Embrace your digital citizen

UK Local Government Citizen Experience Excellence 2023 – 24

KPMG. Shaping Citizens' Futures, Together.

Here's what you'll find in this report

Citizen Experience Excellence 2023-24

Foreword

Navigating the balance between cutting costs, enhancing service delivery with new tech like Artificial Intelligence (AI), whilst still maintaining citizen trust, is a formidable challenge for the UK Government and public sector.

Our research this year on public sector Citizen Experience Excellence, shows that while progress is happening, local government services are still designed and optimised in separate silos rather than around citizens' holistic needs, significantly impacting satisfaction.

Increasing numbers of respondents are unhappy with being able to find information and navigate local government services smoothly, leading to a 10% drop in satisfaction from 2021 to 2023.

For the first time in our research, satisfaction with digital interactions is higher than with human contact channels. But digital improvements have primarily occurred for specific departments, products, or services, leading to inconsistent and fragmented experiences. This approach falls short for digital citizens who want seamless journeys tailored to their individual circumstances and needs.

This dissatisfaction underlines the need for a major reshaping of the relationship between citizens and public services. Services work best when they're built around people's needs, not based on the structures and needs of the organisations providing them.

This means a major shift in how services are designed and delivered. We need to constantly improve services to meet the changing expectations of today's digital citizens.

## There is a clear and present opportunity

The good news is that there's never been a better time to take action. Today, we are helping Local Authorities across the UK and globally to quickly create seamless digital experiences for citizens from start to finish, with user friendliness and quality that were unimaginable just a decade - or even five years - ago.

This opportunity is boosted by the rise of the digital citizen, accelerated by the pandemic, which has increased digital literacy among people of all ages in the UK. Now, individuals are more comfortable navigating advanced technologies.

When it comes to embracing digital transformation, our research highlights three key themes that need attention: the balance between cost and value, the crucial role of emerging technologies (such as AI), and the essential element of citizen trust. These themes emphasise the need for an approach that prioritises citizens.
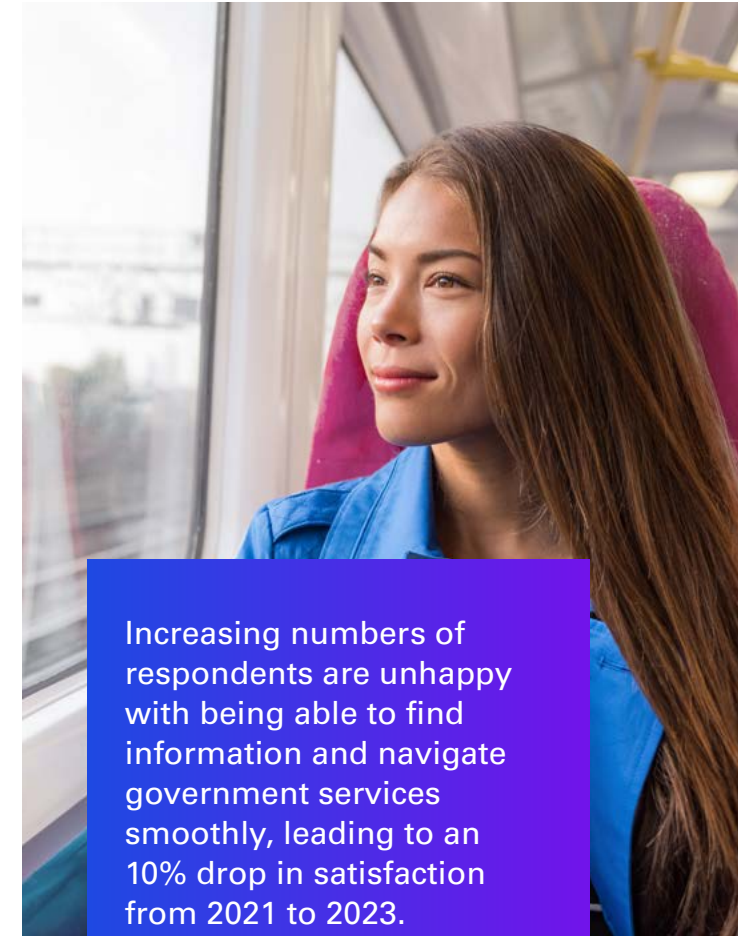
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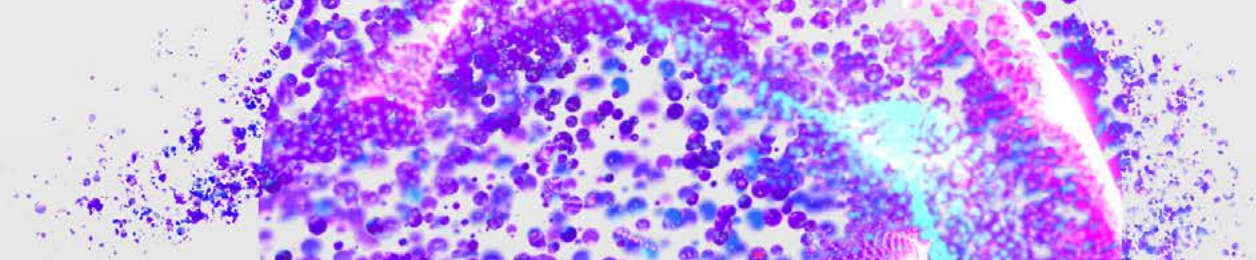
Improved end-to-end citizen experiences lower costs and improve satisfaction

