

GDSS

Digital Self-Service Challenges and Future Delivery

Digital Self-Service in the Public
Sector 2024 Report

In partnership with:




Acknowledgements


The team here at GOSS Interactive would like to take this opportunity to thank all respondents who were able to take part in our research. We would also like to thank our survey partners, DJS Research, for their involvement in compiling the questions, promoting participation in the survey and analysis of respondents' answers.

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Introduction

The UK public sector has been a pioneer in digital transformation for the past 14 years, driven by a combination of financial pressures and a commitment to enhancing customer satisfaction. Spurred by austerity measures implemented in 2010, digital transformation and self-service have become cornerstones of many public sector organisations' citizen strategies. In recent years the COVID-19 pandemic and the current cost-of-living crisis have further accelerated the shift to online services, presenting new challenges for the public sector as it strives to maintain and expand its digital offerings while facing financial and organisational limitations.

Now in its ninth consecutive year, the GOSS Digital Self-Service in the Public Sector Survey is one of the largest and most comprehensive survey initiatives of its kind. Examining the evolving landscape of digital transformation and self-service within the public sector, this survey sheds light on the perspectives and experiences of respondents. This report represents one of two dedicated

to analysing the survey's findings, offering valuable insights into the intricacies of digital transformation in the public sector.

In this report, find out what digital self-service challenges the public sector is facing and what the future holds for digital transformation. Discover what barriers are preventing online service delivery, and how challenges such as the cost-of-living crisis and budget cuts are affecting organisations. Plus, learn what savings the public sector expects to make via digital self-service and what services are to be prioritised in the future.

Complimenting this report is a second instalment entitled, Digital Self-Service Approaches and Performance. This companion report delves into the methodologies public sector organisations are taking when delivering their digital self-service initiatives, while also outlining how the sector believes it is performing in its delivery.

About GOSS

At GOSS our focus is to digitally transform organisations through the delivery of digital and online services and websites. With the power of the GOSS Digital Platform, we give organisations the autonomy they need to expertly deliver their digital transformation projects, helping to connect organisations with their customers, automate manual business processes, and ultimately save time and money.

With over 20 years of experience, we've developed the tools and knowledge needed to solve the real-life challenges faced by the industries we support, including the public sector. The GOSS Digital Platform includes an array of capabilities including self-service, case management, forms, bookings, website management and much more.

“

“Digital self-service is your organisation’s efficiency HQ. It’s the method by which you can embrace automation, simplify processes, and gain useful insights - fostering operational excellence.”

Rob McCarthy - CEO
GOSS

”

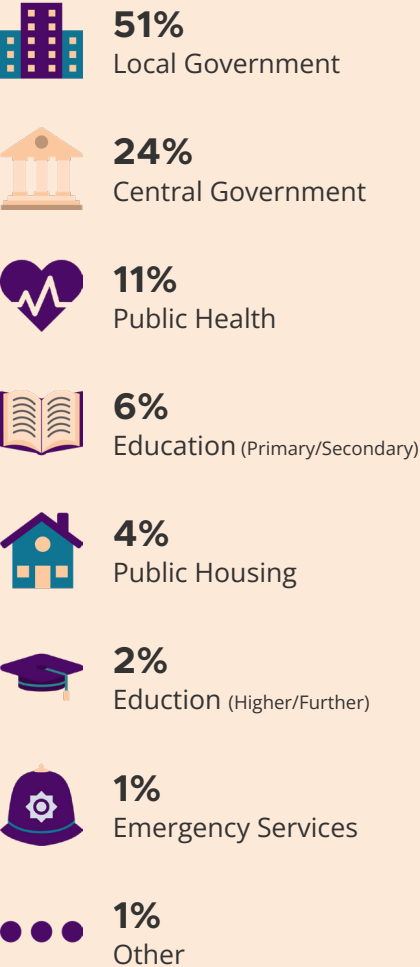


Survey Respondents

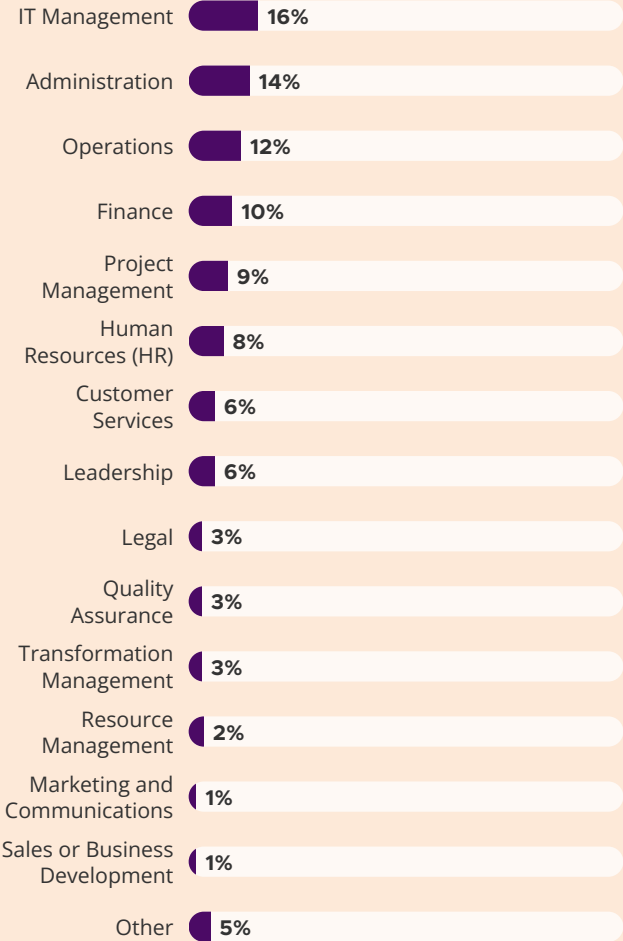
This report is a retrospective review of survey results obtained in 2023. Working in partnership with DJS Research (a leading UK-based market research company), the survey questions were distributed between October 2-27, 2023. Respondents' answers to these questions represent a broad cross-section of roles across the public sector.

327 individuals from across various public sector organisations participated. The results displayed are based on those who fully completed the survey and are presented as a percentage of this group unless explicitly stated otherwise. Where percentages do not sum, this is due to rounding.

