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The State and Vision of digital government

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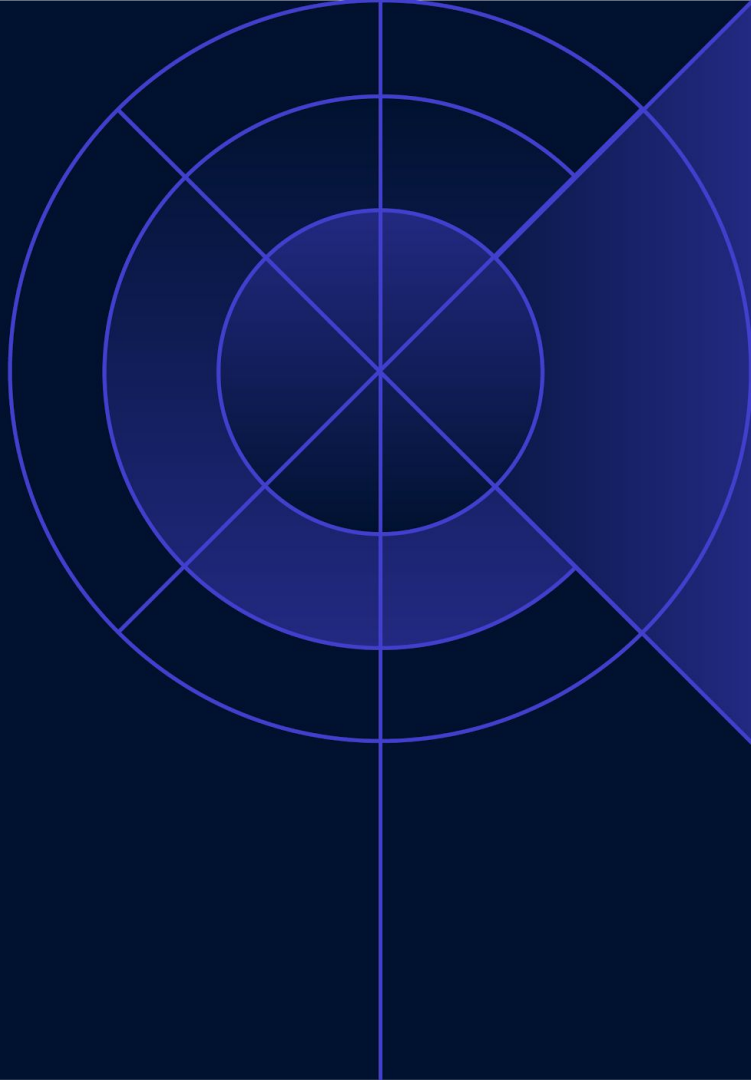
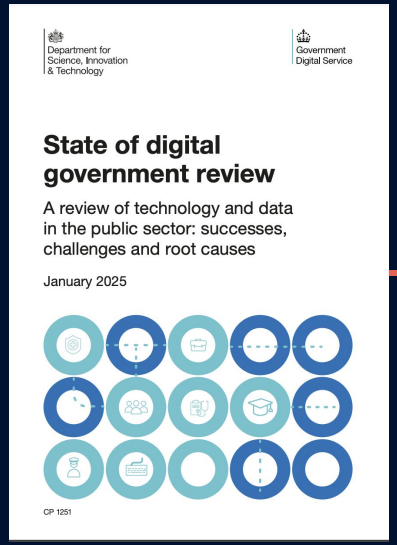
Agenda

1. What's new in digital government
2. Findings from the state of digital government review
3. Overview of the blueprint for modern digital government
4. Things to keep an eye out for
5. Organisational changes

What’s new in digital government

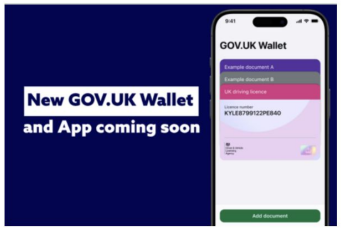


In January, the government made 3 big announcements



A comprehensive review of the state of digital across the public sector highlighting systemic challenges.

