Public sector overview

UK Customer Experience
Excellence report
2024/25

The UK public sector is rapidly becoming more digital, data-driven, and user-centric. This presents a powerful opportunity to enhance both the efficiency of public services and rebuild trust with citizens.

Our research shows that citizens across all age groups are increasingly comfortable with digital interactions, paving the way for AI-powered services. Citizens want efficiency and convenience. AI can deliver this through streamlined processes, first-point-of-contact resolution, and proactive information sharing – ultimately reducing costs and improving satisfaction.

However, technology alone is not enough. To be successful, AI implementation must be citizen-centric, prioritizing trust and transparency. While AI can enhance trust through consistent and accurate service delivery, it must be carefully implemented. Preserving empathy and transparency in automated interactions will go a long way towards addressing citizens' concerns.

This means integrating front-, middle-, and back-office systems for seamless digital self-service while ensuring a human touch remains. This evolution requires a new approach – one that combines technological innovation with a deep understanding of citizen needs. By doing so, the UK public sector can unlock the potential of AI to create truly citizen-centric public services.

Productivity a "burning platform"

Productivity remains a central issue for public services with growing vacancies and skills shortages compounding the challenges.

However, this presents a unique opportunity to reimagine service delivery models. AI has the potential to significantly enhance productivity across critical areas whilst simultaneously aligning against services with citizen priorities. Examples include:

Healthcare

The NHS continues to face increasing demand and resource constraints. AI can help optimize resource allocation, improve patient flow, and enable more efficient diagnosis and treatment, ultimately leading to better patient outcomes.

Education

AI can personalise learning experiences, automate administrative tasks, and provide educators with data-driven insights to improve teaching effectiveness. This can help address challenges related to personalized learning needs and increased administrative burdens.

Social care

AI can streamline processes, improve coordination between care providers, and enable more proactive and personalized support for elderly and vulnerable populations. This is crucial in a sector facing staffing shortages and rising demand.

Local government

AI can identify patterns and trends, enabling councils to anticipate service demand, allocate resources more effectively, and tailor communications to specific demographics. This data-driven approach enables more personalised, proactive, and cost-effective service delivery.
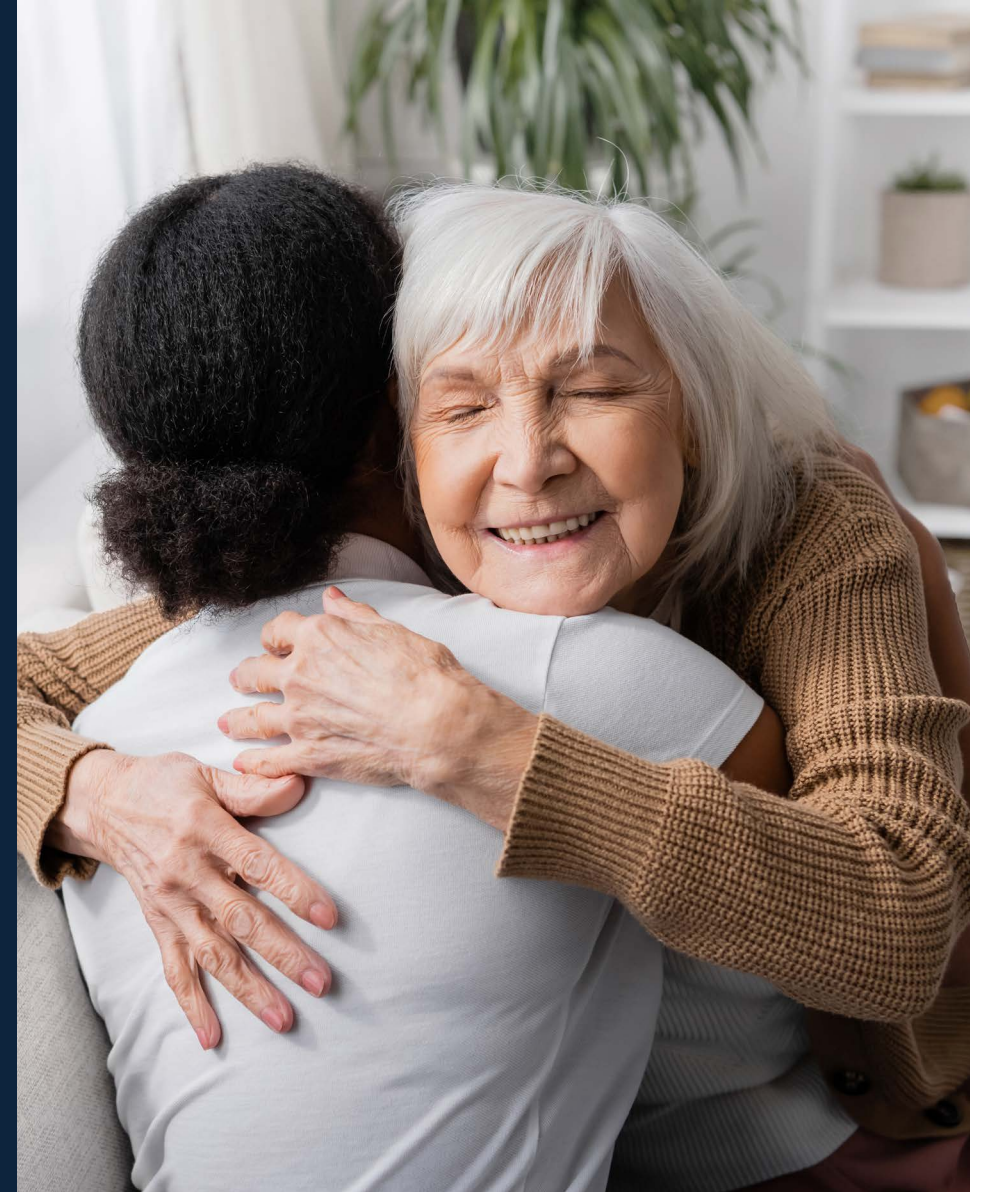
Navigating implementation: a roadmap for success