The research indicates that simply fixing the basics will greatly reduce failure demand, resulting in lower service costs and better experiences. Two key areas where focusing on digital solutions can make a big difference are:

Prioritising First Point of Contact Resolution: By ensuring that citizens can resolve their issues at the first point of contact organisations can reduce contact through more traditional, expensive channels. This not only reduces costs, but also enhances efficiency and convenience for citizens.

Proactively Informing Citizens: Keeping citizens informed and up-to-date through digital channels can significantly reduce the need for them to reach out for information or assistance. This proactive approach helps alleviate concerns and frustrations, leading to fewer contacts and smoother interactions overall.

By prioritising these digital solutions, the public sector can streamline processes, lower costs, and enhance the overall experience for citizens.

Technology centred around the citizen will be transformational

In the past, technology posed the biggest obstacle to progress, especially in the public sector with its legacy systems.

However, advancements in connective technologies like Application Programming Interfaces (APIs), microservices, and cloud computing have made it easier to overcome government silos. These technologies enable seamless data-sharing among ministries or departments without sacrificing privacy.

As a result, organisations that have integrated their front, middle, and back-office technologies to facilitate digital self-service for citizens have experienced considerable financial savings and improved customer satisfaction.

Trust has become a key concern

The research shows a worrying decrease in trust in government and its services. Negative news stories consistently chip away at public trust in the entire public sector. 34% of citizens believe that the public sector doesn't prioritise their best interests or those of the community, which significantly harms citizen satisfaction. Our studies uncover a shocking 32% decline in satisfaction levels when this belief persists.

Amalgamating digital transformation, cost reduction, value, new technology, and trust

The successful digital transformation of the UK public sector requires a strong foundation that not only uses technology, but also builds and maintains trust among citizens and stakeholders.

Adopting an end-to-end citizen-centric approach can lead to significant cost reductions by eliminating duplication, errors, overlaps, and handovers.

Implementing AI can specifically eliminate repetitive tasks, freeing up time to enhance service delivery. Additionally, AI technology itself can instil trust through its consistency and accuracy.

However, beyond technology, it's crucial for the public sector to address areas where trust may be compromised. This includes finding ways for technology to replace human interaction seamlessly without losing the personal touch. It also involves recognising the importance of citizen communication and education.

Excellent change management, prioritising addressing citizen concerns and clearly communicating the benefits of new technologies should be central to their seamless implementation.

Iain Gravestock
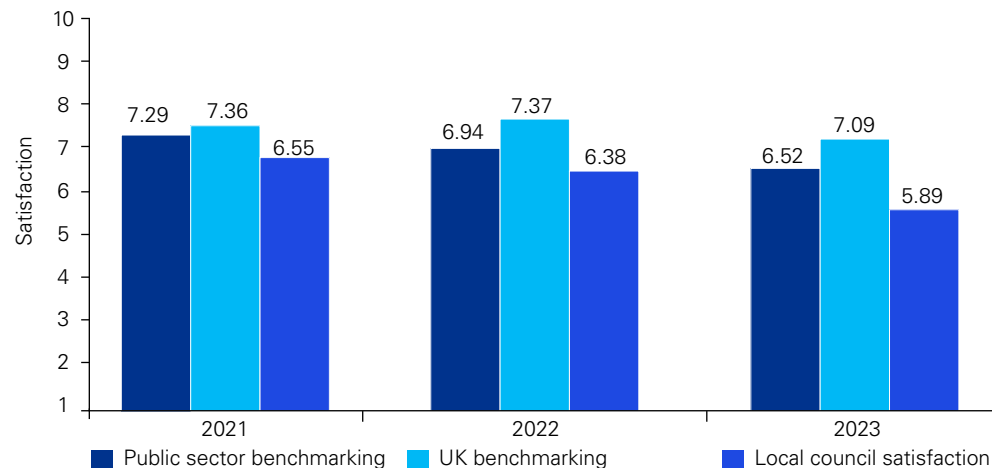Partner, Head of Local Government

