

# Three Years of Progress

How Covid-driven digital change  
is transforming the way we work  
and live for the better



Covid-driven digital change such as increased remote working, more digital services and better use of data is set to boost our economy for decades to come, bringing tangible benefits to businesses, employees and society as a whole.

Virgin Media O<sub>2</sub> Business

# Foreword

*When Covid-19 restrictions came into our lives, almost overnight, some organisations were much more prepared than others.*

A few were already leading the way in supporting the policies, mindset and culture required to enable effective hybrid working, i.e. people doing a mix of remote and office-based work.

Many were already using – or at least trialling – digital-first delivery of services and making informed business decisions enabled by data insight and analysis.

But before the impact of Covid-19 these concepts were still ideas on a page for most organisations. Dates on a five-year roadmap.

Decision-makers worked hard to minimise disruption, support staff wellbeing and provide the right tools and services, all while dealing with their own personal fears and challenges in the wake of a global crisis.

As weeks turned into months, many evolved their approach over time, rethinking the way they engaged with customers and employees alike.

Now, for the first time since March 2020, it feels like we can finally draw breath.

The UK vaccine programme is still going strong. It seems like we're getting closer to being able to enjoy all the things we could before the pandemic.

And we learned valuable lessons that will never leave us: that we **are** more capable of rapid, large-scale change than we realised. And we **can** be trusted to get work done in less traditional ways.

It turns out these new ways of working could accelerate the UK's economic recovery too, boosting our GDP by 6.5% over the next two decades.

Better still: they can give people better access to jobs, improve our collective health and wellbeing and even help limit our impact on the environment.

We've created this report to help you understand the scale of these opportunities and what they mean for you and your organisation.

I hope you find it useful. And I'd love to hear your views.



Jo Bertram, Managing Director,  
Virgin Media O<sub>2</sub> Business

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# How Covid-driven digital change is transforming the UK

Virgin Media Business and O2 Business are focused on how digital transformation can help organisations and individuals work more effectively, not just now but in years and decades to come.

The relationship between technology and the future of work climbed up every organisation's agenda as a result of Covid-19 restrictions.

We were keen to find out more.

In February 2021, Virgin Media Business published [a major study](#) carried out by the Centre for Economics and Business Research (Cebr), which predicted a £232 billion boost to UK GDP thanks to Covid-driven digital change.

And in March 2021, O2 Business published a research report: [Creating a dynamic workforce. Empowering employees for productivity and growth.](#) That report identified seven different types of employee and suggested how to better manage each one.

Virgin Media and O2 launched a new joint venture on 1st June 2021. Our pooled insights now provide a unique perspective. And one thing is clear: most organisations (including our own) are not rushing back to 'the way things were'.

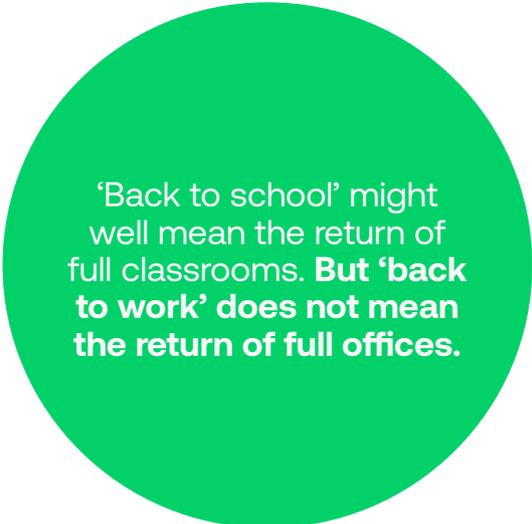
Organisations have proved they can survive, even thrive, when employees are empowered to do their job in a much more flexible way.

So against a backdrop of Brexit, a predicted rise in Covid-19 cases and the formal end to furlough, do we all really need to rush back to the office?

We asked Cebr to revisit the impact of Covid-driven digital change on our economy, the future of work and the attitudes of both employers and employees. The team consulted more than 500 decision-makers and 2,000 consumers to find their answers.

Their research for Virgin Media O2 Business shows that the potential benefits of continued digital transformation in the wake of the pandemic are huge. And that many of the changes we've already seen will be permanent.

Especially when it comes to the future of work.



'Back to school' might well mean the return of full classrooms. But **'back to work' does not mean the return of full offices.**

# What are these new ways of working?



## Remote working

Employees who were previously office-based now work elsewhere. During lockdown, many employees were remote working at home. But as lockdown eases it might also be coffee shops, libraries, a customer office or a shift to hybrid working.



## Hybrid working

Employees who were previously office-based now have some choice about where and when they work. Some days they will be office-based. But other days they will be working remotely.



## Flexible working

Employees are allowed to work at the times that best suit them. This might be done remotely or in the office.



## Dynamic working

Combines the attributes of flexible and hybrid working by giving people the tools, permission and trust to work wherever, whenever and however they're happiest and most productive.

# Key findings from Cebr

“Drawing on primary research data, this study finds that key digital transformations implemented during Covid-19 — working policies, digital delivery of services and use of big data — are set to shape the future of UK organisations.”

