

People-first AI:

How AI Can Humanise
HR Services in the Public Sector



AI will humanise the public sector.



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INTRODUCTION

AI is set to transform the public sector, but what does it mean for people services?

With rising demand and funding cuts, productivity is a key driver. Teams are under pressure. AI promises to lift the administrative burden and free up staff time.

The direction of travel is clear. The government has signalled a strong commitment to the *AI Opportunities Action Plan* and launched the *AI Playbook*.^{1,2} But it's not just about streamlining processes – AI has the power to transform human experiences.

In his speech on the *AI Opportunities Action Plan*, Prime Minister Sir Keir Starmer suggested that AI could help to humanise public

services.³ The technology can take care of administrative tasks so staff can focus on more meaningful interactions.

In a sector with high turnover and low morale, elevating experience and attracting and retaining talent is crucial. So how can HR leaders embrace the opportunities of AI and use it to address pressing problems? We'll probe the relationship between humans and AI and explore the art of the possible.



People Problems

In an age of rapid technological change and uncertainty, public sector HR managers face several complex challenges. These include:

- Productivity pressures:**

Stretched teams are pushed to the limit – demand outweighs capacity. Leaders must look for ways to work smarter, not harder, and generate efficiencies.
- Inconsistent advice:**

Sometimes employees receive different advice depending on the HR manager or line manager they speak to, which can cause confusion and misunderstandings.
- The cycle of delays:**

Slow response times result in chasing and frustration for employees and HR teams alike.
- The changing workplace:**

The rise of hybrid and flexible working asks new questions of HR staff. It's important to create a sense of team while ensuring a high-performance culture.
- The administrative burden:**

HR teams are stuck in firefighting mode. Dealing with outstanding low-value tasks prevents them from taking a more proactive approach.
- Workforce shortages:**

Recruitment is challenging, especially in specialist areas like digital teams. Attraction and retention of talent needs to be a priority.
- Service backlogs:**

High volumes of routine queries put pressure on teams and lead to long waiting times. Staff experience suffers.
- It's time to look at how AI can help to address these human challenges and help the public sector achieve its big-picture goals.**

SECTOR-SPECIFIC STRATEGIES

While the drive for improved productivity and experiences is a common theme across the public sector, different segments have unique strategies and challenges. Let's unpack them in turn...



Central Government

Modernisation and productivity are key drivers for the civil service. The government has pledged to reduce civil service administrative costs by 15% by the end of the decade.⁴ Plus, the Prime Minister has warned that pay rises will be linked to improved productivity.⁵ The message is clear: transformation is crucial.

The Civil Service People Plan sets the direction for modernisation and emphasises the importance of a high-performing HR team.⁶ Digital transformation can help to square the circle by plugging the productivity gap. The government has committed to all 50 recommendations in *The AI Opportunities Action Plan*. The goal is to leverage AI to improve and transform public services.

Forward-thinking leaders must step up and shape opportunities rather than waiting and falling behind.



“In this next phase of AI development, we want Britain to step up; to shape the AI revolution rather than wait to see how it shapes us.”

The AI Opportunities Action Plan

The NHS and Healthcare

The government has signalled a strong focus on reform in the NHS with its 'back to basics' agenda. It announced three big shifts:⁷



From hospital
to community



From treatment
to prevention



From analogue
to digital

The Lord Darzi report diagnosed that the NHS 'is in a critical condition, but its vital signs are still strong'.⁸ Visionary leaders are looking to digital transformation to help address the NHS's problems.

*AI is already transforming frontline services, from early detection of skin cancer to reducing waiting times for surgery.^{9 10} From a HR perspective, it's essential to help support people on the journey so they can adapt to and benefit from new ways of working. Embedding digital solutions is a key theme in *The Future of the NHS Human Resources and Organisational Development report*.¹¹*



Today’s jobs may be obsolete tomorrow due to advances in AI and automation.