A policy brief setting the government's vision and goals for digital government, highlighting policy reforms and organisational changes to get there.



21 January 2025 — Press release

Digital driving licence coming this year

The UK government is launching a GOV.UK Wallet and App to simplify access to services and documents like digital driver's licences, alongside reforms to public sector technology to save £45 billion and drive efficiency and growth.

5 Kickstarter initiatives to 'showcase a new era of digital government'

These have a clear narrative…

The UK has ‘enjoyed periods as a global leader in digital government’, but now we’re lagging behind. Progress over the last 15 years has been uneven, and it hasn’t been fast or systemic enough.

‘[digital teams’] successes are too often achieved despite the system rather than because of it.’

- *State of digital government review, p.4*

…that is reflected in some key numbers

11% **Decrease in satisfaction with public services** in the last decade, from 79% to 68%

10.5 **Days,** the average amount of time an adult UK citizen spends dealing with government bureaucracy every single year.

47% **Of central government services still lack a digital pathway.** Very few services avoid manual processing altogether.

£45b **Unrealised saving and productivity benefits** per year of full digitisation of public services (4-7% of public spend).

Source: State of digital government review

Findings from the state of digital government review

Department for Science, Innovation & Technology

Government Digital Service

State of digital government review

A review of technology and data in the public sector: successes, challenges and root causes

January 2025

CP 1251

The review identifies several systemic challenges

Under-digitisation: only half of public services are digitised.

Institutional fragmentation and duplication.

Persistent legacy: high percentages of their services depend on unsupported, unpatched legacy technology systems.

Cyber and technology resilience risk.

Siloed data between and within organisations

Inconsistent leadership. Most senior leaders don't get the training or preparation they need to run digital organisations.

Diffuse buying power diluting value for money, **outdated funding models**.

Services

Digital services are not keeping pace

- Many services have a **modern digital frontend** but rely on **inefficient manual operations** — e.g. requiring caseworkers to re-enter information into multiple systems .
- **Outdated legal or policy requirements**, such as the need for physical signatures or in-person interactions, **prevent digital solutions** — e.g. registering a death.
- **Public sector organisations are fragmented**, leading to duplication of effort, services, and systems. Users need to navigate the gaps between multiple services for basic life events.

Non-digital services come at a price. The full potential digitisation of public sector services could bring over £45 billion per year in unrealised savings and productivity benefits, mostly from reducing manual processes and minimising losses from fraud and error.

'Managing a long-term condition or disability requires interaction with more than 40 services across 9 organisations'

Tech

Technology is old, expensive, and fragmented

- **Legacy technology is a common issue.** An average of 28% of central government's tech estate are classified as legacy. The number ranges between 10-60% across departments.
- **Legacy technology is expensive in the long term.** Maintaining legacy systems costs 3-4 times more than modern alternatives.
- **Institutionalised fragmentation drives duplication.** Most public sector organisations implement unique, non-reusable solutions. There is an appetite for building new systems over improving existing ones.
- **Cloud adoption is inconsistent** and mostly happens in central government. Public organisations typically source their own cloud provisions.

'In 2021, there were 44 different accounts across government and 190 authorisation services.'

***Legacy system:** CDDO defines a system as legacy if it is based on an end-of-life product, out of support from the supplier, impossible to update, no longer cost-effective, or considered to be above the acceptable risk threshold. This is a narrower definition than that of the private sector.*

Cyber

Cybersecurity is an increasing concern

- 'The government faces a **critically high risk from cyber threats**, yet many public organisations are currently underprepared. Heightened geopolitical competition and the use of AI risk making this threat more acute.'
- In 2024, the National Cyber Security Centre (NCSC) responded to 50% more nationally significant incidents compared to 2023, with a 3x increase in incident severity.
- **The large number of systems and high levels of duplication** create a broader attack surface, which increases vulnerability to cyber threats.
- **Outdated legacy systems** also increase cyber vulnerabilities.

‘Many of the core networks are so chronically obsolescent that they cannot satisfy basic cyber [security] or functionality requirements.’

Data is siloed

70% of respondents say that their **data landscape is not well coordinated, interoperable, or enables a unified source of truth**.

