider market of software vendors to local councils. This reflects our consistent findings from councils that incumbent software providers were blockers to funded projects, as well as our wider analysis into the market dynamics for key software markets, which show high levels of consolidation. Given that the interventions failed to systematically address specific markets or vendors, and that we have found generally high levels of consolidation across software markets, it is our assessment that the programme has had little-to-no impact on underlying market dynamics.

13.4.7. There would be significantly less of a network for digital staff in local government. The Local Digital programme has supported this through specific activities, events, and online content aimed at community building. Our research found that councils highly value these opportunities, which have helped foster personal relationships and informal collaboration among staff. However, this should not be confused with formal collaboration across councils or the wider sector, which remains limited. While organisations like Socitm, iNetwork, the Local Government Association, and LocalGovDigital might have tried to fill this space, they are unlikely to have matched the scale of the Local Digital programme, largely because of its significant funding and its role as a central government initiative.

13.4.8. There would likely be limited engagement between central government and local councils concerning digital and cyber projects. The Local Digital programme has been the principal mechanism for facilitating engagement between central government and local councils on digital and cyber projects. Although there are other touchpoints, usually for specific service areas like Planning, Children's Services and Adult Care, Local Digital has engaged more deeply and systematically than any other part of central government. We believe the relationship between central government and local councils on digital and cyber would be much weaker without the programme. However, because of recent cyber attacks, it is unclear if other government actions might have kept some involvement.

13.4.9. Councils would be more vulnerable to cyber threats and may have experienced more breaches. Finally, our analysis of the Cyber Support intervention has found that councils would have been more vulnerable to cyber threats and would have faced higher levels of disruption if the programme had not existed. Although we cannot be sure that there would have been more breaches, or more costly breaches, our analysis, especially the LACRiM, found that this would have been a highly likely impact of the programme not existing.

13.5. Have the outcomes been influenced by any other external factors? How much can be attributed to external factors?

13.5.1. The Local Digital programme took place over a period of significant economic, political and technological disruption. Our assessment is that the Local Digital programme has clearly been influenced by these external factors. These include the following factors.

13.5.2. **COVID-19 pandemic:** Most councils agreed that the COVID-19 pandemic helped to drive a widespread change in councils' ways of working and approaches to digital projects. There was significant investment in the basic digital infrastructure to ensure that officers could complete their jobs remotely, and residents could access all services remotely.

13.5.3. **Supply chain disruptions:** This includes the Suez Canal blockage (2021), as well as supply chain challenges posed by Russia's invasion of Ukraine (2022-). As in other areas of the economy, we found that these events brought significant supply chain disruptions to some councils. In these cases, councils described increased wait times for certain technology equipment and hardware, increased costs for some equipment, and new intelligence risks.

13.5.4. **Cyber-attacks:** Several cyber-attacks have taken place over the course of the programme. Cyber-attacks impacting local councils in the years directly before or during the programme was rolled out include Leicester City Council (2024), Kent councils (2024), including Canterbury City Council, Dover and Thanet District Councils, St Helen's Council (2023), Hackney Council (2020), Redcar and Cleveland Borough Council (2020), as well as national attacks on the NHS (multiple) and the

British Library (2023). These attacks brought home the importance of cyber security for other councils and helped to drive greater interest and investment.

13.5.5. **Sector-wide initiatives:** There have been several other notable digital and cyber initiatives that have been launched during the period of the programme. This includes the Local Government Association's Cyber, Digital and Technology team, which has led several adjacent digital and cyber initiatives through the duration of the Local Digital programme. For cyber security, Warning, Advice and Reporting Points (WARPs) have represented regional, sub-regional or community-led groups that have helped to build networks and knowledge sharing in the cyber sector. Our interviews with councils have found that these WARPs have played an important role in supporting councils to share lessons learned and best practices.