Local Government

Budget pressures dominate the discussion in local government. The sector could face a funding gap of over £8 billion by 2028/2029.¹² But for many councils, it's a 'here and now' problem. 29 councils have been granted additional flexibility to help them balance the budget this year.¹³ In a recent Local Government Association survey, 71% of respondents said setting a balanced budget will be very or fairly difficult.¹⁴

From a HR perspective, demand outstrips capacity, which impacts turnover and staff morale. Leaders must act now to tackle an impending crisis with the ageing workforce.¹⁵

Mounting pressures have created a burning platform. Digital transformation and public service are key drivers to help secure the long-term future of local government.

Further and Higher Education

Uncertainty and change are watchwords in education. Declines in the number of international students represent a threat to university finances. In further education, the government's *Plan for Change* includes investment in colleges to break down barriers to opportunities.

Universities and colleges must adapt to a rapidly evolving skills market. Today's jobs may be obsolete tomorrow due to advances in AI and automation. The pace of change has taken a toll. A recent survey suggests that two-thirds of University HR staff have experienced restructures in recent years.¹⁶ Teams are expected to do more with less.

Defence

Global political instability has become the new normal. Conflict on the world stage represents a threat to national security. Increases to defence spending represent the biggest investment since the Cold War.¹⁷

An ever-changing environment asks new questions of staff. The Haythornwaite Review called for employees to be incentivised to act with more agency and agility.¹⁸ Leveraging automation and AI can help streamline processes and free up time. The report suggests that the modern armed forces need to create a modern, digital-first experience to attract younger generations.

Blue Light and Justice

Change is shaking up the blue light and justice sector. Social unrest, climate change, and growing demand are adding to the pressure. Prisons are overcrowded, courts face lengthy backlogs and ambulance call-outs are increasing. Supporting staff wellbeing and improving morale is a top concern for the ambulance service, for example.¹⁹

Digital transformation can help lift the burden on staff and free up time. Leaders must look at how they can use AI responsibly. The National Fire Chiefs Council's *Digital Data and Technology strategy* calls for the ethical use of AI.²⁰ Rebuilding trust is a theme that features in the *Policing Vision*.²¹

Housing

The housing sector is in crisis. Rising demand outstrips capacity. While the government has a long-term vision to get Britain building, housing associations are dealing with pressures now. The *National Housing Federation Business Strategy* suggests the need for a secure financial foundation.²²

Forward-thinking leaders are looking to move from a reactive to a proactive approach and futureproof services. Digital transformation can help to generate efficiencies and free up staff time.²³



AI FOR PEOPLE SERVICES

So what can AI do for HR leaders in the public sector? Often the focus is on the frontline, but AI can be even more transformative in a back-office setting. It's all about working smarter, not harder.

AI offers compelling benefits for people services:

Saving time:

Using AI to speed up routine processes can reduce the administrative burden and improve efficiency, whether that's dealing with routine policy queries or questions about annual leave.

Elevating experiences:

Take the friction out of everyday work with tools to quickly surface information without trawling through files. It's possible to elevate experiences for HR professionals and employees alike.

Augmenting capabilities:

AI takes care of routine tasks, freeing up HR teams to focus on the more rewarding aspects of the job. Teams can go from feeling stretched to creating space to focus on human interactions.



BRINGING PEOPLE ON THE JOURNEY

While the benefits are compelling, many are sceptical. Distrust is the new default. The government survey on AI attitudes reveals the public still feels anxious about the human impact.²⁴ Words like ‘scary’ and ‘worried’ are top of mind. People are concerned about job displacement. So how can HR leaders bring people along on the journey?

It starts with addressing people's hesitations. Often fear is driven by a lack of knowledge or misunderstandings. Leaders can help to build trust through familiarity. As more teams experiment with AI, it will help to dispel misconceptions. The government survey revealed that chatbots are becoming more prominent in day-to-day life. This has started to shift people's perceptions from sensationalist ideas to a more realistic understanding. HR professionals can lead the way in building a productive and empowering relationship with technology.



