

INSIGHT

Digital transformation in government – lessons from the UK Yvonne Gallagher, Digital Director – June 2023

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About the NAO



The UK's independent public spending watchdog

We support Parliament in holding the government to account and we help improve public services through our high-quality audits.

Our people are experts in a wide range of specialisms. We work together to audit public spending and share our insights to drive improvements in the public sector.



Recap: The challenges in implementing digital change



25 years of digital transformation strategies

The repetition of themes indicates slow progress despite the consistency of ambition

96 – Government Direct		2005 – Transformational Government		2010 – Government ICT Strategy		2011 – Government ICT Strategy		2017 – Gov. Transf. Strategy		2020 – National Data Strategy		
sability	User email facility to comment on the	Usability	"Services ba IT designed	around	Usability	"Faster, better services"	Usability	API tools to enable users to access	Usability	"User centred services"	Usability	Deliver better services and operations for their
ficiency	service provided "World standard	Efficiency		citizen or business" "Efficiency of	Efficiency	"Smarter, cheaper, greener"		information on a range of national and local services	Efficiency	Improved, and money		users
	quality, efficiency and value for		corporate servi and infrastructu		Shared infrastructure	Common infrastructure to	Efficiency	"Reduce waste and	Shared	saved Cross-	Efficiency	"Use of data to drive efficiency and improve public
nared	money" Common facilities	Shared infrastructure	"Joined-up shared government"		inirastructure	enable local delivery, local		ICT project failure" "Create a common	infrastructure	government flexible digital		services"
frastructure	and data	Legacy systems	"Remove old			needs	infrastructure	ICT infrastructure"	istructure"	infrastructure	Shared infrastructure	"Removing the barriers to
egacy stems	Exploits world class private sector		custom-built, obsolete and costly	·	Legacy systems	"Interoperable – supporting the	Legacy systems	Legacy ICT systems have acted as	Legacy systems	"Overhauling legacy		data interoperability"
	telecoms infrastructure		to maintain technologies"			transition from legacy systems"		barriers		technology"	Legacy systems	 Recognises the obstacle of legacy systems
	odernising Governmer	nt 2009										
Usability	White the latin second second		9 – Putting the fr			Strategic Impl	nment ICT Strategy: ementation Plan		ent Digital Strateg	,	2019 – Government Innovation Strategy	
	people's lives	vices to Usa "	bility		of users at the hear	Strategic Impl		Usability	ent Digital Strateg Access to inform services in ways to the users, not	ation and convenient	Innovation Strategy Usability "7	
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Digital programmes and major infrastructure projects have differences and need different treatment



Digital

- Services, people, systems, processes, data
- More than business cases/time/cost/benefits
- The end result is often • intangible
- The 'how' involves data, • architecture and attention to detail
- Focus on complexity many 'unknown unknown' risks due to integrating new with old

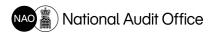
Infrastructure

- Roads, bridges, hospitals, construction etc.
- Business cases/ time/cost/benefits
- The end result is concrete and can be visualised from the outset
- Focus on risks these are generally known

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We are now seeing infrastructure programmes which involve technology. This has added complexity because it requires integration (e.g. Crossrail)





6 challenges in implementing digital change

- We wanted to look at why, despite successive strategies and no shortage of good practice, it is difficult to land large-scale digital change successfully
- At the vision and strategy stage
 - Avoiding unrealistic aims, ambition and risk
 - Pitfalls of engaging commercial partners too early
 - Recognising and dealing with legacy and data constraints
- Starting off on the right footing
 - Sufficiency of digital business and technical skills capability
 - Avoiding simplistic agile thinking and ignoring complexity
 - Ongoing funding mechanisms that address RDEL needs





Government digital and data roadmap 2022-25 ≡

🃾 GOV.UK	✓ Topics ✓ Government activity Q
Home > Roadmap for digital and	data, 2022 to 2025
Central Digital	
& Data Office	
Policy paper	
	ning for a digital future: 2022 to
	dmap for digital and data
Published 9 June 2022	
Contents	Foreword from the Parliamentary Secretary
Contents Foreword from the Parliamentary Secretary for the Cabinet Office. Heather	Foreword from the Parliamentary Secretary for the Cabinet Office, Heather Wheeler MP