Cebr, 2021

## Covid-driven digital change could add 6.5% to UK GDP

- That would mean an extra £76 billion in UK GDP by 2025 (2.8% growth)
- And an extra £236 billion by 2040 (6.5% growth)
- The UK's regional economies could get a £33.3 billion boost as workers relocate and spend their earnings locally

## Covid-19 accelerated digital progress by three years

- Organisations boosted their IT spend by 18% compared to 2019
- Digital transformation projects prompted by Covid-19 were fast-tracked by an average of three years across the UK
- Health sector leaders accelerated adoption of digital technology by five years
- Organisations with more than 250 employees accelerated adoption of digital technology by four years
- Many of those fast-tracked changes are becoming permanent

## Hybrid working means more productivity

- Remote working boosts employee productivity by the equivalent of two hours a day
- Hybrid working could also bring permanent improvements to customer service scores and employee satisfaction rates, based on the increases seen over the last 18 months

## Hybrid working improves access to jobs

- Remote working increases access to work, with a potential £48.3 billion boost to the economy as part time employees increase their hours
- Just under four million people who were previously 'locked out' of employment (including 1.5 million disabled people, 1.2 million parents and 500,000 carers) would be more inclined to take a job that offers remote working
- 46% of the UK's 8.6 million part time workers would increase their hours if they could mainly work remotely – by an average of five hours a week, a total of 1.27 billion annually

## Hybrid working is popular

- Across the economy as a whole, both employers and employees now tend to favour a hybrid working model, spending roughly half their time in the office each week

## Hybrid working is good for our health and wellbeing

- If people use some of their extra free time for exercise (as they say they will), hybrid working could save the NHS £1 billion a year
- Extra time spent caring for others could free up £3.1 billion of NHS resources to use elsewhere

## Hybrid working can reduce our impact on the environment

- The reduction in commuting could cut CO2 emissions by 3.1 million tonnes a year

# Chapter 1

## How can Covid-driven digital change upgrade the UK economy?

### 1.1

## £236 billion boost to UK GDP

*On average, Covid-19 has accelerated the deployment of technology in the UK by three years, with organisations boosting their IT spend by an average of 18%*

Over the last 18 months, digital tools have transformed the way many organisations were traditionally operating.

Video conferencing and collaboration. Cybersecurity and remote network access. Robust and reliable

connectivity. Increased use of cloud services. Removing paper processes. All of them have played an important part.

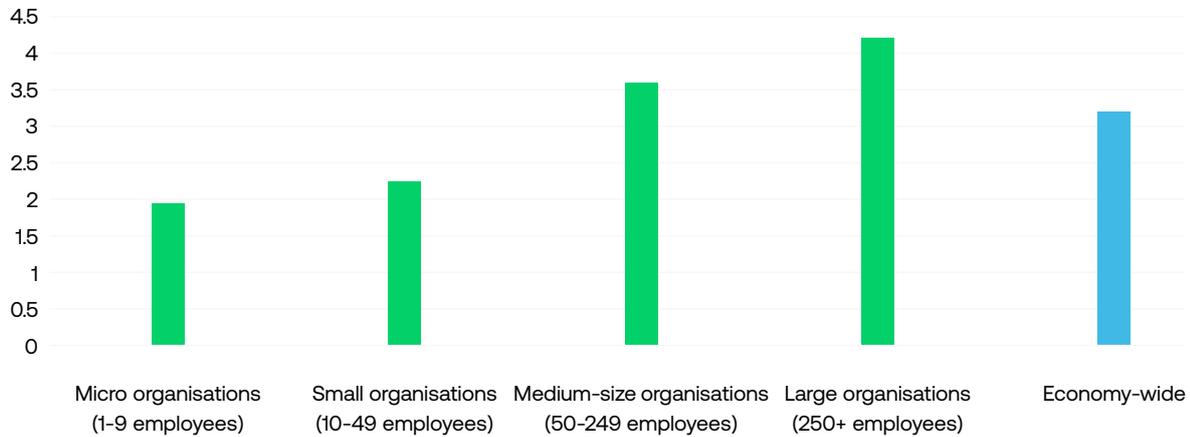
These digital investments will deliver efficiencies and productivity across the board. And many of them – particularly in the public sector – are now set to power the UK’s post-lockdown revival, helping to grow the economy at an accelerated rate

Cebr estimates that Covid-driven digital change could drive a £76 billion boost to UK GDP by 2025 and a £236 billion boost by 2040

Digital transformation uplift to UK GDP	2025	2030	2040
UK economy, real £bn (2020 prices)	76	133	236
UK economy, %	2.8	4.4	6.5

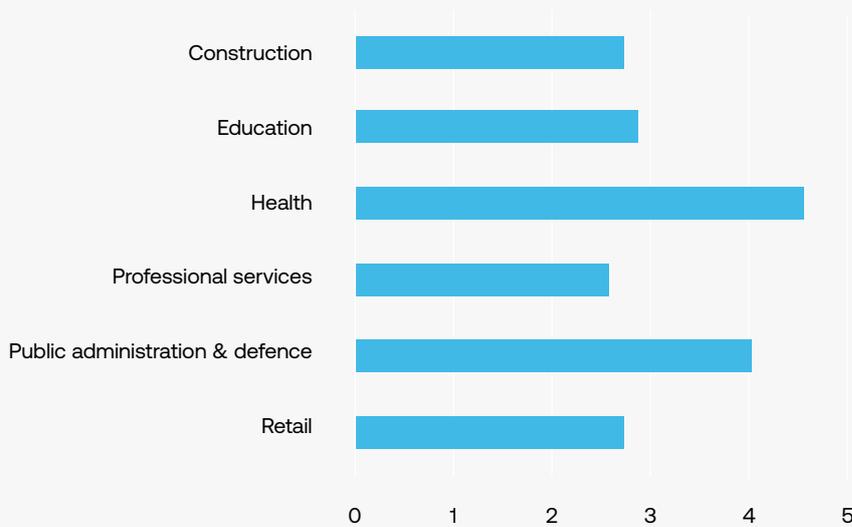
Cebr analysis

**Average number of years of technology adoption acceleration for the UK economy and by organisation size**



Opinium survey, Cebr analysis

**Average number of years of technology adoption acceleration by sector**



## 1.2

# Uplift in organisational performance

*Covid-driven digital change is improving business performance, widening access to a larger talent pool and creating bigger markets for UK businesses*

Most organisations were understandably nervous as lockdown approached and they realised they'd have to change most of their processes. Almost overnight.