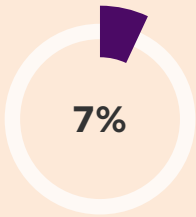
Respondents by sector:



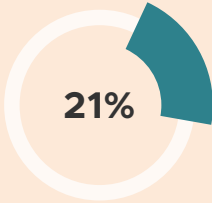
Respondents by department:



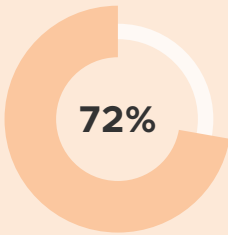
Respondents by level of seniority:



Leadership (e.g. C-Suite)

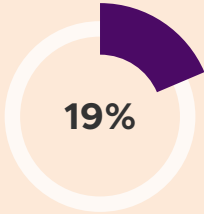


Senior Management (e.g. Director, Head of)

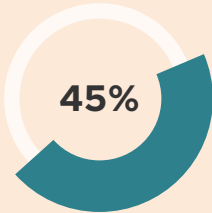


Middle Management (e.g. Team Leader, Manager)

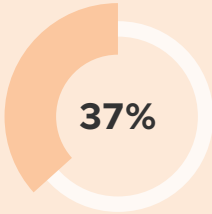
Respondents by involvement in digital transformation decision-making:



Sole decision-maker



One of a group of decision-makers



Involved in discussions but not final decision-maker

Respondents by age:



2%
Aged 18-24



47%
Aged 25-39

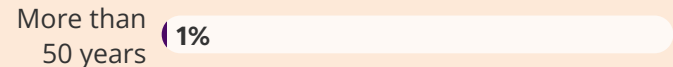
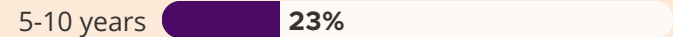


38%
Aged 40-54



18%
Aged 55-75

Respondents by employment length:



Barriers preventing digital transformation

The most common digital transformation barriers relate to implementation costs and a lack of awareness around digital transformation within respondents' organisations. Moreover, organisations also face additional technological challenges, including staff skills shortages and difficulties in seamlessly integrating new services with their existing systems.

Looking at the barriers preventing public sector organisations from executing their digital transformation initiatives, the primary challenges seem to align with those identified in 2022. Overall, the cost associated with implementing digital transformation remains the most challenging barrier for organisations. However, when considering all factors perceived as obstacles, each was

rated as being obstructive to the respondent's organisation by at least 60%. Notably, in 2023, there is an increased apprehension among respondents about potential staff losses due to efficiency gains. This 6% year-on-year rise suggests heightened concerns regarding the impact of digital transformation initiatives, including the influence of technologies like AI, on the public sector workforce.

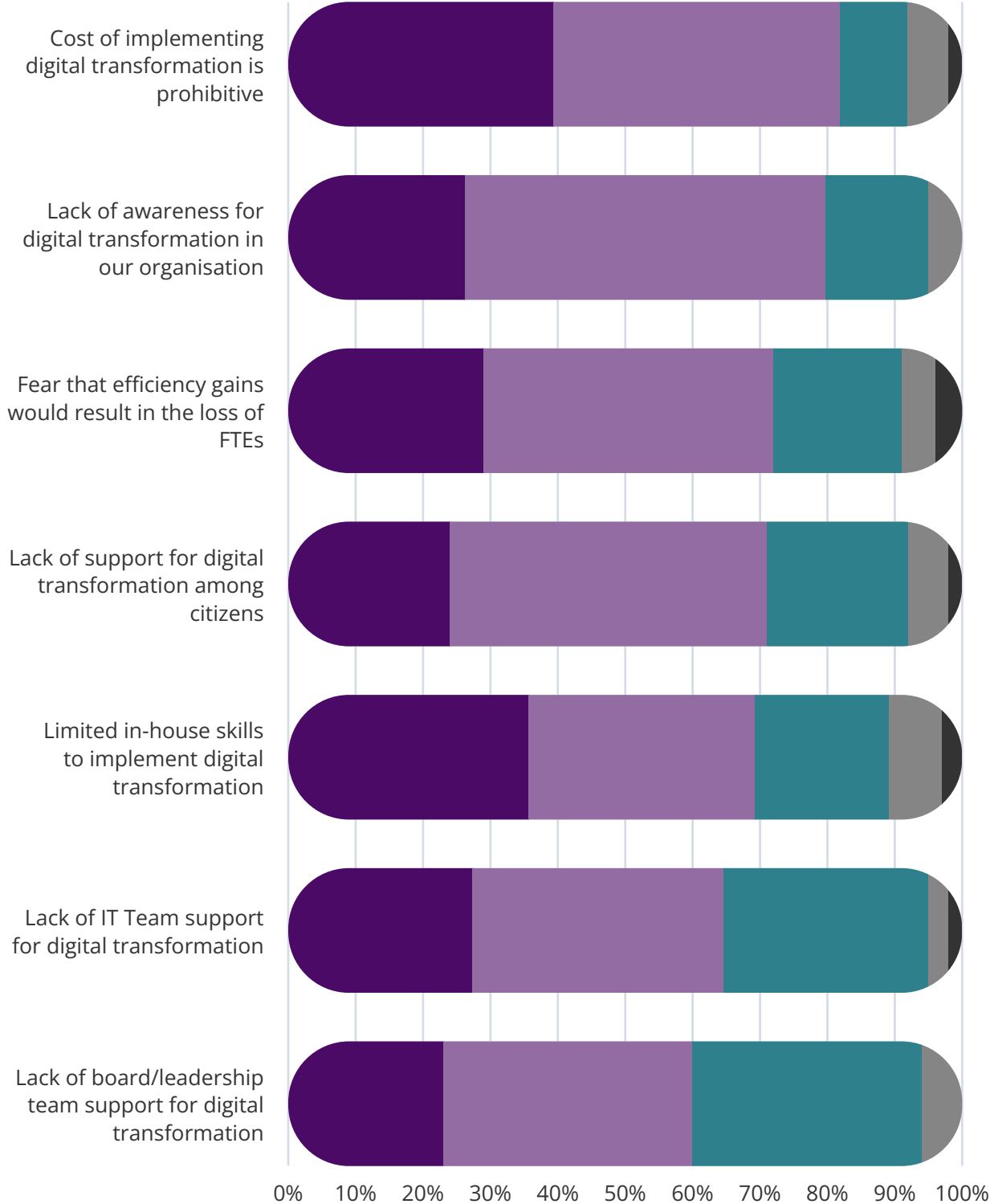


80%

of sole decision-makers are more likely to cite a lack of in-house skills to be a barrier compared to 69% of all other respondents.