As set out in a <u>report</u> by the National Audit Office in 2021, previous attempts at digital transformation in government have had mixed success. Previous strategies have lacked specificity, cross-government endorsement, clear lines of accountability and business ownership. Subsequently, former flagship programmes have slowly shut down and failed to deliver results. The roadmap's 6 missions set out to address the challenges:

- Transformed public services (starting with the top 75)
- GOV.UK One Login
- Better data
- Efficient, secure and sustainable technology
- Digital skills
- System reform that unlocks transformation (finance, procurement, policy, assurance)

Message from Paul Willmott, Executive Chair, Central Digital

About the government's 2022-

25 Roadmap for Digital and

and Data Office



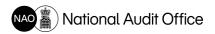


A reminder of the barriers...



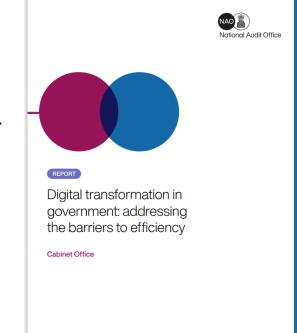
- Government's operational services
 need modernising
- Front end improvements are important but these are often layered onto existing services
- Services need transforming to achieve 'world beating' aspirations for services and joining up the data
- Data is key both because of the scale (national level) and quality
- Efficiency is also key detailed cost of services are needed to prioritise those that need to be transformed





Addressing the barriers to efficiency

- We evaluate government's approach to addressing the underlying issues of why past attempts at digital transformation have run into problems
- Efficiency is a significant driver: central government departments spend over £400bn annually on the day-today running costs of public services, grants and administration
- We focus on:
 - the approach to transforming government
 - how the Central Digital and Data Office, its Roadmap and departmental leaders will support and promote this
 - whether senior business leaders across government have a suitable level of digital capability



SESSION 2022-23 10 MARCH 2023 HC 1171





Key findings – legacy services and efficiency

Legacy services

- Tackling legacy needs effective long-term leadership and resourcing
- Those responsible for large-scale programmes must understand the complexities presented by the existing legacy environment
- Good quality data is required for providing services to the public and departments need to address the existing constraints

Efficiency

- Assessing the full end-to-end costs (including people and process) of legacy services is key to making successful bids for resources
- A single senior owner for each service would enable departments to form a complete and joined-up view of their services and associated costs



Key findings – leadership and system reform

Leadership, skills and capacity

- Senior non-specialist government leaders need sufficient know-how to drive digital change but may not consider themselves to be de facto digital leaders
- There is a major digital skills shortage at the specialist level and if this persists government may need to review its capacity to fulfil planned activities

Reform at the centre of government

- Digital change requires specific ways of investing, funding and procuring digital services
- Progress on central reforms will depend on significant leadership to gain the support of other government professions, including policy, finance, commercial and assurance



Policies and procedures designed for infrastructure programmes are not well suited to digital



Funding

Short-termism and difficulty of ongoing funding

Bias for capital over revenue

False certainties locked in too early

Commercial



Bureaucratic and risk-averse

Inflexible and focus on specification rather than outcome

Heavily driven by economy not effectiveness



Policy

Low policy and digital integration

Legislation hard to implement digitally



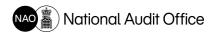
Delivery

Structures and systems hinder flexibility

Generalist skill-sets

Assurance focus on process rather than root causes

Public Accounts Committee session



ALEX CHISHOL

We also really appreciate both this hearing and the Report that we had from the NAO, which we agree with and support.

Indeed, it is one of a series of NAO Reports on digital that have really been very helpful to us in guiding our thinking in this area.



Overall messages

Government is laying **good foundations** but many of the critical and more challenging milestones lie in the future.

Stronger digital expertise and capacity-building, sustained support from the centre of government and the continued goodwill of department senior business leaders are needed to maintain momentum. Departments need to properly understand the **cost of operations** for the entire service including all the hidden costs that arise from inefficient processes.

Digital change requires specific ways of **investing**, **funding and procuring** digital services.

Without these, it is difficult to address the systemic issues and achieve the efficiencies the Roadmap has identified.