Why?

- **Across departments:** technical limitations, legacy systems, risk-averse cultures, unclear regulations, and different governance standards.
- **Within departments:** sometimes, data provided by one organisation will not even be 'shared back with them'. Concerns over data accuracy, reputational damage, fraud risks, and limited data management capabilities.
- **At the local level:** councils struggle with legacy suppliers and/or the high costs of APIs.

This **limits the use of AI**, when there are already over 140 use cases identified across central government.

Good to know: *the MOJ has developed* ***Splink****, an open-source data matching product which can link a million records a minute for justice use cases.*

People

Digital skills are undervalued

- **Digital leadership is not a consistent priority:**
  - Many leaders with delivery experience lack technical expertise;
  - There is a culture gap between policy and digital professions; and
  - Digital leaders are not well represented at the executive level.
- The digital and data workforce has an **oversupply of project managers and other non-technical functions** relative to the supply of technical roles.
  - High-performing private sector organisations have a ratio of 4:1 technical to non-technical roles. In the Civil Service, the current ratio is closer to 2:1.
- **Uncompetitive, low pay** compared to the private sector is driving the recruitment issues faced in government: there is a 35% pay gap for technical architects in the public compared to private sector.
- **Performance management frameworks are underused** with very few individuals identified as underperformers.

The digital supply chain is inadequate

- **The lack of a coordinated digital sourcing strategy limits public sector purchasing power**. Organisations buy their systems and services separately, missing volume discounts and opportunities for integrations.
- Commercial teams in the public sector have **insufficient digital expertise**. Digital teams have limited **commercial skills**, impacting their ability to monitor supplier performance.
- The technology market has moved from a capital purchase model (on-premises and owned technology) to a subscription-based model (building internal development teams and buying services). These shifts have changed the technology supply chain, but the **government's procurement and supplier management processes have not adapted to this market shift.**

Each of the NHS's 209 secondary care entities and each of the 320 councils largely negotiates and buys its own infrastructure.

The UK government's funding model is unfit for digital delivery

- The Green Book requires **outlining full costs and requirements** for several years, while digital delivery is iterative.
- Digital services require **ongoing funding** of persistent teams that build new functionality and bring continuous improvement.
- Treasury guidance fails to account for the **risks of underfunded legacy systems** and long-term productivity gains from investments in data and emerging technologies.
- The application of existing Green Book processes **drives up the costs of developing business cases** as well as the time taken to secure approval.

'The approach to funding does not work for digital services. It makes decisions too strongly too early and does not promote the iterative funding required for modern services'

The public sector relies heavily on third parties

Out of the £26 billion of public sector digital and data spend in 2023, **55%** (£14.5 billion) was spent on contractors, managed services providers, and IT consultants.

The average contractor in central government costs **3x the average civil servant per year.** The use of contractors and other temporary staff also **hinders retention of institutional knowledge**.

Why is this happening?

- headcount restrictions;
- technical skills gaps and uncompetitive salaries; and
- funding issues: permanent staff is costed under resource, day-to-day, costs, while consultants are under capital funding. Capital funding budgets are typically ‘easier’ to secure versus budget to hire permanent staff.

All of this is summarised into 5 root causes

The review has identified five fundamental root causes of the current state of digital government:

1. Leadership
2. Structure
3. Measurement
4. Talent
5. Funding

Overview of the blueprint for modern digital government

Department for Science, Innovation & Technology

Government Digital Service

A blueprint for modern digital government

A long-term vision for digital public services, a six-point plan for reform, and the role of the new digital centre of government

January 2025

CP 1252

The government's vision enables five outcomes

- **Easier lives:** reduce the 'time tax' on people using public services; envision public services to be more proactive, joined up, and inclusive.
- **Faster growth:** improve services for businesses; make it easier to work with government.
- **Firmer foundations:** reduce duplication, fragmentation, and waste; understand risks; publish performance and progress.
- **Smarter organisations:** help digital agile teams access skills and support; bring together policy and delivery; have the right mix of internal teams and external suppliers.
- **Higher productivity and efficiency:** reduce the cost of delivery through AI and automation; tackle waste and fraud; improve satisfaction by focusing staff's time on the 'human' aspects.