13.5.6. **MHCLG changes**: There have been several broader changes within MHCLG that may have impacted the programme's outcomes. This includes organisational changes (such as the creation of the Digital Planning programme, building from an initial Local Digital Fund pilot), as well as changes in the name, structure and strategy of the department. There were also changes within the Local Digital programme staff. These changes were not explicitly mentioned by councils as factors impacting their digital programmes, but our assessment is that changes in personnel and strategy impacted the delivery of some interventions. This includes the Future Councils intervention, where desired outcomes have been delayed due to changes in approach or staff members during the delivery of the intervention.

13.5.7. **Elections and political change:** Similarly, the Local Digital programme has taken place over a period of national and local political change. Our assessment is that national elections had, or leadership changes had a minimum impact on the delivery of the programme, beyond their impact on the name, structure and strategy of the department. We found that local elections and boundary changes had a larger impact on the programme's outcomes. Across all programme interventions, we found that local elections could delay or frustrate projects and could undermine buy-in of projects in cases of political changes. Similarly, in some cases, especially within the Local Digital Fund, we found that projects were abandoned or delayed due to the merging or formation of new councils. An example of this is the Revs and Bens project funded through the Local Digital Fund. The council that owned the output, Sedgemoor Council, was replaced in 2023 by Somerset Council. The new council faced significant pressure to establish a unified Revs and Bens system to integrate council processes. As a result, there was neither the capacity nor the resources to adopt the Local Digital Fund's Revs and Bens solution, as it was still under development at the time.

13.5.8. **Technological advancements:** Finally, our assessment is that technological changes during the programme have also had an impact on its outcomes. The clearest case of this is the development of commercially available AI products, especially ‘Generative AI’ through the course of the programme. We have identified cases where the business case for investment to projects would have been different, and perhaps less convincing, had Generative AI products been available at the time. Similarly, we would have expected that funded projects and activities would have focused more on AI, especially Generative AI. We found that the latest projects funded through the Future Councils intervention at the time of writing had a stronger focus on AI, but that this would have been a more consistent feature of the programme had the technology been more widely available earlier.

13.6. Has the project resulted in any unintended outcomes (not related to the delivery)?

13.6.1. The Impact Evaluation has identified a series of unintended outcomes across the five workstreams. We summarise below key unintended outcomes identified, both positive and negative, across the Local Digital programme.

13.6.2. On the positive side, the Local Digital programme has contributed to fostering relationships between central and local government concerning digital initiatives. The Impact Evaluation has found that, both the Local Digital Declaration, and the Local Digital Fund, have contributed to positioning the Local Digital team as the link between local government and central government with regards to digital work.

13.6.3. Additionally, the Future Councils intervention has contributed to the initiation of conversations between Local Digital and other central government teams on how to address systemic digital challenges in local government. This, together with the findings from the intervention, have led to Local Digital reframing the support provided through the programme, aiming to better target systemic challenges to digital transformation.

13.6.4. Conversely, the lack of clear strategies across certain workstreams has - in some cases - led to the inefficient use of resources. Specifically, the absence of scaling plans for funded digital solutions has led to many projects being paused or retired. Additionally, the evaluation has identified a potential transfer of local government digital talent to the private sector due to collaboration between digital delivery partners and councils during funded project delivery.

13.7. To what extent have different groups been impacted in different ways, how, and why?

13.7.1. The primary group that has been impacted by the Local Digital programme has been councils. In the Impact Evaluation, we have employed a case study approach to assess how different councils have been impacted based on their pre-existing levels of digital and cyber capability prior to the intervention. As our findings are mainly based on qualitative data and research methods, we cannot ascertain the exact magnitude of the programme's impact and causality can sometimes be uncertain. Below, we summarise these findings, as well as how the programme has impacted additional groups: suppliers, and the Local Digital policy team.

