

Elsewhen

The Agentic State: A Blueprint for Public Sector Productivity



Gabriel O'Brien

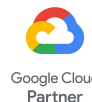
Researcher at Elsewhen



About Elsewhen

**We help organisations
become the most effective
and productive version
of themselves.**

Government
Commercial
Agency
Supplier



200+

Client Engagements

12yrs

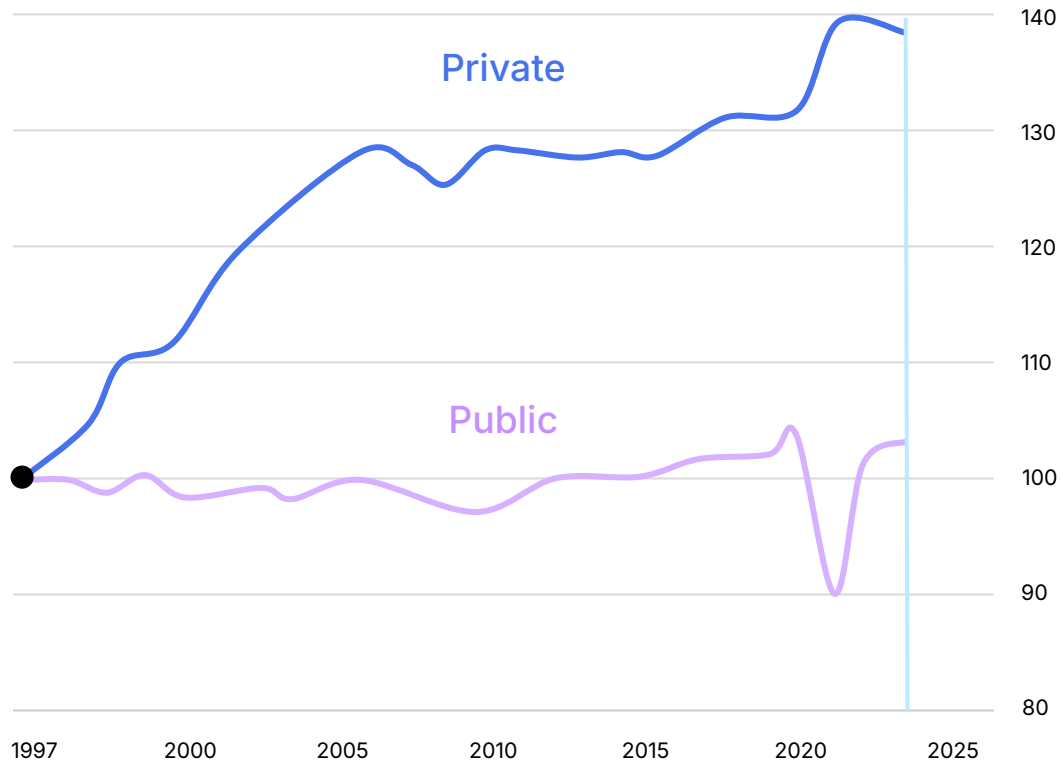
Average Experience

150+

Person Team

The goal of today's session





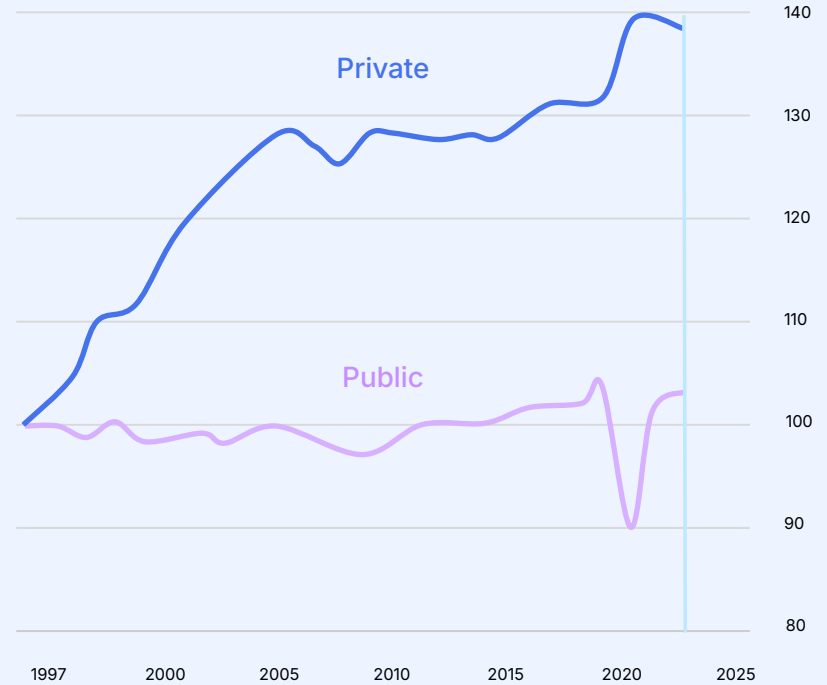
Source: ONS * 2021-2022 data are experimental

