



Digital transformation in the public sector – the challenges



A KPMG and Forrester study

The digital maturity of public sector organisations is low, according to new research conducted by Forrester on behalf of KPMG. It highlights the challenges facing technology leaders as they seek to accelerate digital transformation of UK public services.

As the digital landscape evolves, the UK public sector faces a pivotal moment for self-reflection and change. A strategic evaluation of current digital transformation activities and how to improve them becomes imperative. Public sector organisations increasingly want to adopt industry-specific solutions to speed up digital transformation and focus scarce resources on customer-centric programs over costly legacy technology debt.

Key Findings

The UK public sector has a significantly low level of digital maturity. Only 17% of UK public sector decision makers consider their digital transformation completely successful.

The UK public sector is facing severe obstacles to success. Public sector decision makers admit lack of strategy, skills, and budget. Current approaches fail due to technology, process, people, and governance issues.

Decision makers in the UK public sector need help with their digital transformation journey. Public sector decision makers plan to increase the budget for third-party services to accelerate transformation (63%).

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Challenges preventing departments from achieving successful digital transformation

1. Technology	49% Lack of technology strategy	37% Complex software and technology	28% Sharing data or drawing insights across departments
2. Process	37% Security	26% Organisational silos with conflicting priorities	23% Lack of agility to adapt to new processes and capabilities
3. People	42% Lack of technology-specific skills or knowledge	37% Lack of training	23% Reactive/risk-averse organisational culture blocking change
4. Governance	44% Budget constraints	28% Lack of a formal system to prioritise digital transformation activities	23% Lack of change management

Base: 148 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.