13.7.2. **High capability councils:** For higher capability councils who were already on a journey of digital transformation, our findings indicate that the programme has helped to accelerate their efforts, particularly in the delivery of digital projects or implementation of cyber security. As high capability councils were already at a good level of understanding of digital and cyber challenges and technical capability, many reported that participation in the programme added to the resource that they already had, which enabled them to do work which was otherwise not a priority. In terms of cybersecurity, most interview partners indicated that their effective response strategies were supported by existing resources and routines, enabling a comprehensive approach to improving their cyber posture.

13.7.3. **Low capability councils:** For lower capability councils, the findings strongly suggest that the programme's impact was more substantial. These councils are often in the early stages of digital transformation (or not on a path to digital transformation at all), so the programme provided the foundations of knowledge that were lacking to deliver digital services properly. Participation in the programme also successfully influenced leadership buy-in and investment in digital when previously appetite was low. The programme gave all councils more freedom, space and time to problem-solve and take risks in the delivery of digital projects. However, this likely had the biggest impact for lower capability councils. Regarding cybersecurity, lower capability councils focused on immediate risks related to the programme but often felt overwhelmed by the broader challenges due to limited resources. This created a divide, where some councils emerged with a positive outlook on cybersecurity while others struggled to address their vulnerabilities.

13.7.4. **Suppliers:** Most projects funded by the programme have involved engaging a digital delivery partner to assist councils in their initiatives. As a result, the programme has indirectly supported digital delivery suppliers and expanded their opportunities to collaborate with the local government sector. Furthermore, the programme has created additional opportunities for these suppliers by raising awareness among councils about the importance of digital transformation for improving service delivery. However, while this contribution is acknowledged through evidence collected from interviews, it has not been quantified and remains difficult to isolate.

13.7.5. **Local Digital team:** The delivery of the Local Digital programme has indirectly contributed to the positioning of the Local Digital team as the key link between the local government sector and central government with regards to sector digital transformation. The Future Councils intervention has also led to the team reframing their approach to supporting digital transformation in the sector, this has impacted the design of future interventions.

13.7.6. **Other digital and cyber actors in the local government sector:** Other organisations in the context of digital and cyber in the local government sector have been directly impacted by the work carried out as part of the Local Digital programme. Some regional organisations, such as the London Office of Technology and Innovation (LOTI), have supported councils bidding for Local Digital Fund opportunities, and - in some cases - supported the delivery of funded projects.

14. Research questions: Value for Money

14.0.1. In this section of the appendix, we address the Value for Money research questions.

14.1. What was the value-for-money of the intervention?

14.1.1. The programme most likely represents ‘Acceptable’ value-for-money. Based solely on monetised benefits, the programme’s overall benefit-cost ratio (BCR) is 0.84, placing it in the ‘Poor’ category. However, this figure includes costs from workstreams where no monetised benefits were available (Future Councils, CAF, and Training). When these are excluded, the BCR increases to 1.18, moving the programme into the ‘Acceptable’ category. We assess those additional non-monetised benefits are sufficient to justify this classification.

14.1.2. Workstream-level analysis shows stronger VfM in cyber interventions (e.g., Cyber Support) compared to digital workstreams, where expected scaling effects did not fully materialise. These findings led MHCLG to shift its strategy in 2023, winding down digital workstreams and focusing more on central software reform and cyber delivery. The evaluation highlights the programme’s ability to adapt in response to emerging evidence, and the importance of embedding monitoring and evaluation earlier to support efficient delivery.

14.2. What are the benefits? What are the costs?

14.2.1. Benefits and costs are detailed by workstream in Chapters 4-8 of the main report. In summary;

14.2.2. **Benefits:** These include service and process efficiency gains from projects funded through the Local Digital Fund and Future Councils. Some councils also reported software cost savings and improved user experiences. Capability building benefits were observed through increased staff skills in the Training and Local Digital Fund workstreams. Cyber Support delivered estimated cost avoidance by reducing the risk of cyber incidents through the implementation cyber treatment plans.