Augment, not Replace



Often people talk about humans vs tech, but what if you could use tech to augment human capabilities? It's about thinking differently. AI should support and enhance human capabilities, not replace them. Leaders need to look for opportunities for AI to lift the burden on staff so that they are freed up for more value-adding activities. Across the sector, many teams are stretched and grappling with rising demand. AI can help teams deal with more queries and deliver an enhanced service.



In the public sector, keeping a human in the loop is essential. This can help to address hesitations about accuracy and build trust. Leaders can foster a new relationship between humans and tech.

The Ethical Code

The responsible use of AI is non-negotiable. Leaders must ensure there are effective guardrails to satisfy governance requirements and build trust. Key considerations include:



TRANSPARENCY

Full disclosure is crucial about what data is being used and why.



EXPLAINABILITY

It should be clear how the solution has arrived at a conclusion.



FAIRNESS

Systems must be in place to ensure that AI does not replicate or exacerbate inequalities in the workplace.



ROBUSTNESS

AI tools should include security defences to protect sensitive data.



PRIVACY

Data protection is a crucial consideration to respect privacy.



Using AI ethically and responsibly can help ensure it works for humans, not against them.



A HUMAN TOUCH

A paradox lies at the heart of AI. Prime Minister Sir Keir Starmer highlighted it in his speech on the *AI Opportunities Action Plan*.²⁵

AI has the power to humanise services. Lifting the administrative burden can help staff focus on the human, relational aspects of work. No longer stifled by mundane tasks, staff can focus on higher-value activities demanding creativity and humanity. AI isn't just about process change – it transforms people's experiences of work.

THE ART OF THE POSSIBLE



So where could public sector organisations start on their AI journey? AI-powered Virtual Assistants offer a compelling use case in an HR setting. Forward-thinking organisations are already using this technology and seeing results. Let's delve into the art of the possible.

Essentially, HR Virtual Assistants automate administrative tasks, allowing staff to focus on customer service. For example, the Virtual Assistant could take care of routine queries on topics like car parking, pensions, annual leave, where to access policies and forms, and mandatory training.

They offer several benefits both to HR teams and the wider organisation:

Benefits to HR teams

Elevated experience: HR teams get to work on more high-value, high-reward tasks, improving job satisfaction, and ultimately, retention.

Reduced complaints: Improved response times help teams escape the cycle of delays and reduce the number of complaints.

Reduced costs: The cost of interacting with a VA is lower. HR Assistants can be redeployed to value-adding activities.

Benefits to the organisation

24/7 availability: Employees can self-serve and access information outside of office hours.

Accelerated response times: Staff get instant answers to their queries, giving them one less thing to worry about.

Enhanced customer service: HR teams can go beyond surfacing information and focus on offering meaningful support.

Ultimately, HR Virtual Assistants help leaders modernise and futureproof public sector services.

University Hospitals Coventry and Warwickshire (UHCW) NHS Trust transformed its HR operations with an AI-powered virtual assistant, saving over 2,000 working days annually while dramatically improving staff satisfaction and service quality.

CASE STUDY: PEOPLE ASSIST



Client Context

UHCW is one of the largest acute teaching trusts in the UK, employing more than 10,000 healthcare professionals and delivering critical services across the West Midlands region. As a major healthcare provider, UHCW faces the complex challenge of maintaining efficient administrative operations while prioritising exceptional patient care.

The Challenge

UHCW's HR department was under significant operational pressure. The department faced several challenges:

Overwhelming enquiry volume: The team was inundated with 400+ emails and 200+ calls daily.

Administrative burden: There was a heavy reliance on HR team members for routine questions.

Limited out-of-hours service: Responses were typically only dealt with within office hours.

Slow response times: Reported issues of delays or no responses to routine queries.

Service inconsistencies: Customers received inconsistent advice depending on the information shared.

The cycle of delays: Due to long waits, staff sent repeated escalations leading to a vicious cycle of delays.



