



National Audit Office

INSIGHT

Digital transformation in government – lessons from the UK

Yvonne Gallagher, Digital Director – June 2023



About the NAO

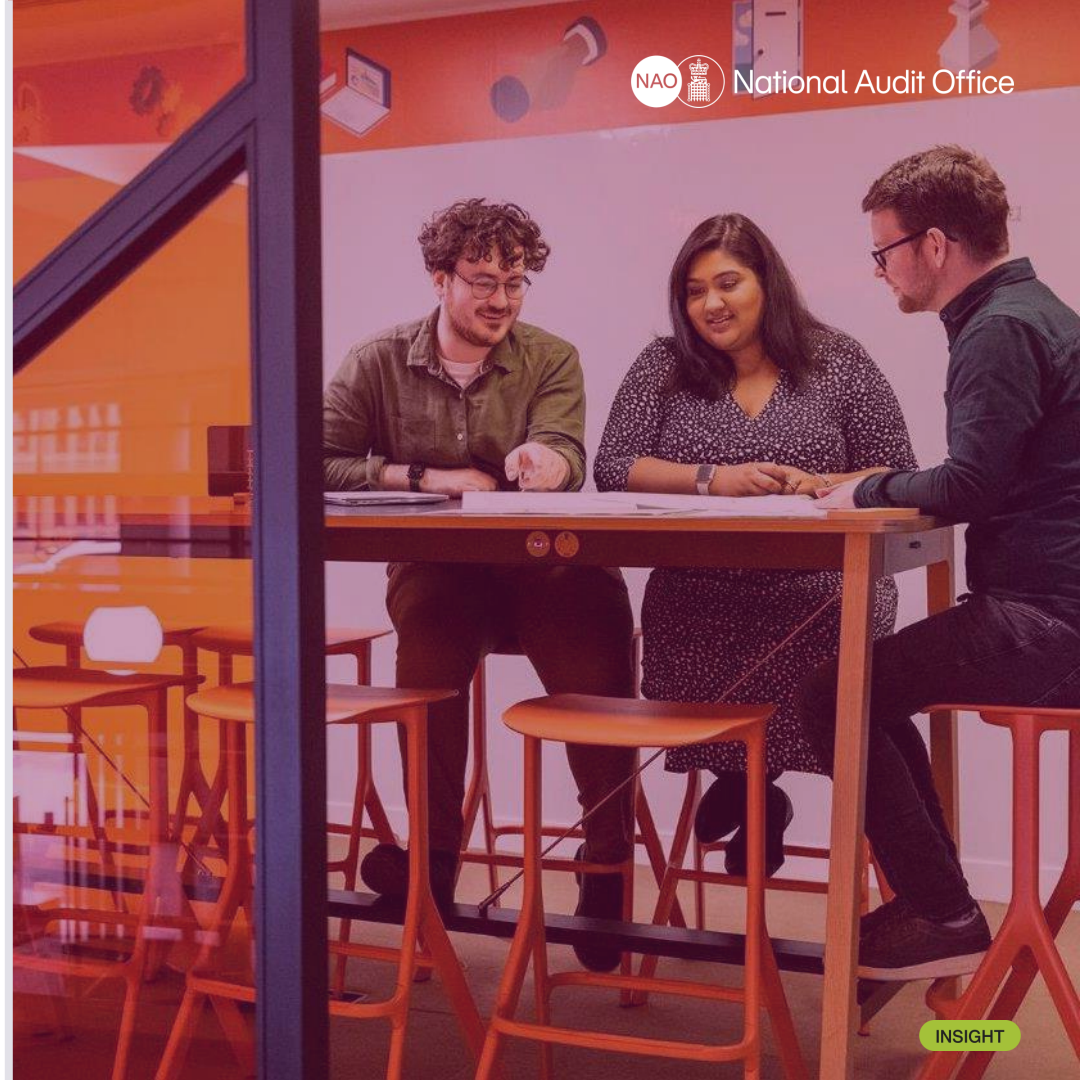