14.2.3. **Costs:** MHCLG’s internal delivery expenditure - including staffing and supplier costs - as well as the value of grant funding provided to councils. Additional costs were incurred by councils themselves, both in terms of staff time to participate in the programme and in maintaining or implementing the solutions and capabilities developed. These total costs are broken down by workstream in Chapters 4-8 of the main report.

14.3. Do the benefits outweigh the costs? What is the ratio of costs to benefits?

14.3.1. Quantified BCRs are available only for the Local Digital Fund and Cyber Support, as these are the only workstreams with sufficient monetisable impact data. The BCR for Cyber Support is 2.2., and for the Local Digital Fund 0.49.

14.3.2. Across the programme as a whole, the BCR is 0.84 based on monetised benefits. When excluding Future Councils, CAF, and Training - workstreams for which monetised benefits are unavailable - the BCR increases to 1.18. This places the programme within the ‘Acceptable’ VfM category. We judge that the programme delivers sufficient non-monetised benefits to justify this assessment and to bridge the remaining £14.8 million gap required to reach the Acceptable threshold.

14.4. How do these compare to alternatives?

14.4.1. Each workstream’s evaluation considers plausible alternatives, including different delivery models. For the cyber workstreams, a centralised delivery model has demonstrated greater efficiency in addressing shared challenges. In contrast, for the digital workstreams, alternative approaches - such as centrally led market reform or more targeted national delivery - may have delivered better value for money. MHCLG has since adjusted its strategy to reflect these insights.

15. Council case studies

15.0.1. As part of the evaluation, we have constructed four groups based on different levels of digital and cyber capability, into which we categorised different councils. Throughout the course of our analysis, we arrived at four different types (A to D), which differ based on either low or high digital and cyber capabilities. The identification of councils was based on various sources, such as interviews we conducted, the existence of digital and cyber strategies, or organisational charts.

15.0.2. Across types, we include a mix of participant councils with varying levels of buy-in to the Local Digital programme. Buy-in is assessed based on their degree of involvement across activities (e.g., the number of interventions they have participated in) and their level of engagement during the interventions (e.g., attendance at activities and responsiveness to proposed initiatives). This approach enables us to understand whether buy-in has influenced the impact observed across participating councils. Buy-in across types is discussed in the next section. Where feasible, we have also included ‘control’ councils - non-participant councils - to better isolate the programme's contribution to outcomes observed in participating councils.

15.0.3. Below we outline the identified case study types. Note that for each type we have considered a list of councils that align with the characteristics of the case study type based on their observed digital and cyber capabilities. These serve as an example and have been anonymised for the publication of the evaluation.

15.0.4. **Type A. High digital and low cyber capabilities:** Includes A1 (participant), A2 (participant) and A3 (control). This type is characterised by councils that tend to have a digital strategy in place, and which have completed several meaningful digital initiatives, either on their own or with support. In stark contrast to this, they generally lack cyber staff and often cyber strategies, with little imminent ability to change this.

15.0.5. **Type B. High digital and high cyber capabilities:** Includes B1 (participant), B2 (participant) and B3 (participant). Akin to type A, councils of this type have strong digital capabilities, which allows them to pursue and complete meaningful digital projects and have digital leaders among their staff. However, councils of this type also recognise the importance of cyber capabilities and allocate enough funding and personnel to have a decent cyber posture. In cases where resources are scarce, councils solve this through collaboration, e.g., joint IT estates.

15.0.6. **Type C. Low digital and low cyber capabilities:** Includes C1 (control), C2 (participant), C3 (participant), C4 (participant), and C5 (control). These councils have neither sufficient digital nor cyber capabilities and thus have trouble completing digital projects on their own or maintaining projects after funding runs out. In the same vein, they also face substantial challenges in maintaining their cyber posture.

Councils of this type typically have neither digital nor cyber strategies and report a lack of senior-level support to change this.