In both the public and private sector, organisations had to:

- **Build entire virtual call centres so teams could work effectively from home**
- **Ensure secure access to files and networks for people using work-provided or personal devices outside the corporate network, often eased by shifting to cloud-based systems**
- **Introduce whole new ways of working to replace face-to-face meetings (e.g. Microsoft Teams)**
- **Accelerate their transformation and integration of retail and fulfilment systems and processes to be digital-first**

For many organisations it was simply about survival. Allowing their employees to continue working. Being able to keep on serving their customers.

Some early adopters had already rolled out impressive digital transformation projects before the pandemic struck. But even then, very few of those early adopters were ready and able to manage their entire workforce going remote.

Many found they had to increase bandwidth to allow remote users to access servers and onsite systems. Others could only provide the right tools and access for some of their employees, not all.

But employers and employees all over the UK stepped up to the challenge, and many of the decision-makers we surveyed say digital changes they implemented during the pandemic have had a lasting positive impact.

Increased remote working, for example, has resulted in:

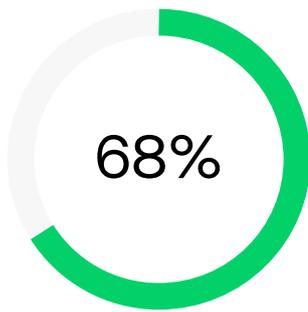
**4.9%**  
increase in customer satisfaction

**3.6%**  
increase in employee satisfaction

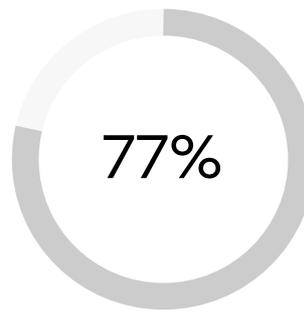
**3.4%**  
increase in productivity

And the increase in customer satisfaction was most noticed in the public sector, going up by 6% in the public administration and defence sector and 7% in the health sector.

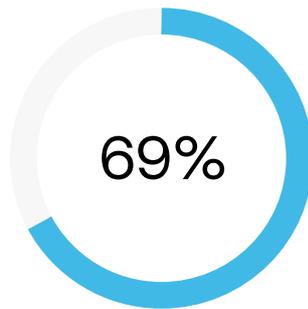
And while all of us hope the pandemic will be temporary, the improvements organisations have seen are anything but.



68% of decision-makers say Covid-19 accelerated the use of technology across their organisation.



77% say changes to digital delivery of services will be made permanent



69% say changes to working policy (e.g. increased hybrid working) will be made permanent

**But the question is how?**

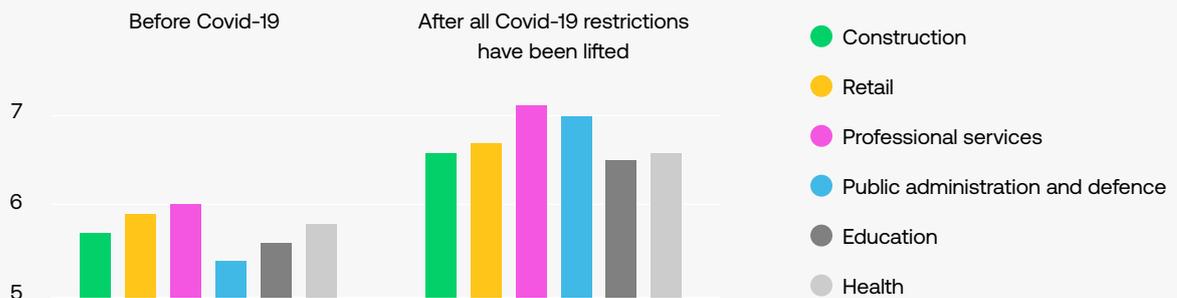
As the ‘quick fixes’ implemented to enable home working now give way to a more considered response, what digital tools should you be rolling out on a permanent basis?

How can employers best support their teams during all this change? How can you shape a culture that motivates your employees to continue this improvement? What is the role for technology and connectivity?

Having seen the benefits of rapidly rolling out new technology to cope with the pandemic, leaders across every sector recognise the increased importance of giving their employees the workplace tools they need.

The business case for investing in digital change has never been clearer.

**Importance of adopting the most up-to-date technology on a scale from 0 to 10**



## 1.3

# Increased employee productivity and satisfaction

*Employers and employees agree that hybrid working will become the norm, not the exception. The remote working revolution has happened*

Before the pandemic, UK employees worked an average of 1.4 days remotely per week.

Half had **never** worked remotely.

It's fair to say that before pandemic the benefits of remote working weren't felt by everyone.

But lockdown was a great leveller. All of a sudden, office-based employees **had** to work from home. Any debate about whether it was possible was swiftly laid to rest. The evidence was right there for all to see.

It was working. And working well.

Employers and employees both agree that going back to the way things were is not the right path.