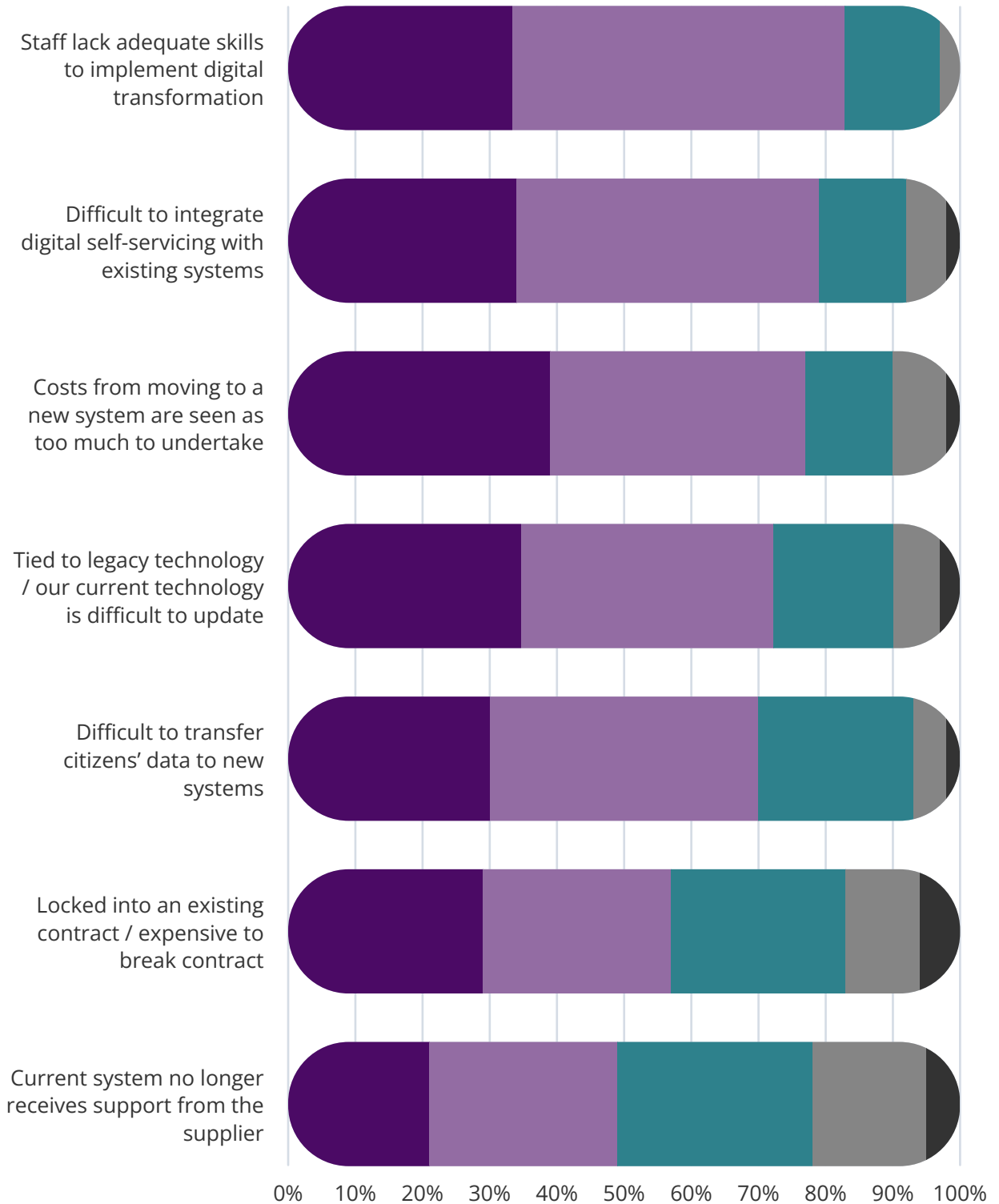
Level to which digital transformation barriers affect respondents' organisations:

● Major barrier
 ● Minor barrier
 ● Not a barrier
 ● Don't know
 ● Not applicable



Level to which digital transformation technological barriers affect respondents' organisations:

● Major barrier
 ● Minor barrier
 ● Not a barrier
 ● Don't know
 ● Not applicable



Regarding the specific challenges related to the technical implementation of digital transformation within respondents' organisations, staff skill shortages and the ability to integrate with existing systems continue to emerge as the primary hurdles in 2023. When broadening the scope to include both technological and non-technological barriers hindering digital transformation, respondents exhibit consistency in their perceptions of the challenges impeding progress. Respondents consistently identify staff skill shortages as the foremost technological barrier. However, there's a

noteworthy contradiction as respondents concurrently express concerns about potential staff losses due to the efficiency gains brought about by digital transformation. This contrast suggests that organisations are delicately navigating a balance between digital transformation efficiency improvements and retaining their skilled workforce. The fear about staff losses indicates that organisations are grappling with the strategic implementation of automation and efficiency measures without adversely affecting their workforce.



40%

of sole decision-makers are more likely to cite their technology no longer receiving support from vendor to be a barrier compared to 21% of all other respondents.

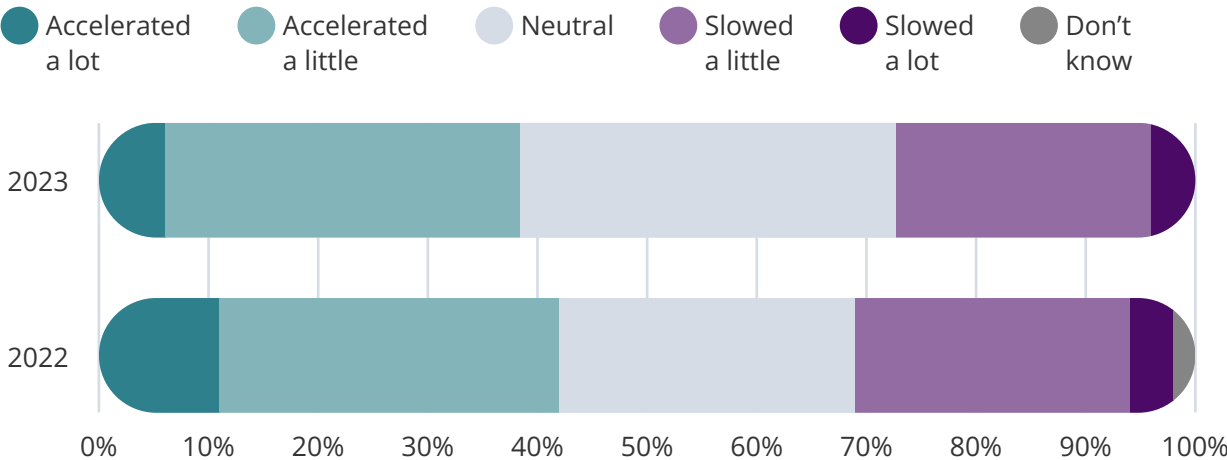
Factors accelerating and slowing digital self-service

There appears to be a gradual shift towards a steadier pace of digital self-service delivery over the past three years. Additionally, reduction in public sector budgets is cited as the biggest factor slowing the pace of digital transformation, whilst increased citizen demand is the biggest factor accelerating delivery.