KPMG in the UK

Jo Thomson
Partner, Head of Customer Consulting Public Sector

KPMG in the UK

What is Citizen Experience Excellence?

This research is part of the world's largest benchmark of citizen experience excellence, defining what good looks like in every human and digital interaction across our KPMG Six Pillars of Citizen Experience.

Local council satisfaction compared to UK benchmarks

Satisfaction (y-axis)

Year	Public sector benchmarking	UK benchmarking	Local council satisfaction
2021	7.29	7.36	6.55
2022	6.94	7.37	6.38
2023	6.52	7.09	5.89

■ Public sector benchmarking ■ UK benchmarking ■ Local council satisfaction

This year, the research revealed 3 key themes which local government organisations must focus on to close the gap

Balance reducing costs with service delivery	Embrace new technology to enhance delivery	Understand what matters most to build trust
Resolution has the greatest impact on increased satisfaction, causing an increase of **12%** when done well	**8%** increase in satisfaction when citizens use digital channels	**84%** of citizens are confident that their data is secure
However, 47% of citizens could not achieve first contact resolution, decreasing satisfaction by **21%**	However, citizens still use slow, high cost channels over **44%** of the time	**34%** said that the public sector did not act in their best interests, decreasing satisfaction by 32%
Resolution failure in traditional channels is 49% compared to **41%** for digital channels	**7%** better experience when interacting via app than over the phone for those over the age of 55	**38%** of citizens are not clear where they are in the process in accessing or applying for services
36% of citizens are not receiving the value they need from local government organisations due to misaligned priorities	**8%** increase in the likelihood of query resolution when using digital channels compared to traditional channels	**43%** of citizens said they were not proactively informed and kept up-to-date. When this was the case, satisfaction fell by 24%

Deep-dive into local government

Citizen satisfaction with local councils is disturbingly low, marked by a substantial 10% disparity between councils and the public sector average. This gap has increased, widening from 8% in 2022, indicating a worsening disconnection between councils and the communities they serve.

Several critical factors underpin this. Foremost is the lack of effective resolution for simple queries and issues. Financial constraints exacerbate the problem, as dwindling resources for citizen contact and service delivery translate into long wait times and challenges in obtaining timely resolutions. Compounding this, rising citizen expectations, shaped by positive encounters in the private sector, remain unmet by local councils, primarily due to the absence of robust digital channels. The result is often an inconsistent and unsatisfactory citizen experience.

Addressing these challenges requires a multifaceted approach:

Cost and value

The financial hurdles confronting local councils are hampering their capacity to deliver essential services and enact transformative initiatives. Despite the urgent imperative to cater for evolving citizen needs and offer efficient self-service channels, councils are grappling with the allocation of adequate funds. With limited budgets earmarked primarily for basic service delivery, opportunities for transformative investments decline. Without the infusion of additional revenue streams or innovative funding strategies, local councils will continue to struggle.

Technology

Central to the satisfaction issue is the limited accessibility of effective resolution channels. Digital platforms like mobile applications and chatbots give a markedly higher likelihood of problem resolution, with citizens being 11% more likely to find success through them compared to traditional methods. However, due to insufficient awareness and the scarcity of these channels, their utilisation remains below 50% for local government interactions. Cumbersome technology procurement processes, compounded by the protracted duration and volume of diverse technology contracts, further impede the provision of these channels.

Trust

Our research highlights that effective resolution serves as the lynchpin for enhancing citizen satisfaction. When councils excel in this, satisfaction increases by an impressive 17% above the average. However, 50% of respondents lament that councils consistently fall short in addressing their issues. Many perceive their issue to be straightforward and easy to solve, thus escalating frustration. This failure not only erodes trust, but also deepens the gulf between citizens and the council that serves them.

10% Satisfaction decrease (2021 – 2023)

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Case study:

Bournemouth, Christchurch, and Poole Council

Through meticulous planning, Bournemouth, Christchurch, and Poole Council developed an innovative model that revolutionised citizen interactions.