The challenge

Productivity is roughly where it was in 1997

Inefficiency drive

Britain, productivity by sector 1997 = 100



The opportunity

Research suggests that AI is the answer

£41B

potential savings from effective AI adoption

Office for
**Budget
Responsibility**

9x ROI

for every £1 invested

 TONY BLAIR
INSTITUTE FOR
GLOBAL CHANGE

The problem with current approaches

But current experimentation is falling short



Report: Sep 2025

AI coding assistant trial: UK public sector findings report



Research & Analysis: Jan 2025

An Evaluation of DWP's Microsoft 365 Copilot Trial



Report: August 2025

The Evaluation of the M365 Copilot Pilot in the Department of Business and Trade



Report: May 2025

Evaluating Consult: An AI Tool for Enhanced Public Consultation Analysis

The problem with current approaches

Three systemic blockers

Three systemic blockers

01

Piecemeal Initiatives

Disconnected experiments
without strategic direction or
measurable outcomes.

Three systemic blockers

01

Piecemeal Initiatives

Disconnected experiments without strategic direction or measurable outcomes.

02

Generic SaaS

Off-the-shelf tools that don't fit your specific workflows or integrate with your systems.

Three systemic blockers

01

Piecemeal Initiatives

Disconnected experiments without strategic direction or measurable outcomes.

02

Generic SaaS

Off-the-shelf tools that don't fit your specific workflows or integrate with your systems.

03

Disconnected Data

AI that can't access your internal knowledge, documents & business context.

AI systems composed of agents that behave and interact autonomously to achieve their objectives.

Government Digital Service, 2025.

Agentic AI

- 01 Powered by LLMs
- 02 An autonomous entity
- 03 That interacts with its environment
- 04 Gets feedback from interactions
- 05 To make decisions
- 06 And achieve goals

**Employee
Efficiency**

GenAI



**Enterprise
Productivity**

Agentic AI

How do we avoid another lost
30 years of productivity?



We went and spoke to the people at the heart of this challenge



Karl Hoods

Chief Digital & Information
Officer, ICS Digital / DSIT



Dr Nina Jorden

Assistant Professor,
University of Cambridge



Kat Excell

Senior Product Manager,
Tony Blair Institute



Niall Grant

Public Sector
Transformation
Lead, Clarasys



Vahid Panjganj

Head of Data & AI,
Elsewhen

4 themes for unlocking productivity with Agentic AI

01 Redefine productivity



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- 01 Redefine productivity
- 02 Escape the pilot trap



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- 03 A *new* data gap



4 themes for unlocking productivity with Agentic AI

- 01 Redefine productivity
- 02 Escape the pilot trap
- 03 A *new* data gap
- 04 Learn from adjacent industries