A six-point plan for public sector digital reform

1. Join up public services.
2. Harness AI for the public good.
3. Strengthen and extend our digital and data public infrastructure.
4. Elevate leadership, invest in talent.
5. Fund for outcomes, procure for growth and innovation.
6. Commit to transparency, drive accountability.

Services

Tech

1. Join up public services

- Enable personalised user interactions across multiple channels scaling common infrastructure;
- Create a shared digital workplace for public servants to access the latest AI and productivity tools;
- Improve digital access and support the digitally excluded.

Key priority reforms:

Introduce a **Digital Wallet** to store government credentials. Require services to issue a digitally verified credential alongside paper credentials or proof of entitlement by the end of 2027;

Establish a **‘once only’ rule**, so that if people have provided information to one service, it can be reused by others with appropriate safeguards;

Work towards **all legislation being ‘digital ready’**;

Stand up a new **Service Transformation Team** to look at whole public sector service transformation and the improvement of priority services.

Tech

2. Harness AI for the public good

- Embed AI and automation in common products and platforms;
- Use the AI Incubator (i.AI) to build and test AI tools to boost public sector productivity;
- Provide guidance for best practices in trust and responsibility, and manage the environmental impact of AI and other technologies.

Key priority reforms:

Expand the work of the Incubator for AI (i.AI) to provide **rapid prototyping and innovation** focused on public sector productivity;

Create an **external Responsible AI Advisory Panel** and a dedicated in-house team. Build and convene **AI and data communities of practice**;

Develop a **sourcing and procurement framework for AI**.

Tech
Cyber
Data

3. Strengthen and extend our digital and data public infrastructure

- Build on GOV.UK One Login to create an equivalent for businesses.
- Improve data infrastructure, to help teams access shared technical components and data — e.g. a single unique identifier for children.
- Strengthen cybersecurity and national technical resilience, focusing on safeguarding key services.

Key priority reforms:

Create the **National Data Library,** to find and reuse data across public sector organisations;

Introduce a **Digital Backbone**: the integration, orchestration, and instrumentation technology needed to share capabilities and build end-to-end journeys;

Mandate the publication of **a standard set of APIs** and events by public organisations;

Develop and implement a **more interventionist model for cyber security** and technical resilience. Deploy a new vulnerability scanning service for the public sector.

People

4. Elevate leadership, invest in talent

- Update the curriculum and learning programme for senior leaders.
- Improve digital, cyber security, and AI understanding among non-specialists by integrating standards and learning into all professional curricula.
- Recruit against skill gaps and develop a future pipeline of digital experts.

Key priority reforms:

Assess employment models to **attract expert digital talent**, including assessing the overall package for digital and data professionals;

Require that all public sector organisations have **a digital leader on their executive committee** and a **digital non-executive director** on their board by 2026;

Establish a dotted reporting line to the Government Chief Digital Officer (GCDO) for all CDIOs in central government. Raise the status of the **GCDO role to Second Permanent Secretary-level**.

Supply chain

Funding

5. Fund for outcomes, procure for growth and innovation

- Work with HM Treasury to reform the government's funding approach. Work with the Government Commercial Function to maximise the potential of public procurement. Negotiate whole-public sector agreements.
- Streamline governance and approvals to enable agility and iterative delivery.
- Use funding to address service resilience, cyber security shortfalls and technical debt.

Key priority reforms:

Launch **tailored funding models for digital products and services**, legacy remediation and risk reduction, and staged, agile funding to enable exploratory work with new technologies;

Expand the use of performance-based, **outcomes-focused** funding models, accelerate the shift to **continuous funding** of persistent, multidisciplinary product teams;

Define a comprehensive **sourcing strategy** for what we build and buy and how we partner;

Launch a Digital Commercial Centre of Excellence to **support startups and SMEs** to access government contracts.