Concerning the implementation of digital self-service initiatives in the public sector, respondents are almost evenly divided on whether the delivery pace has slowed, remained steady, or accelerated. Notably, the number of organisations decelerating their digital self-service delivery has consistently decreased year after year, indicating a shift towards a more consistent pace. Additionally,

a retrospective analysis spanning the last three years reinforces previous report findings in this research initiative, highlighting the significant and polarising influence of COVID-19 on delivery speed. Organisations in 2023 are only now beginning to rebound from the need to rapidly improve and deliver online services through digital self-service for their citizens.

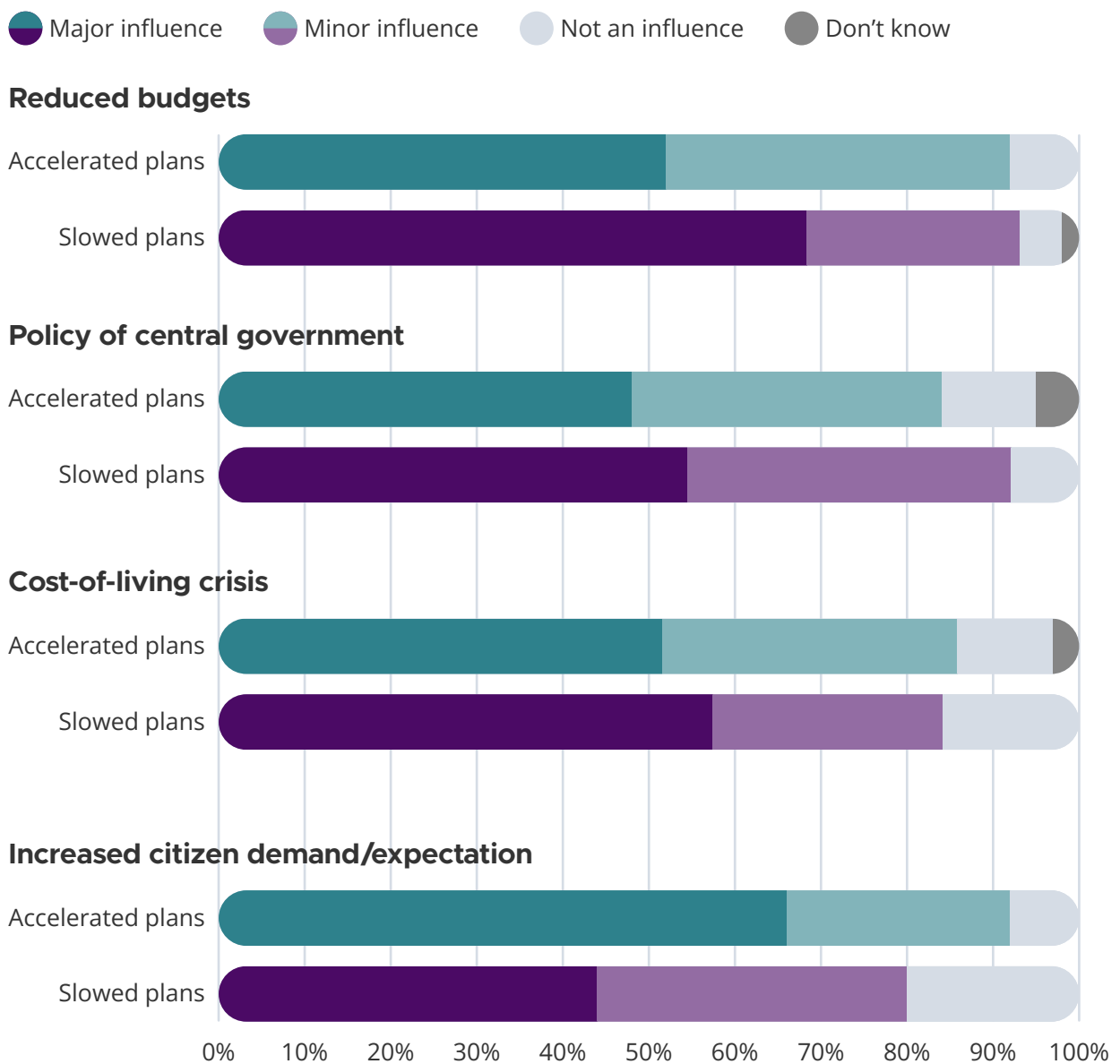
Level to which digital self-service plans accelerated or slowed in the last 12 months:



In terms of the specific factors influencing the speed of digital self-service delivery, it seems that a reduction in public sector budgets is playing a significant role in both expediting and impeding these digital self-service plans. Whilst the same factor can have opposing effects on different public sector organisations, it ultimately depends on how these organisations strategically respond to financial constraints. A similar case was

found in previous year’s reports relating to the impact of COVID-19, but essentially those that prioritise innovation, allocate resources strategically, and focus on efficiency often find ways to expedite their digital self-service initiatives quicker. Whereas organisations facing resource limitations and budget cuts without the ability to strategically adapt may experience delays in implementation.