This model ensured that all interventions were expertly handled by the most suitable staff, equipped with the necessary tools and capabilities, at the most opportune times. The citizen strategy encompassed the development of comprehensive service standards and principles, guiding all Service Delivery staff towards meeting best practice and fostering a deep understanding of exceptional service within their respective roles.

This systematic approach ensured consistent delivery of experiences and services that seamlessly aligned with citizen expectations, empowering them to self-serve and engage directly only when necessary.

Meet your digital citizens

Many departments have to date taken an 'inside-out' approach to digitalisation. They've created tools that are designed to make their own lives easier and save money. The emergence of the 'digital citizen' – who is willing and able to self-serve – means this needs to be balanced with an 'outside-in' view.

What does 'outside-in' thinking look like?

To help bring that to life, let's follow two people in different stages of life and see how digital services could improve their experiences. In both cases, digital public services help to alleviate anxiety and dissatisfaction by providing tailored support and resources. They give them quick access to all information and tools they need, empowering individuals to navigate important life transitions more effectively.

Empowering a 66-year-old about to retire:

Anika

"I am 66 years old, living on my own and about to go into retirement. I am anxious and find it difficult to get the services I need; I don't understand why I have to tell different departments the same thing time and time again. I have life-long disabilities and, although I wouldn't say I am up to speed with new technology, I do use my mobile phone and computer to make sure I stay in touch with my grandchildren."

Assisting a 26-year-old transitioning to independent living:

Noah

"After graduating from a local university a few years ago, I carried on living with my parents to save for a house deposit. I just landed a great new job at a technology start-up which means I can finally buy my own place. I have suffered from mental health issues in the past, so it is nerve-wracking moving to a new area and having to contact and use new public services. I don't know how I will manage everything myself whilst balancing the pressure of my new job."

Cost and value ⚖️

What can organisations do?

☀️ Resolution

Treat any contact with the organisation as an opportunity to engage meaningfully and create insight. Deal with issues and complaints consistently and own the resolution and fix with urgency. Utilise digital technology to improve first contact resolution for colleagues as well as online.

💙 Empathy

Bringing data together to avoid citizens having to repeat information and taking a citizen's personal situation into account can improve satisfaction by 13%. Use digital technology to reduce pressure on staff and enable a better, more citizen-centric, working environment.

● Personalisation

Create personalised digital experiences to reduce the need for citizens to contact organisations due to 'just needing to speak to someone.'

What does this feel like for citizens?

Anika:

"My biggest concern going into retirements was being isolated and unable to access the support I need for my disability, especially if my mobility declines. However, accessing my local council using my mobile phone has provided me with support I did not know was possible. I can access personalised guidance which has enabled me to renew my blue badge in a few minutes. Usually I would have had to do this over the phone and wonder if I'd ever get to speak to someone".

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Client insight:

"It's essential that you have a genuine ethos of customer service embedded in the organisation. Get the basics of proper user research and user-centred design right. Structure your services around the citizen – not the organisation delivering them. Build the customer ethos, and support your staff too. When staff engagement rises, so does citizen satisfaction. That's no coincidence – there's a direct link between the two."

Michael Brodie
CEO, NHS Business Services Authority

Technology

What can organisations do?

Personalisation

Harness data and analytics technology to provide citizens with the information that's contextually right for them so they can self-serve. Better understand the citizen circumstances and use this to design end-to-end solutions that guide citizens along their journeys.

Empathy

Utilise new GenAI capabilities to enable citizens to engage with the organisation on their terms and in a way that is natural to them. Define the tone of voice and persona archetype of your GenAI enabled chatbot to forge an emotional connection with citizens.

Time and Effort

Create a single entry point and redesign services and experiences through the eyes of the citizen to simplify interactions and reduce cognitive load.

What does this feel like for citizens?

Anika:

"Accessing services that I haven't used before was causing me anxiety as I haven't had a great experience with other services in the past. However, having access to all the services I need in one place using my phone, from social services to being able to report issues in the local area, has made my life easier. The services are simple and easy to navigate, meaning I get what I need in a few clicks of a button".

Noah:

"Due to my busy lifestyle, my preferences have always been to deal with organisations online at a time that suits me. After moving house I have a large amount of waste in my garden and I have been so impressed with the flexibility offered by my local waste collection services. I was able to book a time slot online and explain the extent of the job. The waste collection team turned up on time and nothing was required from my end meaning I could focus on my first few days at my new job."