### As Covid-19 restrictions are lifted...

Employers expect their employees to work remotely 2.3 days a week – a 50% increase compared to a couple of years ago



Employees expect to work from home 2.5 days a week (but given the choice they would opt for 2.8 days a week)



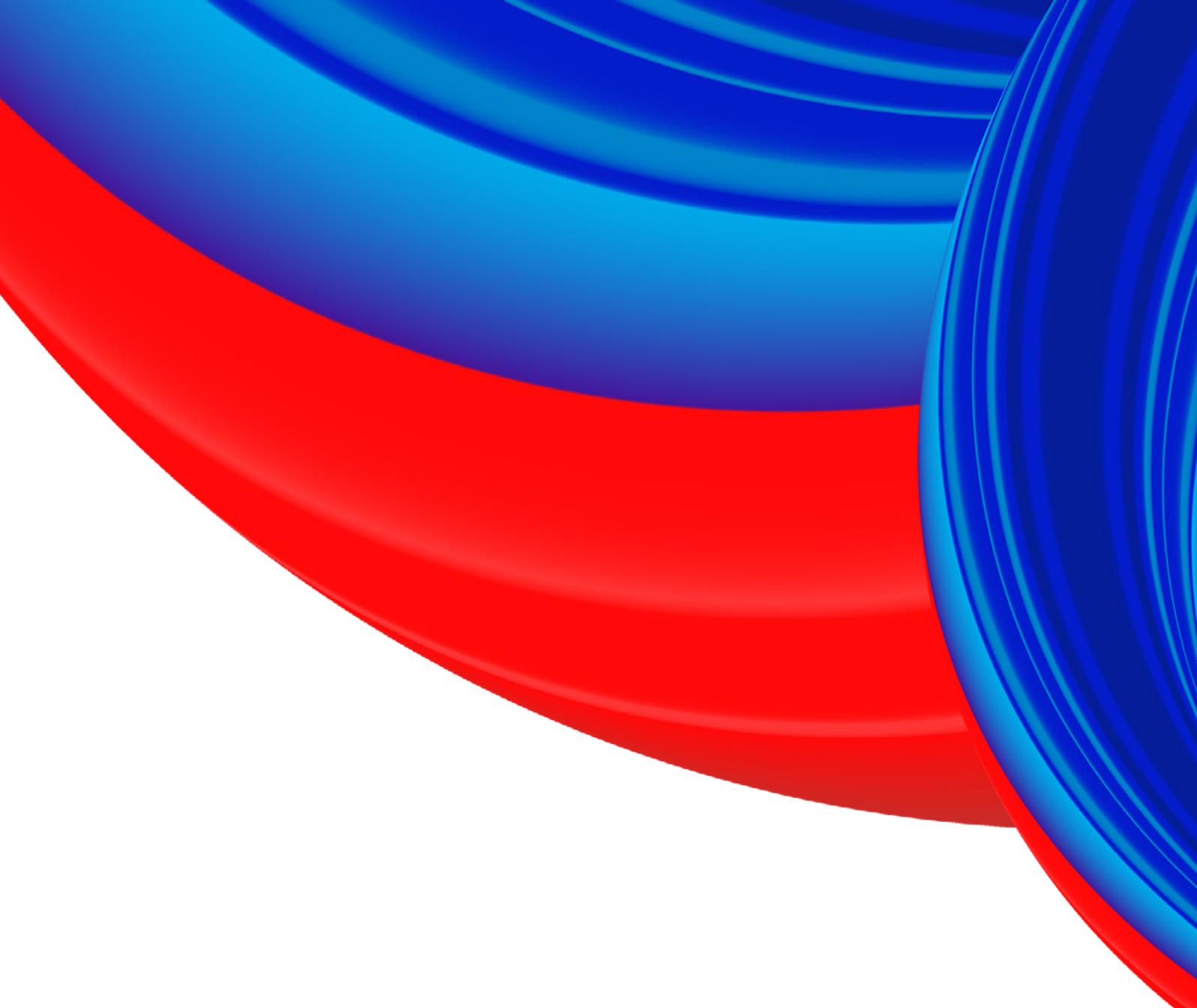
When you look at the benefits of increased remote working for employees, it's easy to see why they're so keen to keep it going.

Of those who have an opinion about remote working, 90% of employees say it helps them build their working day around other commitments, improving their work-life balance and saving them time and money as they reduce their commute.

But it's not just about making life better for your people – new ways of working also make them more productive.

Increased remote working has resulted in an **extra two hours of work a day** for the average employee.

It's a win-win situation.



“A future where the proportion of time spent working remotely aligns better with employees’ preference could lead to increased satisfaction and engagement with their organisations, improving morale without likely affecting hours worked.”

Cebr, 2021

# Chapter 2

## How can hybrid working lead to more jobs for more people?

### 2.1

#### Better access to jobs for parents, carers and disabled people

*Parents, carers and disabled people all say they would work longer hours if they could do their job remotely, removing the commuting time and working around their other responsibilities. This means more income for themselves and their households and a big boost to the economy too.*

26% of UK's employees currently work part time  
8.6 million people.

46% would increase their hours if they could mainly work remotely.

And part-time workers who are informal carers could benefit the most. Cebr's research suggests carers could work up to seven additional hours a week and earn an extra £4,800 a year, while disabled people could work an extra five hours a week.

Organisations that shape their recruitment and retention policies to support more remote part-time workers could attract a wider range of candidates than ever, while helping to pave the way for a fairer and more inclusive economy.

“The breadth of interaction I get in the business now [with remote working] is better than I've ever known in my career. Because I'm not the mum who has to stand up and run at four o'clock to get back to the child minder... Having those handcuffs removed – that's been a significant boost to my ability to parent, and do my job.”

Ruth Rainbow, Resourcing Delivery Manager, chair of Virgin Media neurodiversity network Our Indigo Minds, which specialises in supporting staff members who recognise themselves to be neurodiverse and/or parents of children who are neurodiverse.

“It took a global pandemic for disabled people to get the flexibility, adjustments and opportunities that so many people had been asking for, for so many years.”

Shani Dhanda, award-winning disability specialist, June 2021

Increased remote working could allow part time staff to work an extra 1.27 billion hours every year - the equivalent of an extra 631,000 full time employees.

Increased remote working could also boost UK GDP by £48.3bn (2.4%).

43%

(£20.8bn) would come from parents increasing their hours

15%

(£7.1bn) from disabled workers

12%

(£5.7bn) from carers

And young people are more likely to increase their hours.

56%

of 18-34 year-olds would increase their hours if more remote working was an option

52%

of 35-54 year-olds say the same

Only 20%

of over-55s say increased remote working would encourage them to do more hours.