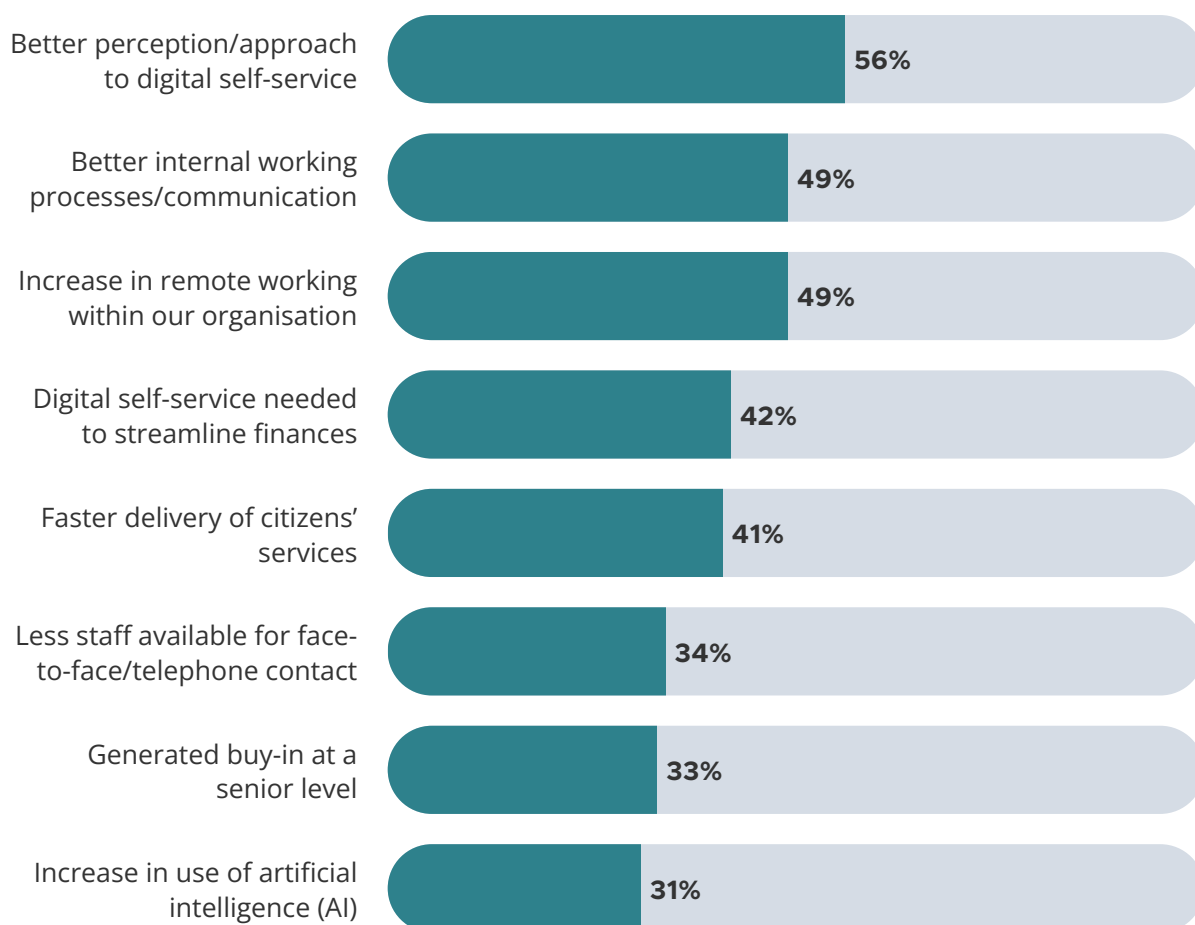
Level to which external factors have accelerated or slowed digital self-service plans:



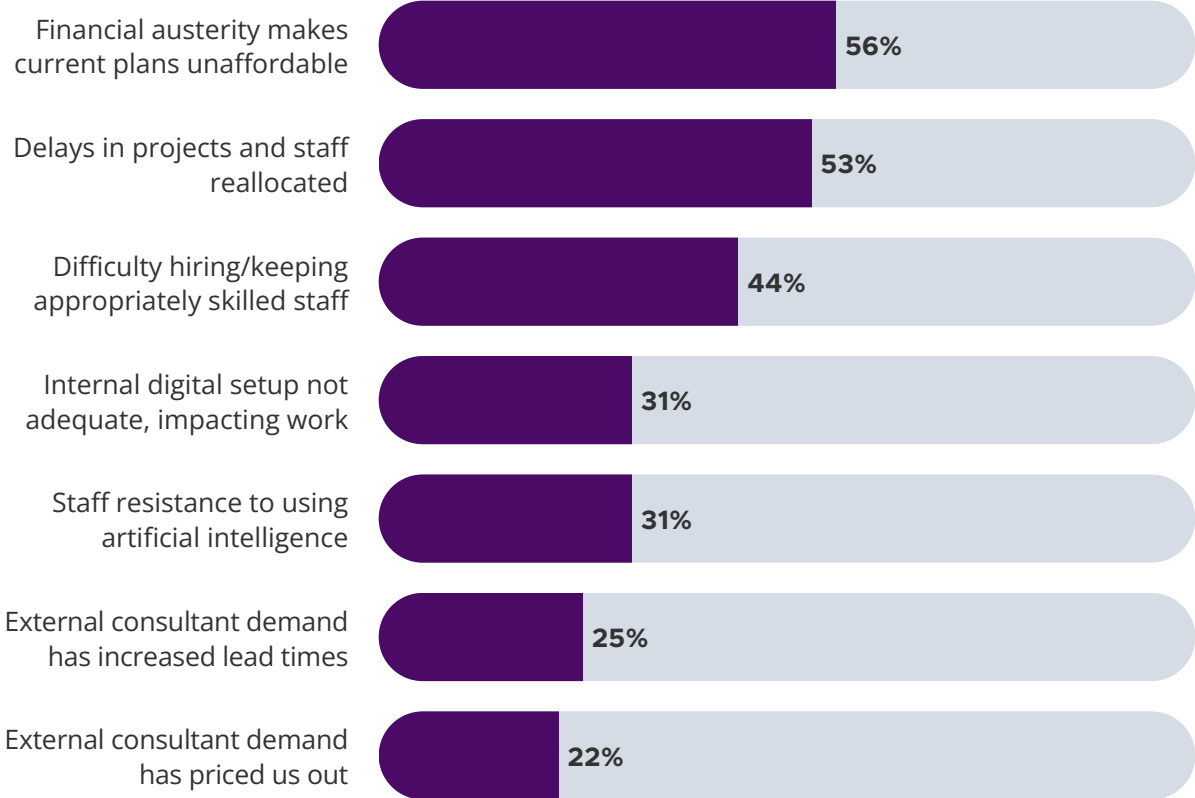
Examining the internal factors influencing the pace of digital self-service plans within respondents' organisations reveals several key dynamics. Foremost among these is the challenge of financial austerity, making organisations' current plans financially unaffordable. This obstacle has increased by 9% year-on-year, underscoring the impact of central government budget cuts on the public sector's ability to accomplish their digital self-service initiatives. The ramifications of this constraint are also evident in the second most prominent factor impeding progress, project delays and staff reallocation. This factor has increased by 10% in the past 12 months, illustrating how the absence of sufficient funds for digital self-service endeavours is forcing organisations to postpone associated

projects until they're financially feasible. As for those respondents whose plans were accelerated, it seems the organisations are continuing to increase their perception and approach to digital self-service. Over the past year, this factor has grown by 6%, becoming the primary internal factor driving the acceleration of digital self-service initiatives. Additionally, there has been a notable decrease in the significance attributed to remote working as a facilitator of faster digital self-service delivery. With an 18% year-on-year reduction, it suggests that a substantial portion of respondents no longer view remote work as a crucial factor contributing to their organisation's broader digital transformation and self-service plans.

