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Digital transformation in central government – the challenges

A KPMG and Forrester study

The UK central government sector must enhance its digital transformation efforts

As the digital landscape evolves, central government face a pivotal moment for self-reflection and change. A strategic evaluation of current digital transformation activities and how to improve them becomes imperative.

Central government departments increasingly want to adopt industry-specific solutions to speed up digital transformation and focus scarce resources on citizen-centric programs over costly legacy technology debt.

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Key Findings

The UK central government has a significantly low level of digital maturity. Only 18% of UK central government decision makers consider their digital transformation completely successful.

The sector is facing severe obstacles to success. Decision makers in central government admit a lack of technology strategy (43%), organisational silos with conflicting priorities (43%), as well as budget constraints (43%).

Central government organisations have experienced some impact from digital transformation success. Decision makers have experienced a positive effect on digital practices after implementing the use of cloud wherever possible (59%), working with third-party service providers (51%), and using an agile process (51%).

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Challenges preventing departments from achieving successful digital transformation

1. Technology	**43%** Lack of technology strategy		**14%** Legacy technology		**29%** Complex software and technology
2. Process	**36%** Security		**43%** Organisational silos with conflicting priorities		**29%** Sharing data or drawing insights across departments
3. People	**36%** Lack of technology-specific skills or knowledge		**29%** Lack of training		**36%** Available time for employees to devote to digital transformation
4. Governance	**43%** Budget constraints		**29%** Lack of a formal system to prioritise digital transformation activities		**29%** Sharing data or drawing insights across departments

Base: 53 decision-makers in the UK public sector involved in digital transformation decisions Source: A commissioned study conducted by Forrester Consulting on behalf of KPMG, October 2023

The status of digital transformation

- **There is still a long way to go.** Only a few decision makers are completely satisfied with their digital transformation journey. Many will increase efforts to meet their digital priorities.

- **The UK public sector still struggles with the basics.** Organisations face beginner-level challenges such as a lack of technology strategy, budgets, and skills.

- **Decision makers recognize they need help.** Many respondents will increase the budget to work with third-party service providers and expect them to be able to meet their evolving needs.

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