15.0.7. **Type D. Low digital and high cyber capabilities:** We did not find councils that had low digital capabilities while, at the same time, boasting a high cyber posture. Our research indicates that this is likely due to cyber only beginning to become a priority and is thus often only prioritised after digital services have successfully been set up and modern ways of working have been established.

15.0.8. We use these stylised types to understand the impacts of the Local Digital programme across different groups. The ‘reference’ cases serve as an orientation throughout our analysis, a technique that is often used in social sciences, where this is sometimes called a ‘pure’ or ‘ideal’ type. Through analysing the non-reference cases, we investigate what is happening ‘at the margin’, or, in other words, with councils whose digital and cyber capabilities are not unambiguously high or low. This approach allows us to control for biases in the results and capture endogeneity, i.e., better understand if there are other causes that were not previously captured and that helped or hindered the success of the programme.

15.1. Breakdown and examples of council stylised types

Type A - High digital capability and low cyber capability

Reference case: A1

15.1.1. **Overview and Local Digital programme participation:** High levels of participation across the programme workstreams. They signed the Local Digital Declaration in 2018 and reference the Local Digital programme in their strategy.

15.1.2. **Digital capabilities:** Council A1 has prioritised digital transformation for many years:

“Even before [our CEO] came along, we were starting to think about [digital], we created a digital network and that really enabled people across the councils to meet each other.”

- Head of Digital Strategy and Design

15.1.3. The council’s transformation efforts are guided by a comprehensive digital strategy that has been in place since 2019. As is common for high digital capability councils, there is strong support from senior leadership and clearly defined roles dedicated to digital services:

“[Our CEO] wanted a digital team within the organisation and he then worked hard to ensure (...) when the new council was formed, (...) the Councillors were told (...)

it's going to be paperless, you need to use your laptops and we supported them with training and digital champions for that."

- Head of Digital Strategy and Design

15.1.4. Council A1 worked with consultants to create the job descriptions and structure for the digital team using the Digital, Data and Technology (DDaT) job families. The council is recognised within the local government sector for their digital leadership, frequently participating in and contributing to sector forums and events to share their expertise and insights.

15.1.5. **Cyber capabilities:** Despite the strength of its digital function, council A1 does not have significant measurable cyber actions. The council lacks staff within cyber, with only one dedicated cyber professional in its staff, a strong contrast to its over 100 IT professionals.

"So you've obviously got that tiny cyber security team (…) it's just capacity."

- Head of Digital Strategy and Design

Heterogeneity in Type A capabilities

15.1.6. While we identified multiple councils that mirror A1 council characteristics, there are notable differences in terms of capabilities among the group members. For example, the other two councils analysed as part of this group (A2 and A3) published their digital strategy a lot later (one in 2021), or do not currently have one. The lack of a longstanding digital strategy has been linked to a lack of a clear trajectory and raises doubt about the councils' commitment to digital transformation as a priority.

15.1.7. In addition, both councils reported comparatively low support from executive leadership for digital transformation projects, which we have identified as an important barrier for success across multiple workstreams.

Heterogeneity in Type A buy-in

15.1.8. The majority of councils included of this type were characterised as having a high buy-in into the Local Digital programme. At the same time, the driving forces for buying into the programme varied greatly across the group. For instance, some reported that, even though the intention was to sign the Local Digital Declaration eventually, the potential funding associated with the signature served as a deciding factor:

"Although we were kind of committed to digital (…) as the new council was forming, there wasn't any money available for digital. So actually, it was about giving us access to funds to do something different and then bring some of the principles of the Declaration to life."

- Head of Digital Strategy and Design, Council A1

15.1.9. For others, in particular councils that were already on a clear journey towards digital transformation, funding was important, but not the primary motivation:

“We didn't just sign it to get the funding. We were already subscribed to the idea of implementing the principles of the digital framework.”