Internal factors accelerating plans for digital self-service:



Internal factors slowing plans for digital self-service:



83%

of sole decision-makers are more likely to cite increased citizen demand as a factor accelerating their digital self-service compared to 66% of all other respondents.

61%

of non-decision-makers are more likely to cite policy of central government as a factor accelerating their digital self-service compared to 28% sole decision-makers.

Predicted digital self-service delivery

The number of services public sector organisations expect to deliver via digital self-service in the next three years continues to follow the trend found in previous years but at a slightly lower rate than 12 months ago. Nearly half of public sector organisation predict to have three-quarters of services delivered online by 2026.

Concerning the future of digital self-service delivery, 47% of respondents anticipate that their organisation will achieve the delivery of at least three-quarters of their services online through digital self-service means. This reflects a 6% reduction in 2023, indicating a slight increase in caution among respondents in their three-year predictions for 2026. The results relating to the current service delivery for 2023 (detailed in the counterpart - Digital Self-Service Approaches

and Performance), reveal organisations have strategically scaled back the quantity of services delivered, prioritising quality over rapid service deployment in the past 12 months. This adjustment in future ambitions may align with organisations' current emphasis on delivering high-quality end-to-end services, acknowledging that a three-year timescale might be too brief for end-to-end implementation.



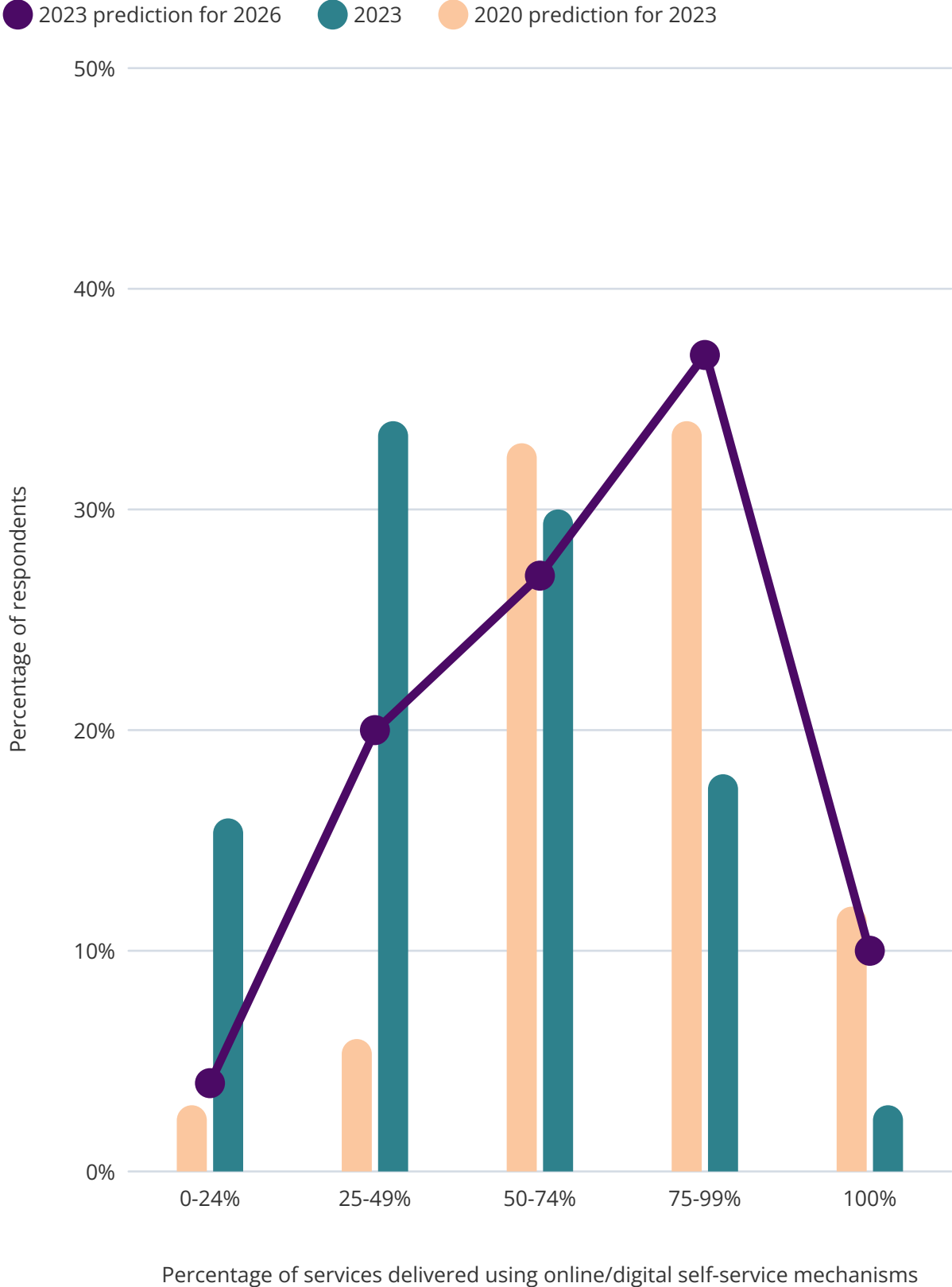
47%

of respondents aim to deliver at least 75% of their services online by 2026.

Percentage of services to be delivered online in three-years' time:



Percentage of services currently delivered online vs to be delivered in three-years' time:



When comparing the three-year digital self-service delivery predictions for 2026 made in 2023 with the current level of service delivery in 2023, organisations are faced with a 26% gap in service delivery that needs to be filled over the next three years to achieve the goal of delivering at least three-quarters of their services online. Despite the seemingly substantial target, there is an encouraging trend as organisations have already successfully reduced this gap by 6% over the past 12 months.