## 2.2

# Helping four million ‘locked out’ people into work

*Hybrid working can be a socially inclusive policy, supporting employment opportunities for otherwise ‘locked out’ individuals*

45% of people who are currently out of work would be more inclined to take a job if it had the option of remote working.

This represents 3.8 million people across the UK, of whom 1.5 million have a disability, 1.2 million are parents and 500,000 are carers.

For organisations that want to embrace a truly inclusive approach to recruitment, having a clear hybrid working policy can help attract the best people for every role, regardless of their situation.

People who may previously have ruled out certain roles because of the commuting time required, or for other reasons, are now more likely to join the workforce.

“It’s not just parents who want to work in a way that better suits them. Some employees might need to care for a family member or friend and want to balance their work with these responsibilities. Others might want to develop new skills or have a short-term change in circumstances that perhaps means they need to temporarily vary their work pattern.”

“Let’s talk about flexible working”  
Carers UK, 2020

Recruiting and retaining the best people is no longer just down to the HR department.

IT and operations leaders need to ensure all employees have the right tools to be able to work effectively.

And corporate culture needs to cater for new ways of working. An end to 'presenteeism' in particular will open doors for a more diverse workforce

**Organisations that actively employ people with disabilities have**



Gartner press release, 23 January 2020

**“For parents and carers, flexible working can bring greater than average labour market opportunities.”**

Cebr, 2021

## 2.3

# Giving regional economies a £33.3 billion boost

*Hybrid working means people could have more freedom to choose where they want to live, shifting spending power to different regions*

36% of all people currently working remotely all or most of the time have either considered moving, will be moving or have already moved due to the freedom allowed by their work.

And 43% of those who are not yet working remotely said they would consider moving house if they had the option of working remotely.

The top four reasons for moving are:

1. **More space**
2. **A change of lifestyle**
3. **Living in a more rural area**
4. **Having access to more affordable housing**

But how this impacts wages and salaries has yet to be clarified.

The same trend - moving out of cities - has been identified worldwide.

Some employers say they might reduce salaries for those who don't need to commute in every day. But others pledge to maintain their salaries with a view to recruiting from the widest possible number of locations.

According to Cebr's research, the four most popular places people said they would move to are:

1. **Wales** (potential net movement of 249,000 employees)
2. **Scotland** (potential net movement of 238,000)
3. **The South West** (potential net movement of 178,000)
4. **The North East** (potential net movement of 176,000)

Northern Ireland could also see a net movement of 71,000 employees.

In fact, Northern Ireland looks set for a dramatic boost due to Covid-driven digital change.

- 71% of organisations in Northern Ireland have implemented changes in working policies during the pandemic (compared to a UK average of 55%)
- 71% have implemented changes to delivery of digital services (compared to a UK average of 50%)
- 50% have changed how they used data (compared to a UK average of 33%)

It may be that organisations in Northern Ireland were starting from a lower baseline, but the opportunities for growth and improvement are clear.



“Regional movements enabled by remote working could result in a talent and skills boost for regional economies, significantly contributing to the UK’s levelling up agenda. A remote working revolution could boost regional economies by as much as £33.3bn in earnings available for local consumption”

Cebr, 2021

# Chapter 3

## How can hybrid working improve the UK's health and wellbeing?

### 3.1

#### Saving the NHS £3 billion a year

*Hybrid working gives people more time to care for others, freeing up £3.1 billion of NHS resources a year to focus on more pressing healthcare needs*

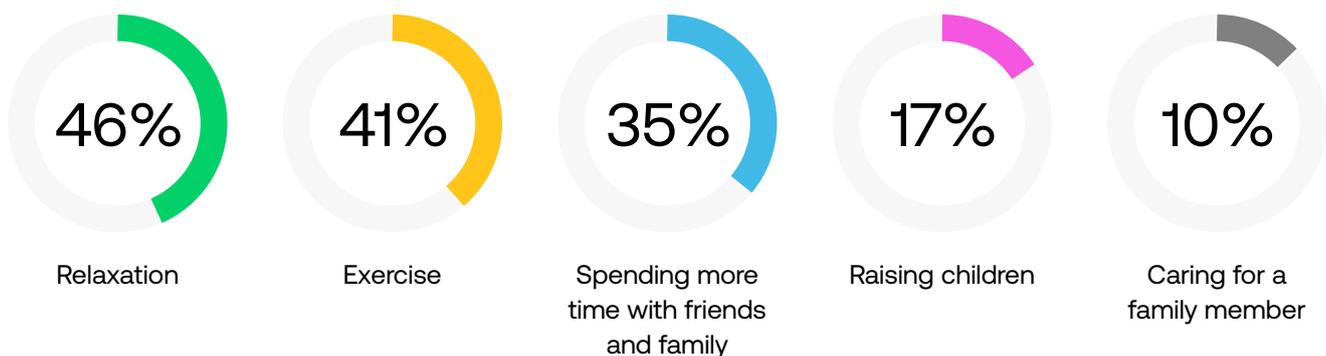
As well as increased productivity, hybrid working also gives people two extra hours of free time a day on average. In London that figure is closer to three hours.

**Cebr estimates that non-parents alone could spend an extra 211 million hours a year caring for other family members as a result of increased remote working.**

Assuming the 'unlocked hours of care' would replace formal health support, hybrid working could save the NHS £3.1 billion a year.

This estimate is deliberately conservative – it doesn't include the extra 282 million hours of volunteering time that could be generated by hybrid working. Or the extra time that parents would spend with their own children.

#### How are people spending their extra time as a result of hybrid working?



## 3.2

### Giving people more time for exercise

*Hybrid working can increase the nation's fitness levels, dramatically reducing disease*

We know that increased remote working results in two extra hours of 'me time' for the average employee.