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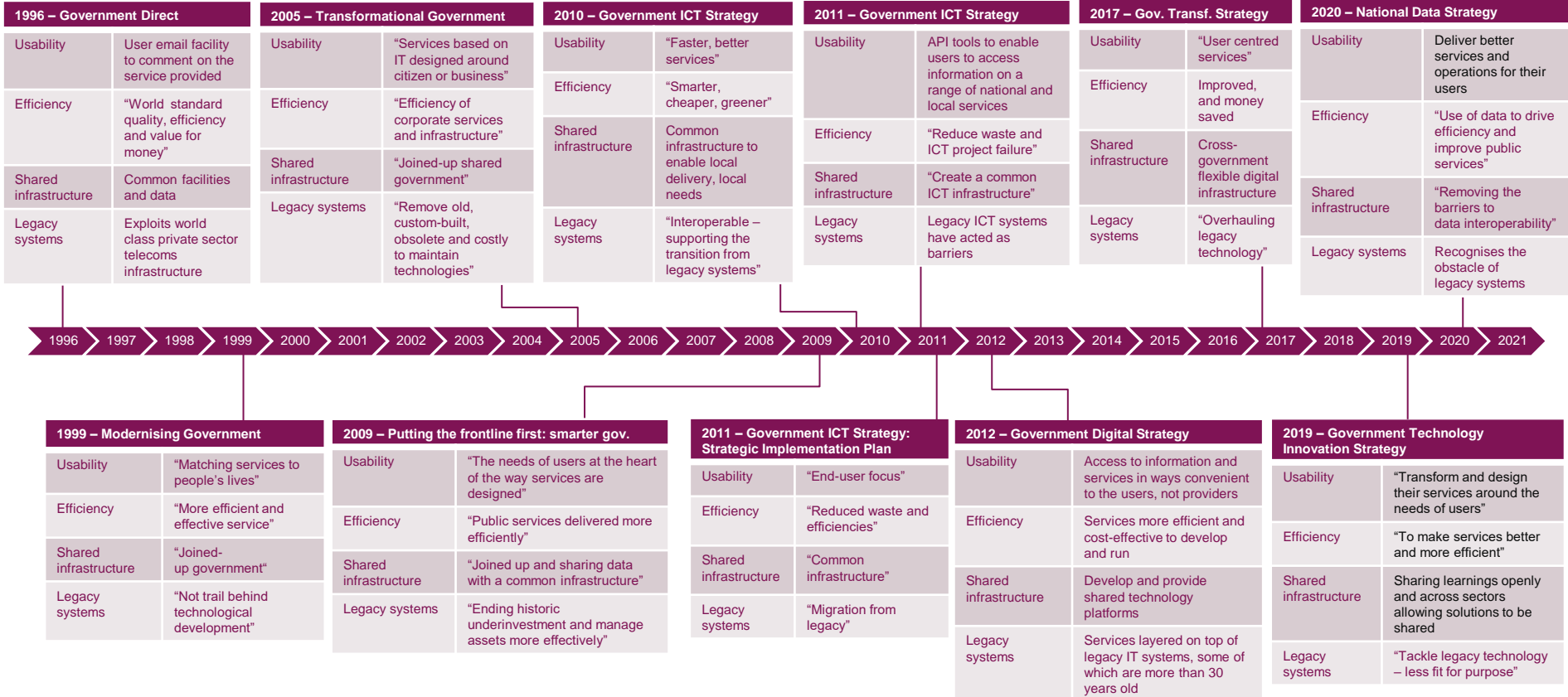
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Recap: The challenges in implementing digital change