Regarding how respondents plan to bridge this gap within the specified three years, many express optimism that advancements in technologies such as AI will not only reduce manual processing time but also cut associated costs linked to delivering digital self-service. The prevailing outlook among organisations is that by achieving cost savings, there will be increased future budgets allocated for digital transformation. This, in turn, is anticipated to facilitate quicker development and delivery of online services.

How organisations intend to meet their three-year service delivery predictions:



“We have an IT strategy that includes, digitisation, cloud implementation, and customer first programmes. Along with early implementation of AI, this will help us ensure our customer services provision is mostly delivered digitally in next few years.”

Senior Management
Central Government



“We are looking to integrate AI into our services to increase leverage and reduce the amount of work needed to do by employees. This will reduce costs and time.”

Middle Management
Local Government



Future digital self-service investment

Overall respondents expect their organisation to make similar savings through digital self-service as they did in 2022. However, over the next 12 months, organisations are expected to prioritise developing their online citizen portals, whilst investing in AI technology to deliver their digital self-service initiatives.

In the upcoming year, most respondents indicate that their organisation will achieve some level of savings as a direct result of their digital self-service initiatives. However, year-on-year there has been a minor regressing of those saying that their organisations will make savings in 2024. Down by 3% year-on-year, it is still encouraging to see that over 60% of

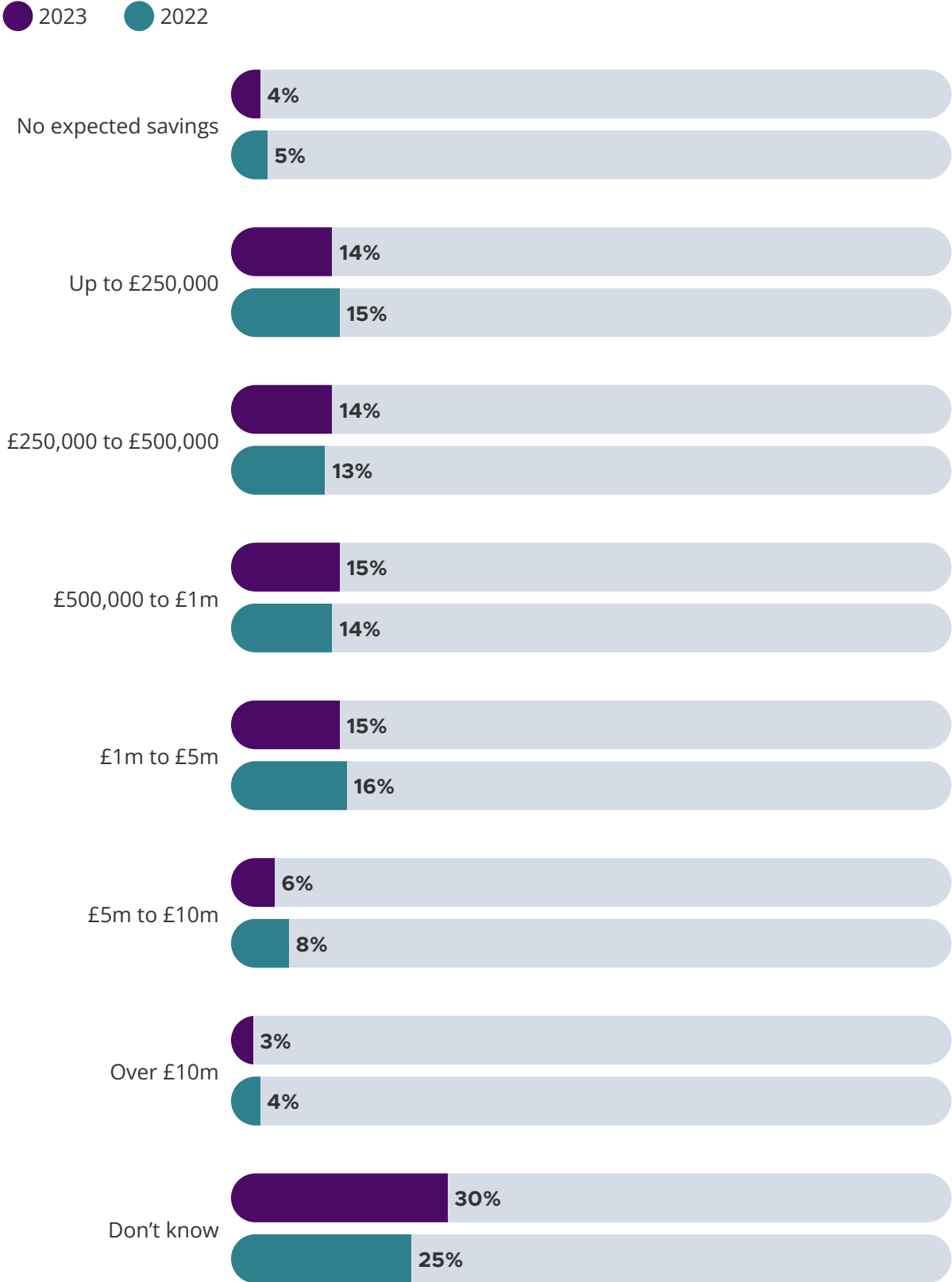
organisations' digital self-service plans will result in savings, helping them to accelerate these initiatives as discussed earlier in this report. When it comes to what level of savings organisations intend to make, the majority (43%) fall within the lower savings categories, expecting to save up to £1m over the next 12 months.



98%

of sole decision-makers are more likely to expect savings, compared to 67% of group decision-makers and 49% of non-decision-makers.

Savings expected to be made in the next 12 months resulting from digital self-service:



For those not making any savings as a result of their digital self-service efforts, it appears these organisations are impeded by a range of factors. The ongoing implementation of these initiatives appears to pose a challenge, as the full realisation of savings often requires time for seamless integration and

optimisation. Additionally, some organisations are suffering from a slow uptake of citizen use, which appears to be hindering the anticipated benefits, as widespread adoption is essential for maximizing the efficiency and cost-effectiveness of digital self-service platforms.

Why some organisations expect no savings resulting from digital self-service:



“The cost of implementing digital self-service is far greater than other costs.”

Middle Management
Central Government



“Slow uptake has resulted in fewer patients being appointed and reduced savings.”