41% of employees claim they would use some of their new-found 'me-time' on exercise. This could equate to an average increase of 21 minutes a day for those who do at least part of their job remotely.

If we assume they now do one more remote day a week compared to before the pandemic, this adds up to an extra 84 million hours of weekly physical activity for UK adults, reducing the UK's population's physical inactivity by 33%.

Cebr estimate that this longer-term reduction in physical inactivity could prevent a number of diseases associated with poor health:

- **79,000 cases of coronary heart disease**
- **192,000 cases of type 2 diabetes**
- **20,000 cases of breast and colorectal cancer**

Based on estimated 2019 NHS treatment costs, this reduction in disease could generate **a longer-term saving of £1 billion a year to the NHS** once people settle into new routines of hybrid working and increased leisure activity. Money that could now be spent where it is needed most.

#### Benefits associated with a reduction in physical activity, 2019

	Coronary Heart Diseases	Type II diabetes	Breast cancer	Colorectal cancer	All-cause mortality
<b>Cases</b>	2,300,000	4,527,555	208,944	127,675	529,553
<b>Cases attributable to inactivity</b>	241,500	588,582	37,401	23,875	89,494
<b>Estimated reduction in cases through a 33% reduction in inactivity</b>	78,852	192,178	12,212	7,796	29,221
<b>NHS current spend on ailment (£ million)</b>	12,994	8,538	1,831	1,588	0
<b>Savings to NHS given 33% reduction in inactivity (£ million)</b>	445	362	107	97	0

Opinium survey, Sport England, ONS, Diabetes UK, British Heart Foundation, European Commission, NCBI, Cebr analysis

## 3.3

# Improving people's mental health

*Remote working appears to have a positive impact on most employees' mental health*

When asked about the impact of remote working on their mental or physical health, of those who reported a change:

**82%**

reported a positive impact on their mental health

**79%**

reported a positive impact on their physical health

Hybrid working doesn't suit everyone, of course.

While some have thrived when working from home, it hasn't always been plain sailing.

For some – those living in shared houses or small flats, for example – a home office isn't an option. And the physical aspect of being 'at work' is important to many others, the commute often serving as a welcome buffer between their professional and personal lives.

But with considerate advice, careful management and clear incentives and opportunities, it's clear that the option of hybrid working can have an overall positive effect on the health and wellbeing of the nation.

“My ability to attend social events, and carers in general to attend social events, is much higher now. To sit on a Teams call for a couple of hours, share a drink, share a laugh, watch a comedian together – these changes caused by the pandemic have made a world of difference to my wellbeing. Before, it was a limiting factor not being in the office.”

Matt Murdoch, Acting Head of Commercial Operations and Co-Chair of Virgin Media carer's network, We Care

# Chapter 4

## How can hybrid working benefit the environment?

### 4.1

#### Less commuting reduces CO2 emissions

*A reduction in travel for work could reduce the UK's carbon emissions by 0.7%*

In 2019 UK commuters travelled an estimated 56 billion miles in a car or taxi to get to or from work. Fewer than one in six trips had zero environmental footprint (e.g. walking or cycling).

Cebr estimates that if everyone who says they could work remotely did so for one extra day a week, it would mean:

**1.2 billion**

fewer car or taxi trips every year

**382 million**

fewer bus or light rail trips every year

The net effect of this shift to one commute-free day a week would be:

**3.1 million tonne**

reduction in CO2 emissions

**0.7% cut to emissions**

based on 2019 figures

Valued using the recommended carbon values from the Department for Transport's Transport Analysis Guidance (TAG), this reduction in emissions would be worth £219 million a year, according to Cebr.

This analysis could well be a conservative one – it doesn't yet include a reduction in other business travel like flights, for example.

But it also doesn't consider any increases in energy use that might be associated with hybrid working, like higher home heating costs or extra electricity required for increased cloud storage.

**Environmental impact of reduced commuting if potential remote workers worked one additional day per week from home**

	Reduction in commuting trips (million)	Reduction in distance travelled (million miles)	Reduction in emission (million tCO <sub>2</sub> e)	Value of reduced emissions (£m)
<b>Car</b>	1,211	10,424	2.60	181
<b>Taxi</b>	16	79	0.02	1
<b>Motorcycle</b>	17	136	0.02	3
<b>Bus</b>	153	1,007	0.17	12
<b>Rail/Light rail</b>	229	5,329	0.30	21
<b>Walk</b>	211	143	0.00	0
<b>Cycle</b>	68	223	0.00	0
<b>Total</b>	<b>1,905</b>	<b>17,340</b>	<b>3.11</b>	<b>219</b>

Opinium survey, DfT, BEIS, ORR, Cebir analysis

# Chapter 5

## What is the secret to effective hybrid working?

### 5.1

#### Face-to-face contact is vital, especially for younger workers

*Younger employees are worried their careers will suffer if they don't spend enough time in the office*

18-34-year-old part time workers are most likely to increase their hours if given the option of remote working.

But people in that age group also report the biggest apprehensions when it comes to remote working.

**23%**

of 18-34-year-olds need personal interactions with colleagues to perform well at work

**22%**

are worried about the impact remote working could have on their career progression

“When you’re not in the same place as your boss, it can feel harder to shine. Or fit in. Or learn, even.”

Virgin Media O<sub>2</sub> Business grad scheme employee

No single solution will work perfectly for all.

Younger workers, for instance, may need more opportunities for face-to-face engagement and support, training, coaching and even socialising.

“Gone are the days when people had to conform to ‘the organisation’. Today, an organisation must fit around its people.”

O<sub>2</sub> Business – Creating a dynamic workforce:  
Empowering employees for productivity and growth

## 5.2

# Culture matters more than ever

*Successful roll-out of hybrid working practices relies on culture as much as management and technology*

Most employees recognise the benefits of remote working.