Client insight:

"In larger bodies especially, there's an inevitable danger that, as the organisation evolves, some services get so big and complex that they become siloed. As a result, information may not get shared effectively, the citizen has to answer the same questions numerous times and repeat their information – which naturally is frustrating and detracts from the quality of the customer experience. That's why we're striving to take a person-orientated approach in which we understand the individual, focusing on as few front doors into the organisation as possible. "

Matti Raudsepp
Director of Customer, Arts & Property Operations, Bournemouth Christchurch and Poole Council

Trust

What can organisations do?

Expectations

Define the services you deliver, the steps in the citizen journey, and communicate clearly what these are and what is expected at each stage. Provide visual signposting of the journey stage reached and what lies ahead. Proactively prompt citizens for information needed to move to the next stage in a digital process.

Integrity

Invest in building the foundations of integrity, starting with cyber and technology transformation. Getting this right provides a platform for integrity to develop, as without it, investment can be undone in one incident.

What does this feel like for citizens?

Anika:

"Isolation is perhaps the scariest part of my retirement. However, the engagement from my local council has been incredible. They have listened to me and recommended a few online community groups that I could join. Since then I've made new friends and seldom feel alone. The engagement made me feel confident in my local council and I trust that they have the best interests of me and the community at heart. This helps me live well without the anxiety of isolation".

Noah:

"I had a good relationship with my previous local council and am hoping I can have the same here. So far they have been brilliant, always informing me exactly what they are going to do with my personal information which was a previous concern. What has stood out for me is how my local council uses social media to update the community on key decisions and anything to be aware of in the area. This transparency helps me and the community trust them."

Client insight:

"Trust is the backbone of a good relationship. It is essential both to give users confidence in public services, and also to maintain their good faith when things go wrong. Then, it's about showing them that you have their best interests at heart and are doing everything possible to put things right".

Elliot Shaw
Chief Customer and Strategy Officer, National Highways

Priority actions

✓ To bring about effective and sustainable transformation, local councils need to embrace a holistic approach, fostering a culture that overcomes siloed decision-making. This particularly applies in areas such as technology, data management, and financial savings delivery.

Key strategies include:

Personalisation. Unify front-office technology: Implementing a tailored Customer Relationship Management (CRM) system can establish a comprehensive, organisation-wide perspective of each citizen. Additionally, adopting a unified communications strategy will provide a single platform for citizen engagement across all services and communication channels.

Time and Effort. Amplify efficiency and insight via a data platform: Constructing a 'golden citizen record' within a council-wide data platform facilitates collaborative decision-making across various services and departments.

Resolution. Get more from the use of AI: Ensuring seamless integration of AI with relevant council systems can empower citizens to promptly resolve their enquiries.

Citizen Experience Excellence 2023-24

The Six Pillars of experience

We evaluate citizens' interaction with government and public sector organisations across The Six Pillars of experience. Our ongoing research has shown that these are the essential building blocks of world class experiences. Organisations worldwide are using The Six Pillars to guide strategy development and provide design principles for their customer experiences.

We'll be referring back to The Six Pillars throughout this report.

Integrity
Being trustworthy and engendering trust

" I was served by a very helpful member of staff who was very informative and made me feel very comfortable, secure, relaxed."

Resolution
Turning a poor experience into a great one

" My purse was recently stolen, which had my driver's licence in it, among many other items. The DVLA process for getting a new one was astonishingly quick – in fact it turned up before any of my credit/bank cards!"

Expectations
Managing, meeting and exceeding customer expectations

" I always get an email from the council with various updates on what is going on. I often click the links for further information."

Time and Effort
Minimising customer effort and creating frictionless processes

" I went on their website and, although there were a lot of different portals for different departments, it was quite easy to find what I was looking for and I was able to pay what I needed and was emailed a receipt."

Personalisation
Using individualised attention to drive an emotional connection

" The Council had aligned the discounted Clean Air programme to run concurrently with my Disability Blue Badge application. This means that the future process will be seamless. They have obviously thought carefully about what is best for this particular community."