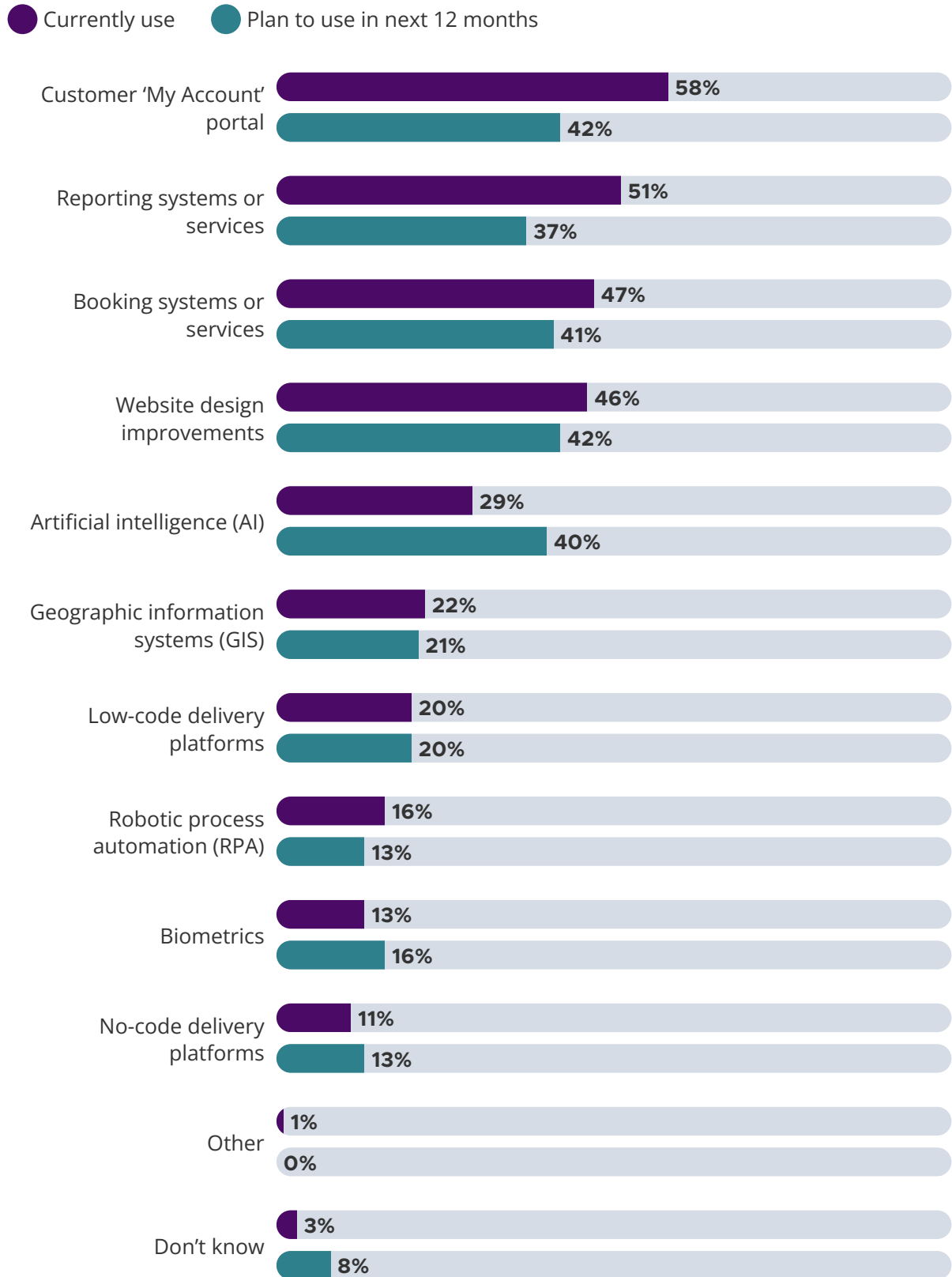
Middle Management
Public Health



When it comes the types of solutions organisations are currently using and plan to use over the next 12 months to deliver their digital self-service plans, over half of respondents are using customer ‘My Account’ portals to deliver these initiatives. However, in the next year, there looks to be a notable decrease in the reliance on customer ‘My Account’ portals, dropping by 16%. In its place, respondents are showing a growing interest

in advanced technologies, with artificial intelligence (AI) usage increasing by 11% year-on-year. These results also back respondents’ answers about how they intend to bridge the gap between the current percentage of services delivered via digital self-service and the level in three years’ time, with many suggesting how AI will help to reduce manual processes.

Service areas organisations currently use and are planning to use in the next 12 months to deliver their digital self-service initiatives:



Recommendations

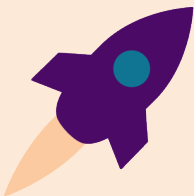
For organisations looking to improve their digital self-service delivery, the results found in this report offer some useful recommendations respondents may want to consider.



Strategic investment in staff training.

This year's results showcase that staff skill shortages are highlighted as a blocker to many organisations in delivering their digital self-service initiatives. It is recommended to address this identified barrier that organisations should look to invest in training

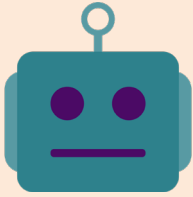
programmes to upskill their workforce's technology skills. This proactive approach will empower employees to effectively navigate and contribute to digital initiatives, easing the current challenges associated with technological implementation.



Agile response to budget constraints.

For many organisations, it will become imperative to recognise the influence of financial constraints on digital self-service plans and adopt an agile response to budget limitations. Organisations experiencing resource constraints should prioritise innovation, strategically allocate resources,

and focus on efficiency to advance digital self-service initiatives. For the majority of organisations, the proactive management of their financial challenges will help minimise delays and ensure that essential projects are not postponed due to budgetary limitations.



Optimise ‘My Account’ portals and embrace AI technologies.

Whilst the development of customer ‘My Account’ portals is still an essential part of many organisations’ digital self-service plans, its importance looks set to decline over the next year. AI is on the rise within public sector digital transformation and brings with it a range of benefits to organisations. Organisations should look to enhance existing

‘My Account’ portals for efficiency with the integration of AI technologies for improved digital self-service delivery. The rise in AI usage signals a transformative trend, and organisations can harness this technology to reduce manual processes, enhance service quality, and adapt to changing citizen demands effectively.


The GOSS Digital Self-Service in the Public Sector Survey initiative is one of the largest of its kind in the UK. If you found the research in this report interesting you may also want to consider reading the second report in this research initiative...




Digital Self-Service Approaches and Performance


In this report, learn how the public sector approaches digital self-service delivery and how they are performing. Discover how organisations define successful digital self-service, what approach organisation take in making digital self-service decisions, and the percentage of services currently being delivered via digital self-service. Plus, find out what digital and online objectives public sector organisations have and whether they are achieving them.

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