These challenges created a negative feedback loop affecting staff wellbeing and operational efficiency, ultimately impacting the Trust's ability to deliver optimal patient care.



Strategic Goals

UHCW leadership identified three critical objectives for transformation:

- 1. **Elevate staff wellbeing and experience** across all levels and departments.
- 2. **Enhance HR productivity** through innovative technology solutions.
- 3. **Cut service delivery costs** while improving quality and consistency.

The Approach

SCC and IBM collaborated with UHCW guiding them on the journey from concept to implementation.

It started with defining a clear vision of how modern technology could elevate the HR function, focusing on tangible outcomes aligned with the organisation's strategic priorities. They decided to develop and adopt an AI-powered Virtual Assistant to automate HR, resourcing and employment queries.



IMPLEMENTATION JOURNEY

A phased approach ensured stakeholder buy-in and technical feasibility:

- 1. **Build Phase (3 weeks):** Implementing the AI-powered virtual assistant customised to UHCW's specific policies and procedures.
- 2. **User Acceptance Testing (2 weeks):** Gathering feedback on the Minimum Viable Product from key stakeholders and end users.
- 3. **Scale Phase:** Establishing a weekly task group for continuous improvement, ensuring data freshness and real-time updates.

HR VIRTUAL ASSISTANT IMPLEMENTATION

The core solution featured an AI-powered virtual assistant designed to:

- **Automate routine HR queries** by summarising policies using Retrieval-Augmented Generation (RAG) technology. The assistant offers guidance about HR, recruitment and selection, learning and development, temporary staffing, payroll, pensions, occupational health, people support and organisational development services. learn and offers a wealth of data analytics to track customer journeys. This provides opportunities to improve the enquiry pathway and enhance customer satisfaction levels.
- **Enable 24/7 employee self-service** across multiple devices. AI enables the virtual assistant to answer questions on topics it has not been trained on specifically. The system can
- **Standardise HR advice** by leveraging existing policies and procedures.
- **Generate actionable intelligence** on common enquiries to improve communication strategies.

TRANSFORMATIVE RESULTS

Within the first 27 weeks following implementation, the HR Virtual Assistant delivered remarkable outcomes:

- **Widespread adoption:** 1,254 engagements with the system.
- **High utilisation:** 1,413 conversations conducted.
- **Workflow efficiency:** The assistant successfully handled common queries including:
 - Annual leave entitlements
 - ESR access
 - Pension questions
 - Car park salary sacrifice enquiries
 - Maternity leave policies



QUANTIFIABLE BUSINESS IMPACT

The HR-Powered Virtual Assistant delivered significant measurable benefits:

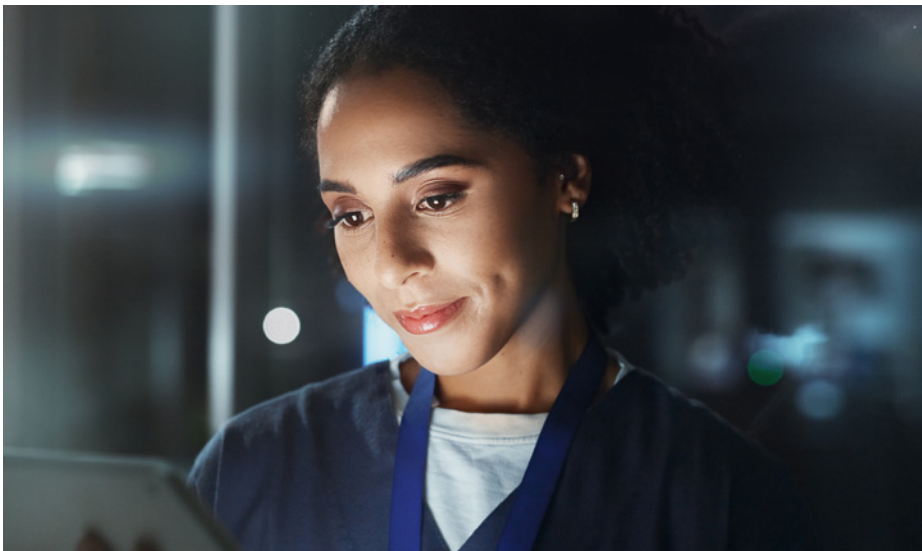
- **Time savings:** Estimated 2,079 working days saved annually. Equivalent to 8 full-time employees.
- **Cost reduction:** Approximately £232,361 in annual savings*