Services

Tech

Data

6. Commit to transparency, drive accountability

- Build on the Algorithmic Transparency Recording Standard to increase openness about AI usage.
- Design services to give people visibility and control over how their data is used.
- Include diverse external voices in impact assessments for new technologies.

Key priority reforms:

Create an **inventory of services** to measure the progress of service modernisation.

Co-develop a methodology for **measuring administrative burden** including the ‘time tax’.

Require departments to **publish metrics** on their outcomes, including service performance, value for money, resilience, digital inclusion and AI adoption.

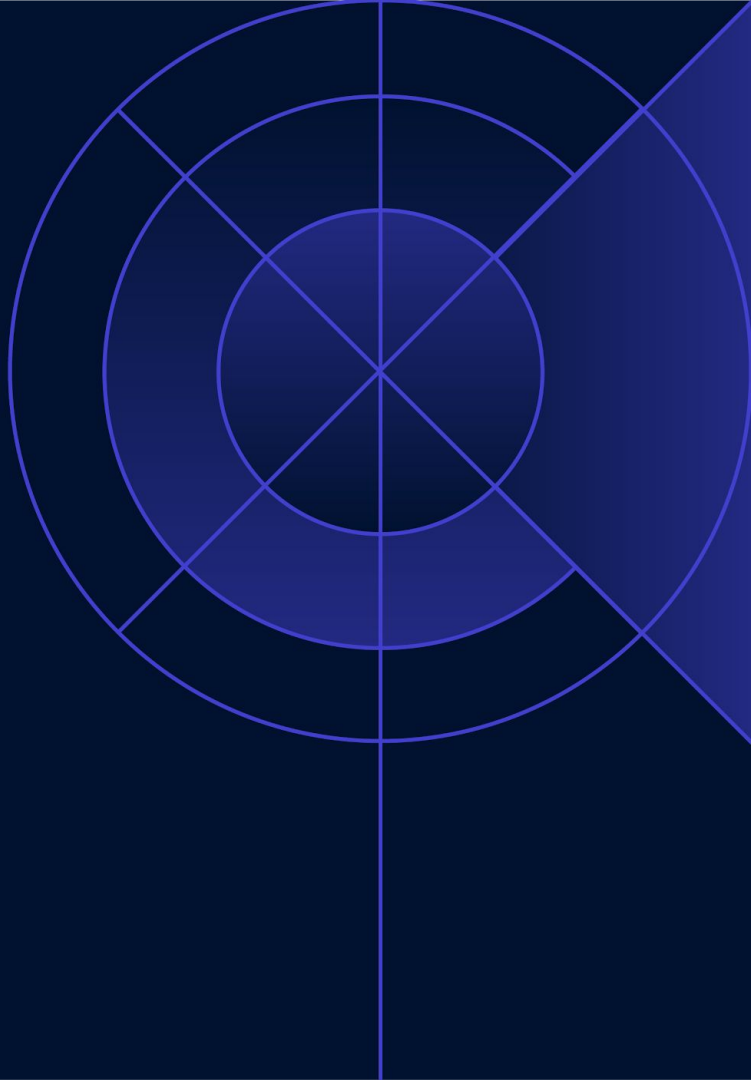
Set an expectation that all central government departments **publish their public-facing product roadmaps** at least annually.

Keep an eye out for:

1. The **Government Digital and AI Roadmap** - summer 2025.
2. Updates on the work with **HM Treasury to take a new approach to digital funding** - Spending Review Phase 2.
3. Some **kickstarter** initiatives:
    a. **A beta GOV.UK App and GOV.UK Wallet**, enabling verifiable digital credentials.
    b. **A pilot GOV.UK Chat**, an LLM-powered chat user interface for GOV.UK that resolves complex queries using natural language.

Organisational changes

The ‘**new digital centre of government**’ is now called **Government Digital Service (GDS)**

- It sits within the Department for Science, Innovation and Technology (DSIT).
- **CDDO and GDS are back together**, together with teams from the Incubator for Artificial Intelligence (i.AI), the Geospatial Commission and parts of the Responsible Tech Adoption Unit.
- The new GDS is also in charge of incubating AI products, and scaling these into cross government services.

Thank you