36%

feel more productive

34%

feel more in control

**But there's a less positive, sometimes darker side too.**

16%

feel disconnected

15%

feel lonely

While the figures above suggest the positive feelings outweigh the negative ones, you can't simply ignore that latter group.

Rolling out a successful hybrid working programme means shaping a clear culture that welcomes people to be part of the discussion, irrespective of location, and moving away from the perception that presenteeism equals hard work.

Whether you join a discussion by sitting around a conference table with others in the office, or join that same discussion by video from home, or any other location, the organisation's culture and technology should both be equally welcoming.

“For most organisations, the introduction of hybrid working will require a significant culture shift and establishing new ways of working and associated policies and practices. We can learn some lessons from working from home during the pandemic. However, in some ways hybrid will make greater demands of managers and organisations than the urgent shift to total remote working”

CIPD, Planning for hybrid working, July 2021

Across all age groups, employees want their bosses to clarify their hybrid working policies, provide regular reasons to be in the office and invest in a corporate culture that encourages everyone to work where and when they perform their best.

But managers still need to address some of the practicalities too, not just learning how to manage remotely but also ensuring everyone has access to the right tools in the office or anywhere else.

## 5.3

### You need the right tools for the job

*Across all age groups, when asked what employers could do better to ensure that flexible working can succeed permanently, 46% of all employees called on their bosses to provide staff with the right IT equipment to work from home*

“We very definitely see that it is a corporate responsibility to provide those things and I would say a mouse and a keyboard and a screen isn’t a ‘peripheral’, that it’s part of the core IT offer. While you could argue people could work on a laptop, from a health and safety view you can’t.”

Mark Blakeman, Director of Corporate Operations,  
NHS England and NHS Improvement

The call for organisations to provide the equipment staff need to work remotely is clear. And while they’re at it they might want to subsidise their employees’ connectivity too.



16%

of 18-34-year-olds lack confidence with remote working technologies

Only 10%

of over-55s say the same

18-34-year-olds are twice as likely as their older colleagues to have a poor broadband connection at home (13% compared to 7% of those aged 35+)

If employers end up supplying better connectivity, laptops, screens and mobile phones, what about desks and office chairs?

Will more organisations start to offer potential recruits and existing employees an 'office upgrade allowance' account to ensure their home office set up is as conducive to great work as it can be?

As organisations increase their investment in digital transformation strategies to capitalise on the benefits of hybrid working, they also need to invest in face-to-face management and the technologies (and home office setups) that enable each individual to perform at their best.

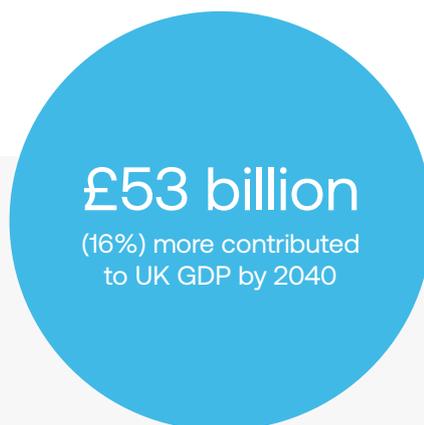
“The future is already here – it’s just not evenly distributed.”

William Gibson, Writer

# Chapter 6

## Which sectors and industries are leading the way?

*Different sectors, different sizes of organisations and even different regions all approached digital transformation differently during the pandemic. But it's actually public sector investment that will have the biggest long-term impact on the UK economy*



### 6.1

#### Health

Digital progress accelerated by  
**4.6 years**

**37%**  
have changed how they deliver digital services

**32%**  
have changed how they use data

**7%**  
increase in patient satisfaction levels

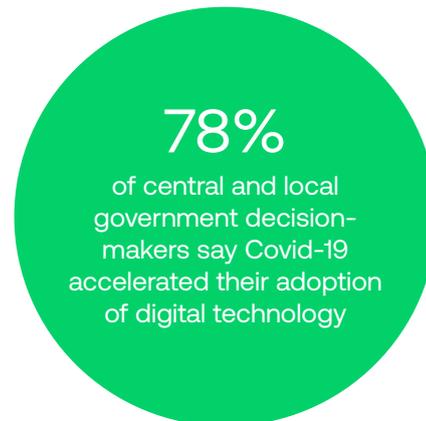
## 6.2

### Public sector

The public administration and defence sector accelerated digital progress by 4 years

... and saw the biggest change to new working policies vs. other sectors...

**...potentially adding an extra £37 billion to UK GDP (29% growth) by 2040**



“Previously we would’ve taken three weeks to clear 400 applications from landlords. When we automated the clearance process, we had 80% cleared in three hours, freeing our staff up to focus on the complex ones that needed a conversation.”

Stephen Moir, Edinburgh City Council’s Executive Director of Resources, 2020

“Government is often considered less efficient at adapting to changes than the private sector, however in this case the evidence suggests that the importance of rapid digital adoption means that has not been the case.”

Cebr, 2021

## 6.3

### Justice

Digital progress  
accelerated by  
**5.3 years**

Sector predicted to grow  
**7%**  
by 2040 as a result



“Cloud Video Platform has gradually emerged as the court service’s platform of choice for remote hearings. We expect the roll out of this solution to continue at pace.”

Jonathan Scarsbrook, Technical Director and partner, Irwin Mitchell, 2020

## 6.4

### Education

24%

increase in technology investment vs. 2019

Digital progress accelerated by

2.9 years

Sector predicted to grow 7%

£9.9 billion

by 2040 as a result



“There has been innovation the likes of which we’ve never seen before. Ordinarily that would’ve taken five to ten years to develop.”