*Calculated by defining effort expenditure as Band 3 at 50%, Band 5 at 25%, Band 6 at 15%, and Band 7 at 10%

SERVICE IMPROVEMENTS

Beyond the numbers, the HR Virtual Assistant transformed UHCW’s operations:

- **Enhanced HR focus:** Team members redeployed to higher-value strategic initiatives.
- **Improved consistency:** Standardised advice based on official policies.
- **Better employee experience:** Immediate responses regardless of time or day.
- **Data-driven insights:** Intelligence gathering on common questions to proactively improve communications.



FUTURE VISION

Building on this success, UHCW is now positioned to:

- | | |
|--|--|
| <p>1.</p> <p>Expand automation capabilities by identifying additional processes suitable for AI enhancement.</p> | <p>3.</p> <p>Scale the solution across the Integrated Care System (ICS) to maximise regional impact.</p> |
| <p>2.</p> <p>Address root causes of common enquiries through targeted process improvements.</p> | |

MODERNISING HR IN THE PUBLIC SECTOR

Looking for expert help to start your AI journey? SCC and IBM have teamed up to help public sector organisations set up HR Virtual Assistants to elevate experiences while driving productivity. You'll benefit from the intelligence of IBM alongside SCC's on-the-ground experience.

Working with their customers, IBM and SCC build on an incredible 40-year partnership to apply digital innovation to improve customer service and drive efficiency. As the first UK IBM Platinum Business Partner, SCC enables NHS organisations to plan, supply, integrate and manage their IT. Their customer-focused approach helps leaders drive transformation to achieve strategic objectives. SCC is included on several digital procurement frameworks, allowing you to get up and running quickly.



Your one-stop shop for HR queries

Meet IBM® watsonx Assistant
- your one-stop-shop for all HR queries and routine tasks around the clock. This tried-and-tested solution helps you work smarter, not harder. It helps you to:

Free up staff time:
Repetitive, mundane tasks are taken care of, freeing up HR professionals and employees.

Fast-track implementation:
No coding experience required. Get your agent up and running in minutes with the intuitive interface.

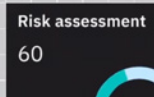
Put the human back into HR: Staff spend more time taking care of people and less sifting through policies.

Call to Action
[Note to client – please share any suggested wording on the call to action, including details of the next step, e.g. a workshop or an assessment.]

Get in touch:
emailhere@scc.co.uk



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Future Focus

As the public sector faces mounting challenges, from productivity pressures to workforce shortages, AI offers a transformative opportunity for HR leaders. Rather than replacing human connection, AI has the power to enhance it by freeing staff from administrative burdens to focus on meaningful interactions. Virtual Assistants represent a practical starting point, providing 24/7 support while reducing costs and improving response times.

Leaders must address legitimate concerns. Transparency, keeping a

human in the loop, and demonstrating tangible benefits are key. By embracing AI ethically, leaders can create an empowering and productive relationship between humans and AI.

As we look to the future, the most successful organisations won't be those that simply implement AI, but those that use it to reimagine HR services. It's about creating a more responsive, efficient, and ultimately, human public sector that better serves staff and citizens alike.

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- We can deliver a wide range of IBM consultancy, workshops, implementation and post-delivery services.
- Number One IBM business partner in the UK.
- We have a portfolio of high-profile clients already benefitting from SCC's proven IBM expertise.
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- Pre and post sales services practice.



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