While a combination of resource management, innovation and policy reform is essential for addressing public sector productivity, AI offers a particularly transformative opportunity. To fully realise this potential, however, it's important to address key implementation considerations:

- **Modernising IT infrastructure:** Many government departments currently rely on legacy IT systems that may not be readily compatible with modern AI technologies. These outdated systems can be rigid, expensive to maintain, and pose integration challenges. This presents an opportunity to strategically invest in modernisation, enabling the adoption of agile and scalable systems that can effectively integrate AI solutions.

- **Data governance and interoperability:** AI relies heavily on large volumes of high-quality data. However, public sector data can be fragmented, incomplete, or stored in incompatible formats across departments. Additionally, data governance issues, such as a lack of standardisation and data-sharing protocols, can inhibit the effective and ethical use of AI. This presents an opportunity to establish robust data governance frameworks and interoperability standards, ensuring data is securely accessible, usable, and fit for AI applications while adhering to privacy and security regulations.

- **Building an AI-ready workforce:** Many public sector operations are still heavily reliant on manual processes. Transitioning to AI-driven workflows requires not only technological changes but also significant organisational and cultural shifts. This presents an opportunity to invest in training and upskilling programmes for public sector employees. This is crucial for building internal AI capabilities, fostering a culture of innovation, and ensuring staff are equipped to work effectively with AI systems.

- **Finding the right use cases** – many public sector processes are ripe for automation, and intelligent use of AI can significantly boost productivity. Thought and planning needs to be applied, however, to where automation is the answer and where it may impact citizen

trust. Where AI is used in decision-making, for example, procedures need to be in place to keep a 'human in the loop' to prevent opaque, potentially discriminatory decision making which will undermine the public's faith in your services.

- **Addressing ethical and regulatory considerations:** Ethical and regulatory concerns surrounding AI are prominent in the public sector. There is a strong emphasis on avoiding risks related to bias, lack of transparency, and potential job displacement. This often leads to a cautious approach to AI adoption, with lengthy evaluations and pilot projects before full-scale implementation. This presents an opportunity to proactively develop clear ethical guidelines and regulatory frameworks for AI use in the public sector. This is essential for building public trust, ensuring responsible AI deployment, and mitigating potential risks.

AI adoption in action:

The UK government recognises the transformative potential of AI and is actively exploring and implementing AI across various departments to enhance efficiency, improve decision-making, and better serve the public.

This commitment extends beyond individual AI applications to encompass broader initiatives that strengthen the foundations for responsible AI adoption.

Building a foundation for responsible AI:

- **Transparency and accountability:** The Algorithmic Transparency Recording Standard Hub, spanning multiple departments, aims to enhance transparency in the public sector's use of AI, aligning with the National AI Strategy and National Data Strategy goals.