Fran Hargrove, Haringey Education Partnership Lead on School Improvement, 2020

## 6.5

### Professional services

Digital progress  
accelerated by  
**2.6 years**

**76%**  
say Covid-19 accelerated their  
adoption of digital technology

Sector predicted to grow 4%  
**£19 billion**  
by 2040 as a result



## 6.6

### Retail



Digital progress  
accelerated by  
**2.7 years**

**13%**  
increase in technology  
investment vs. 2019

Sector predicted to grow 5%  
**£21 billion**  
by 2040 as a result

**“We went from zero online sales to almost £250,000 a week in barely a month.”**

Chris Francis, Retail Director,  
Hillier Nurseries & Garden Centres, 2020

## 6.7 Construction

Digital progress  
accelerated by  
**2.6 years**

**14%**  
increase in technology  
investment vs. 2019

Sector predicted to grow 2.1%  
**£4 billion**  
by 2040 as a result



## 6.8

# What about company size?

### Small

organisations (10-49 employees)  
accelerated digital progress by 2.25 years

### Medium

organisations (50-249 employees)  
accelerated digital progress by 3.6 years

### Large

organisations (250 employees or more)  
accelerated digital progress by 4.3 years

### Covid-driven digital change by sector

	Construction	Education	Health	Professional Services	Public Administration and Defence	Retail
<b>Spend increase (2020/21 cf 2019)</b>	14%	24%	17%	17%	22%	13%
<b>Average number of years of technology adoption acceleration</b>	2.6	2.9	4.6	2.6	4	2.7
<b>Estimated digital transformation uplift to the UK Economy by 2040</b>	£4bn	£10bn	£53bn	£19bn	£37bn	£21bn

Cebr, 2021

# Chapter 6

## Next steps

As lockdown approached in March 2020, digital transformation plans that would normally involve months or years of evaluation, integration, tests and user feedback had to be rolled out immediately.

Many office-based organisations had to adapt to operating with 100% of their employees based at home.

Often for the first time ever. And with no rehearsal.

But what most organisations learned is that not only was large-scale hybrid working possible – it could actually be a blessing in disguise.

Couple that with the creation of more digital services and better use of data forced by the pandemic and one thing becomes clear:

Necessity truly is the mother of invention.

Many employees seemed to like their new responsibilities. And their new independence. Customers approved too.

And in many cases digital transformation has opened up new possibilities and markets.

Possibilities to recruit from a more diverse and talented pool. Possibilities to sell to customers further afield. Possibilities to improve productivity, happiness and customer service at the same time.

Cebr's work for Virgin Media O<sub>2</sub> Business shows that digital transformation projects like hybrid working, increased digital delivery of services and better use of machine learning and data can grow entire sectors.

And all this change could grow GDP by £236 billion over the next 20 years.

But hybrid working needs to be well-managed. Employees – in particular younger employees – are clear that they need clarity about what hybrid working really means in their organisation. And they still need face-to-face time with their teams.

Our research into Covid-driven digital change shows that organisations nationwide can thrive and grow if they introduce clear hybrid working policies, ensuring they provide the right equipment for their teams to work individually and collectively just as effectively from a coffee shop as from the head office.

In addition to boosting our economy, digital transformation has already increased access to employment and started to improve the nation's health and environment.

**We're ready to play our part in upgrading the UK.**

**Want to know what that means for you?**

**Let's have a conversation.**

# The £236 billion opportunity born from accelerated change across the UK



According to this report, supported by the Centre for Economics and Business Research (Cebr), the pandemic has accelerated the UK's adoption of digital solutions by an average of three years. Across public and private sector organisations this will deliver a GDP increase of £236 billion by 2040.

But opportunity doesn't just happen. The last 18 months have seen the hard work of many organisations across the UK digitally enable their people and their customers. It was driven by a need to adapt. To survive. To bring forward plans and turn discussions into actions. Quickly. Whether it was a need to move office-based workers to work from home or to provide the connectivity options to connect customers via new digital services, we were proud to have helped, to have supported and provided the means to accelerate those necessary changes.

As Virgin Media O2 Business we have brought together the strength, knowledge and capability of two organisations. Ready to support the next phase for organisations across the UK. Ready to support employees looking to work wherever they work their best, opening up opportunities for diversity and inclusivity. Ready to support the expansion of digital services to deliver enhanced employee, customer and citizen engagement. Ready to dive deeper and help analyse the data and insights that helps organisations make better decisions.

We plan to invest £10 billion over the next five years to help UK organisations deliver on the needs of flexibility, agility and responsiveness. You focus on your core business. We focus on securely connecting you to the data, people and things your people and customers need via our mobile, fixed and cloud solutions. And because we've combined our partner networks too, you get access to an even wider and richer pool of specialist skills, knowledge and tools. All through one provider.

- Fixed network covering 15.5 million premises
- 99% 4G mobile population coverage
- Net zero carbon operations by 2025
- UK's fastest widely available broadband
- 5G in around 200 towns and cities
- Gigabit speeds on 100% of fixed networks by end of 2021

## How we help our customers

It can never just be about the technology. Instead we appreciate that your organisation is unique. You have your own strategic objectives. Your own core culture. And this determines how you want your people to be enabled. How you want to be seen in the market by your customers or citizens and competitors. It's then that we use the combined power of our fixed and mobile networks, people and partnerships to help you get from where you are today to where you want to be tomorrow in the way that suits you best. All while delivering on industry-leading net zero goals to help deliver on your own environmental objectives.

We help you enable new ways of working, deliver more digital services and make better use of data insights – the three key areas our Cebr report says will grow GDP by 6.8%.

And we go out of our way to make sure you get the experience you want for yourself, your people and your customers.

**You ask. We deliver. Together.**

For any questions about this report or media enquiries please [contact us here](#)



**Business**

To read the full Cebr findings [click here](#)