25 years of digital transformation strategies

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



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

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
🔍

Home > Roadmap for digital and data, 2022 to 2025


 Central Digital & Data Office

Policy paper

Transforming for a digital future: 2022 to 2025 roadmap for digital and data

Published 9 June 2022

Contents

- Foreword from the Parliamentary Secretary for the Cabinet Office, Heather Wheeler MP
- Message from Paul Willmott, Executive Chair, Central Digital and Data Office
- About the government's 2022-25 Roadmap for Digital and

Foreword from the Parliamentary Secretary for the Cabinet Office, Heather Wheeler MP

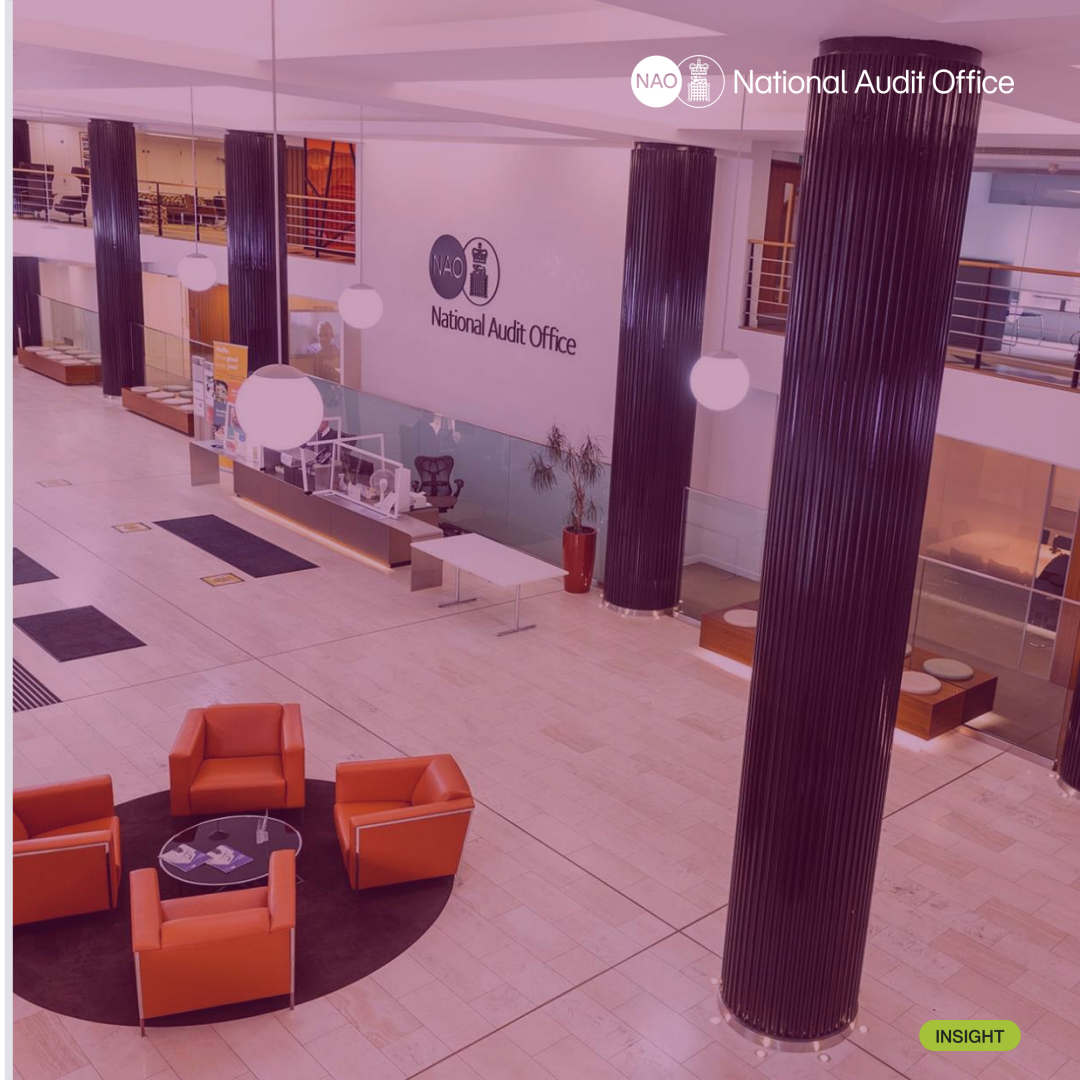
As set out in a [report](#) by the National Audit Office in 2021, previous attempts at digital transformation in government have had mixed success. Previous strategies have lacked specificity, cross-government endorsement, clear lines of accountability and business ownership. Subsequently, former flagship 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)

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Digital transformation: addressing the barriers





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-to-day 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



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



Policy

- Low policy and digital integration
- Legislation hard to implement digitally



Commercial

- Bureaucratic and risk-averse
- Inflexible and focus on specification rather than outcome
- Heavily driven by economy not effectiveness



Delivery

- Structures and systems hinder flexibility
- Generalist skill-sets
- Assurance focus on process rather than root causes



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.



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