- Chief Digital and Information Officer, Council A2

15.1.10. Leadership buy-in tended to be high for the entire group, this stands in contrast to most of the other councils in the group, where support from senior leadership was lacking, and engaging with digital transformation efforts was a lower priority, or not enough monetary and personnel capabilities were allocated.

Type B - High digital capability and high cyber capability

Reference case: Council B1

15.1.11. **Overview and participation in the Local Digital programme:** Council B1 operates within a shared service arrangement - benefiting from access to jointly managed IT infrastructure and expertise - while also maintaining its own dedicated cyber and digital teams with a distinct cyber strategy. This combination provides the council with ample technical resources to support its digital and cyber work. The council signed the Local Digital Declaration in 2018, which it signposts in its digital strategy. They participated in two of the programme workstreams.

15.1.12. **Digital capabilities:** The council is a high capability council on its own, but its digital capability is improved through its partnership in the shared services. The council has senior leadership and staff with technical skills, which extends to the shared service. Staff within the organisation praise the leadership at the organisation and its commitment to digital change:

“There's been some recent changes in (...) senior leadership within the council and I would say a lot of [these] changes have come out because of that. So (...) [digital has] got an increased impetus now.”

- Service Manager for Performance, Development and Quality in Adult Social Care

15.1.13. The council has created a team with the purpose of facilitating a collaborative relationship between the Technology and Digital Services (TDS) team and other service areas within the Council, therefore extending collaborative efforts within the council and leading the transformation of existing council services. This compliments their collaboration with other councils in the shared service, but also their relationships with actors from the broader sector, such as Socitm or the LGA.

15.1.14. **Cyber capabilities:** The council is part of a shared IT estate, which has bolstered cyber capabilities. Similar to their stance on digital, the council has a shared cyber security strategy (2021-2024). The strategies display a capability that does not rely on requiring the resources of external help to be able to complete these new aims. Their cyber posture is further bolstered by an appointed Chief Information Security Officer.

Heterogeneity in Type B capabilities

15.1.15. Another council in this group that has very clear markers of high digital and cyber capabilities is council B2, a council in a rural area that has been on their digital transformation journey for a long time, and which has received several awards for digital, data and technology projects they championed. Council B2 clearly recognises the importance of cyber security in the light of recent cyber security breaches, which has led them to enhance their capabilities and reprioritise resources:

"We have funding [internally] been made available because Cleveland and Redcar had happened recently."

- Hosting and Security Manager, Council B2

15.1.16. All councils of this type have clearly recognisable high cyber security capabilities, but they do not necessarily manifest in the same way. In the case of council B3, for instance, no cyber strategy has been published, which initially would indicate low cyber capabilities and no clear trajectory. At the same time, the council has made considerable investments into their cyber security, including hiring for new, complex roles.

Heterogeneity in Type B buy-In

15.1.17. There is very little heterogeneity in terms of buy-in of councils in Type B. Most councils we placed in this group had a high buy-in to the Local Digital programme. More specifically, councils repeatedly shared the sentiment that they were interested in being involved in anything which could accelerate this goal:

"It is an obvious thing to do. Recognising that the future is digital (…) it was the first sort of recognition, significant funding bid (...) within the council to modernise and become more a digital organisation at that point."

- Staff member, Council B3

15.1.18. High capability councils of this type are typically great collaborators and understand that partnerships can help to facilitate the delivery of digital projects. They are very aware that the sector faces the same problems but that the sector often works in isolation, so the opportunity to end this cycle was greatly welcomed.

Type C - Low digital capabilities and low cyber capabilities

Reference case: Council C1

15.1.19. **Overview and participation in the Local Digital programme:** This council represents councils with low digital and low cyber capabilities. The council never had a digital transformation strategy and there are very few indicators of cyber security, which they have partly outsourced to another council. While the council signed the Local Digital Declaration in 2020, they did not participate in the Local Digital programme.