- **Developing AI skills:** Recognising the global shortage of AI specialists, the government has initiated programmes to build AI capabilities within the public sector. This includes postgraduate conversion courses and fellowships aimed at increasing the number of trained AI professionals.

AI-driven projects & initiatives:

- **Improving efficiency and personalisation:**
  - Automated assistance and guidance: AI-powered chatbots and virtual assistants are being deployed by various government agencies, including HMRC and local councils, to handle routine inquiries, guide users through processes (like applying for permits or accessing benefits), and provide 24/7 support. This not only speeds up service delivery but also frees up human staff to focus on more complex cases.

- **Data-driven governance for better service delivery:**
  - Predictive analytics for resource allocation: Government departments, including the NHS and the Department for Work and Pensions, are using AI-powered predictive analytics to anticipate service demand and allocate resources more effectively. For example, AI can analyse historical data to predict patient admissions, helping hospitals optimise staffing levels and bed allocation.

  - Targeted communication and outreach: AI is being used to analyse citizen data and tailor communication campaigns to specific demographics. This enables government agencies to provide more relevant information and services, improving citizen engagement and outreach effectiveness.

Specific AI-driven initiatives:

- **NHS AI Lab:** This initiative, launched as part of the Department of Health and Social Care, is dedicated to supporting AI projects aimed at improving healthcare delivery and patient outcomes. This includes using AI for medical image analysis, early disease detection, and personalised treatment recommendations.

- **HMRC's fraud detection systems:** HMRC is leveraging AI to enhance its tax compliance and fraud detection capabilities. AI systems analyse vast amounts of data to identify patterns of tax evasion, improving efficiency and ensuring compliance with tax laws.

These examples demonstrate the tangible impact of AI in the public sector, showcasing its potential to revolutionise service delivery, improve decision-making, and create a more citizen-centric government.
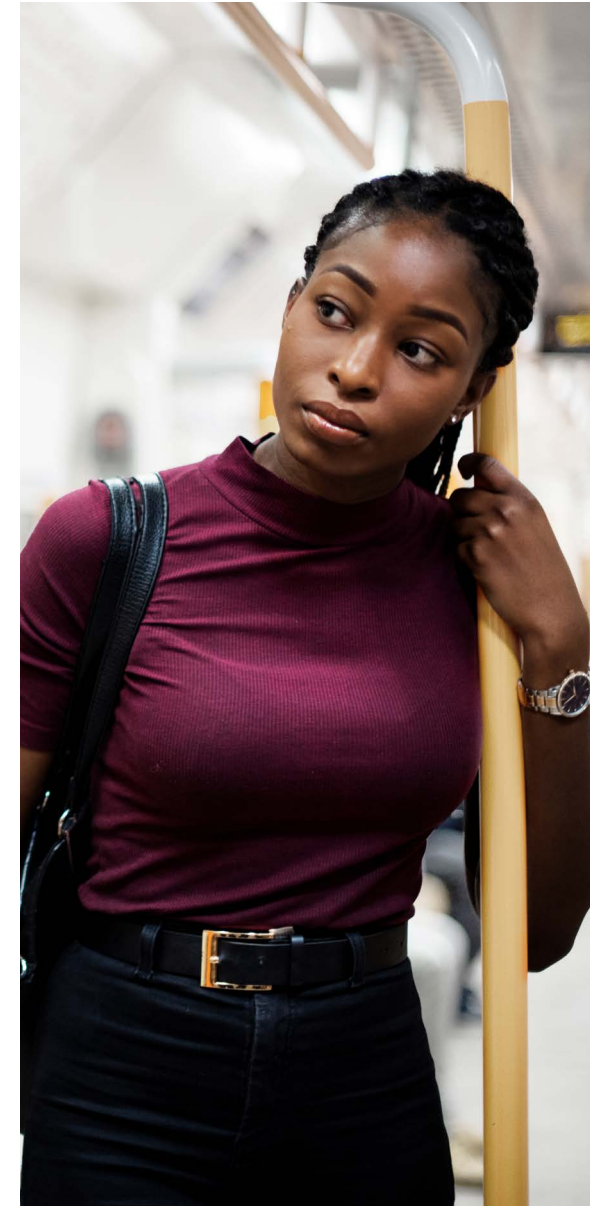
> **Public sector service transformation is a hot topic right now – with its profile only added to by the new government, a desire to improve efficiency and value, modernise through digital channels and retain / build trust even further. This year's research gives a poignant insight into how to join digital innovation and experience together – to ensure both colleagues and customers are being looked after in the right way."**

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