Empathy
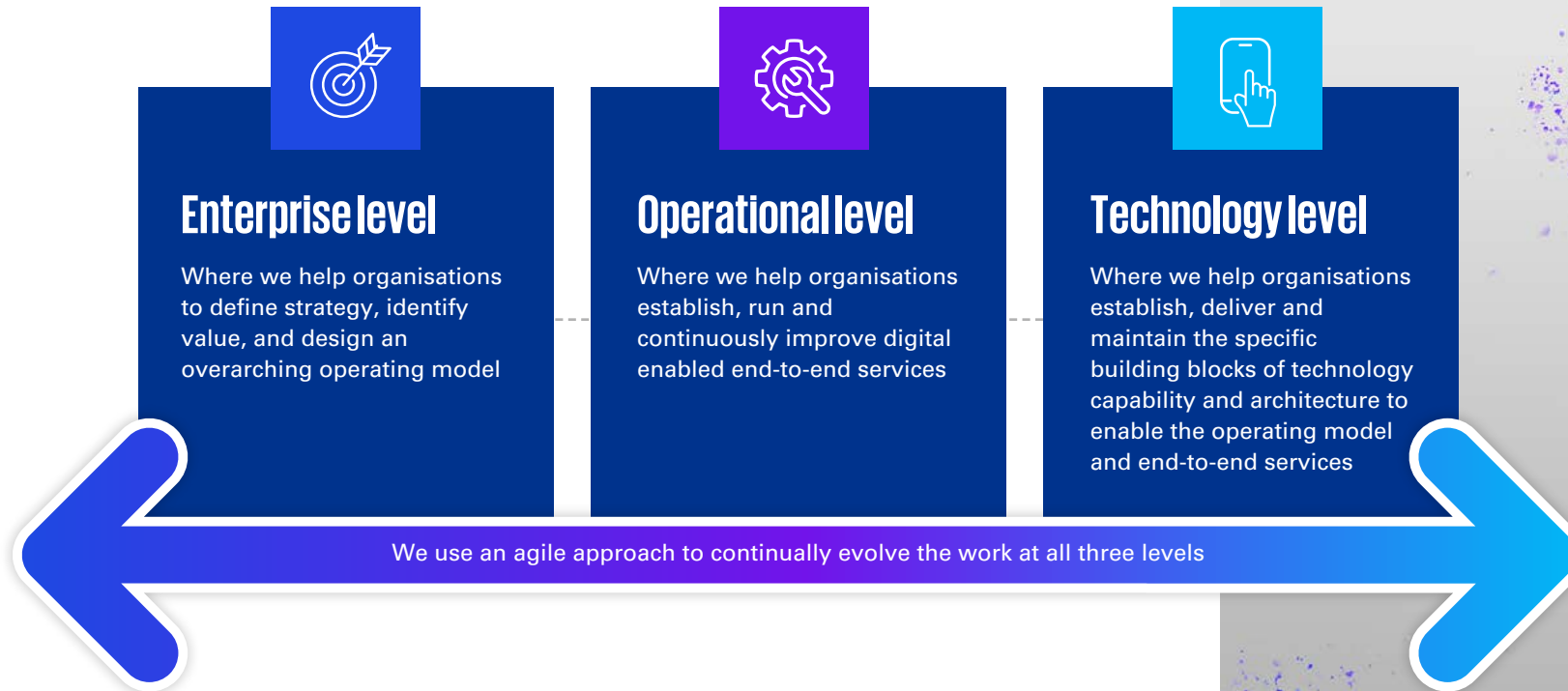**Achieving an understanding of the customer's circumstances to drive deep rapport**

" The response from staff is very professional and polite, and they are always willing to help in any way they can."

Our approach to citizen-centric transformation

Connected Enterprise is KPMG's citizen-centric, agile approach to digital transformation, tailored by sector. KPMG Connected Enterprise provides an integrated suite of preconfigured, sector specific enablers to design, build and operate a citizen-centric, agile, digitally-enabled organisation.

Our approach operates at three levels:

Enterprise level

Where we help organisations to define strategy, identify value, and design an overarching operating model

Operational level

Where we help organisations establish, run and continuously improve digital enabled end-to-end services

Technology level

Where we help organisations establish, deliver and maintain the specific building blocks of technology capability and architecture to enable the operating model and end-to-end services

We use an agile approach to continually evolve the work at all three levels

Contact us

We bring all three levels together, while wrapping our cultural and learning expertise around it, to ensure design is simple, cohesive, and implementable.

International leading practice, supported by a rich library of assets, fronted by teams that know how to apply them in practice, are readily available locally to support applying this across the organisation. Taking organisations from vision to tangible outcomes.

If you want to better embrace your 'digital citizen' using a connected approach, please contact one of our KPMG team.

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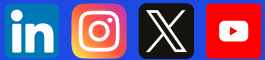
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