15.1.20. **Digital capabilities:** In 2019, the Council began a journey of transformation including a new staff structure and a new approach to transformation in the context of the COVID-19 pandemic. However, the council does not have a digital strategy or clear digital representation at the senior level. There is little to no evidence of collaboration in digital projects with external partners. Instead, the council outsourced its ICT infrastructure and staff to a service centre led by another council, further decreasing their own capabilities.

15.1.21. **Cyber capabilities:** Council C1 has few indicators that they have many capabilities within cyber. While they invested over £1m in 2021 into improving ICT Support, this has not produced recognisable outcomes in cyber and the momentum appears to have been lost. As with digital, the council has no senior staff pushing forward an agenda of cyber security.

Heterogeneity in Type C capabilities

15.1.22. Councils identified as Type C typically lack digital and cyber strategies, have little senior-level support, and often do not employ anyone in a dedicated digital or cyber leadership role. Digital services and cyber security are usually low priorities, with limited resources. As a result, key functions are often outsourced to other councils, and in-house knowledge is minimal.

15.1.23. However, there are variations within this group. Councils C2, C3, and C4, for example, were less clearly aligned with the typical Type C profile. While they have digital strategies, these are not comprehensive. Even when digital or cyber teams exist, they are under-resourced and lack strategic direction and senior backing - leaving them struggling to meet their own goals.

"So to be honest, I think the strategy at the moment is survival."

- Staff member, Council C2

15.1.24. Overall, councils in this group face significant barriers to digital transformation and cyber security, and many report that they cannot make meaningful progress without external support.

Heterogeneity in Type C buy-in

15.1.25. Buy-in to the Local Digital programme among Type C councils is generally low, with some councils choosing not to engage at all. These councils typically have not signed the Local Digital Declaration. In contrast to this, councils C2, C3, and C4 did participate in the Local Digital programme and have begun their digital transformation journey.

15.1.26. However, leadership buy-in was often transactional, motivated primarily by access to funding:

"That was the very transactional reason why senior leaders here signed it was because it was, if we don't sign this, we can't apply for this funding (...)"

- Staff member, Council C2

15.1.27. While funding was a key driver for participation, this does not necessarily indicate that these councils undervalue digital or cyber services. Rather, it reflects the reality of limited resources. Nevertheless, longer-term ambitions - such as sustained digital transformation, robust cyber security strategies, or sector-wide collaboration - appear to be less of a priority for this group.

Type D - High cyber capability and low digital capability

15.1.28. We were unable to identify councils that were characterised by having high cyber capabilities and low digital capabilities, neither in the set of councils participating in the Local Digital programme, nor among non-participants. The data we have collected indicates that this is likely because digital is more established than cyber across the sector, whereas cyber is only beginning to become more of an emerging priority.

15.1.29. Councils throughout the sector have focussed on digital efforts first whereas cyber is more of a recent development. Therefore, some councils may have a dedicated digital strategy in place that features brief considerations about cyber security, but not vice versa:

"What I've tried to do is create the framework within that digital strategy, which includes everything cyber in there."

- Director Digital, IT and Resilience, London Borough

15.1.30. Our findings indicate that a council's cyber efforts begin to mature only when a council has got to a point where they are further along in the digital transformation journey, enabling them to shift focus from digital to then giving cyber more of a strategic priority, potentially because the damage caused by cyber breaches becomes more evident to those in charge.

15.1.31. Further to this, digital services often result in cost savings for councils, whereas the cost savings realised through improved cybersecurity tend to be less visible. Specifically, councils often do not know of a prevented cyber-attack and the cost that would have incurred if the cyber security measures would not have been in place.

15.1.32. Digital services are also easier and less skill or resource intensive than improving a council's cyber posture, which often require highly specialised staff. Thus, if councils perceive it as hard to have digital skills among their staff and even harder to get cyber skills, they are likely to prioritise improvements that exhibit an immediate positive impact.