01 Redefine productivity

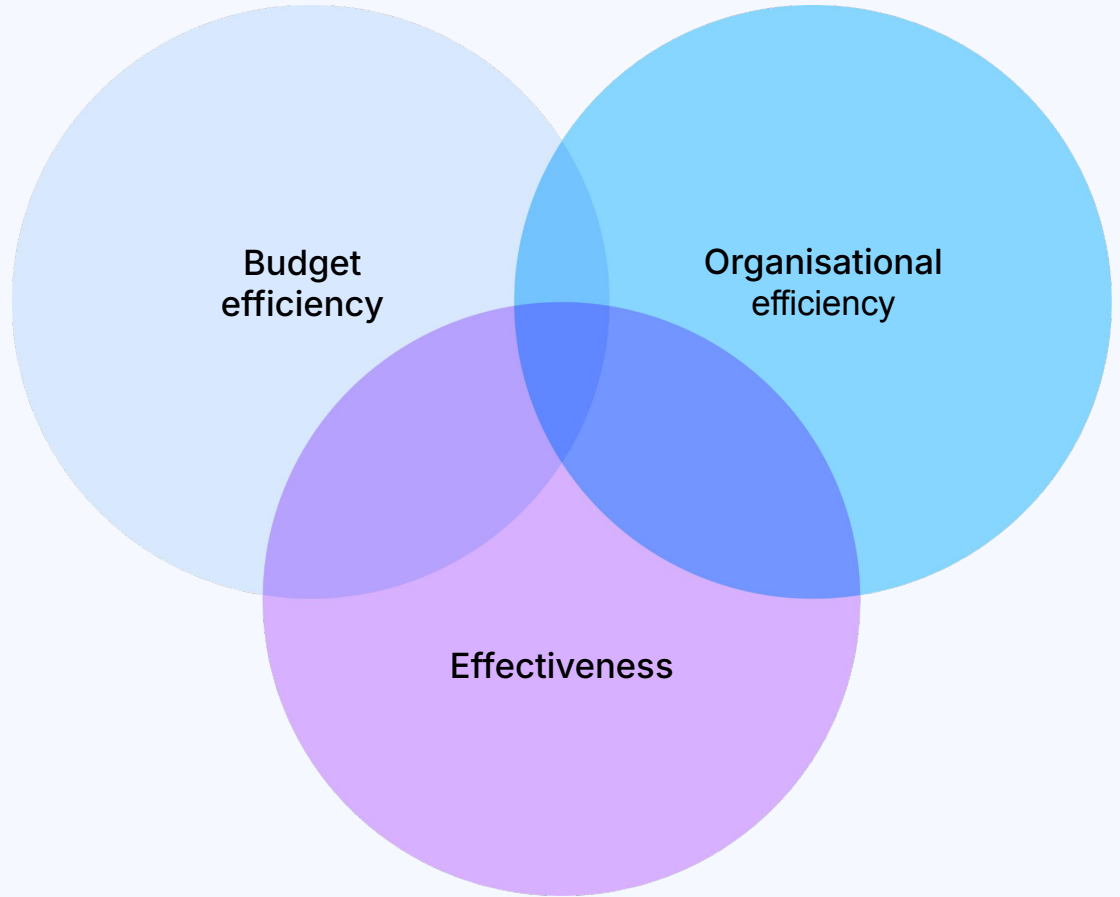
01 Redefine productivity

“For 40% of public services in the UK, official statistics still assume ‘output = input’, which automatically means zero productivity growth.”

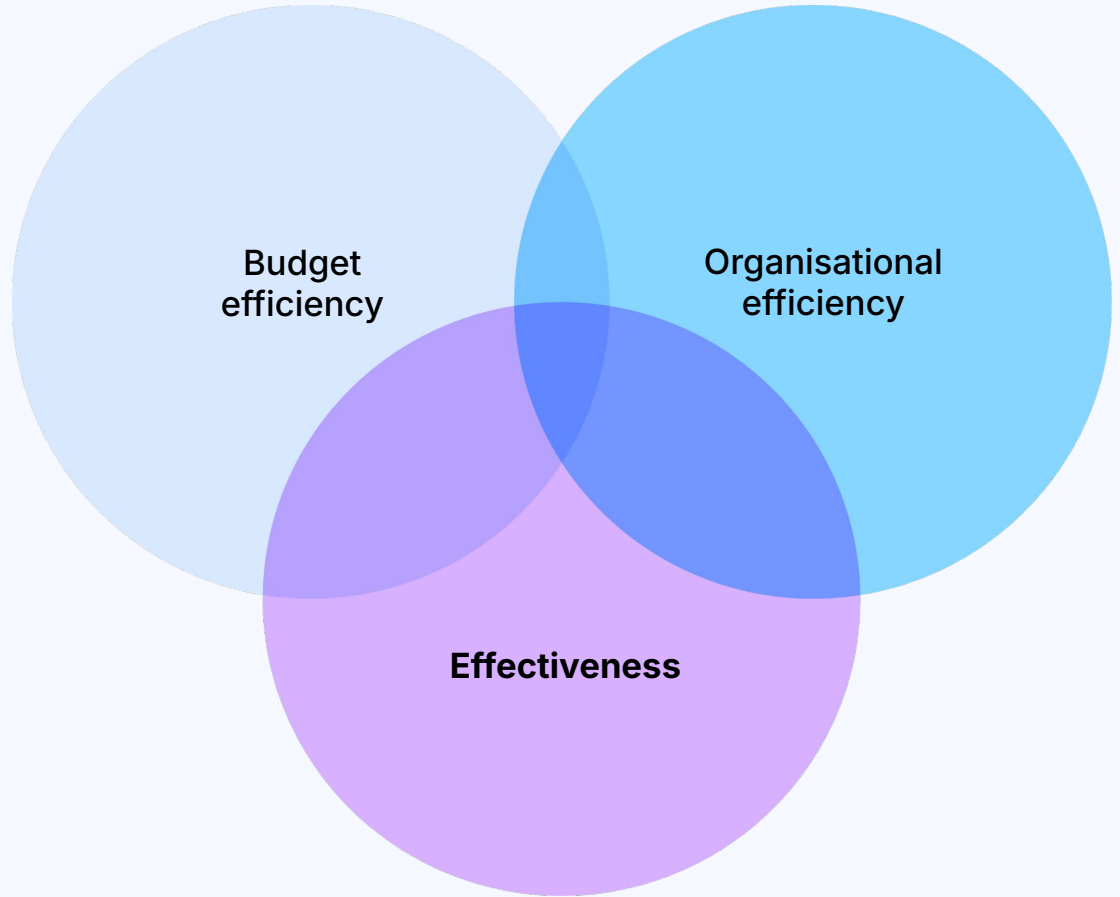


Dr Nina Jorden,
University of Cambridge

Productivity must be understood across...



Productivity must be understood across...



And indicators must be...

01

Mapped across the service chain from budgets & inputs to outputs & outcomes.

02

Adjusted for quality and welfare, accounting for AI's contribution

03

Widened to organisational learning and agility e.g. digital skills

04

Grounded in ethics and responsibility e.g bias and transparency

02 Escape the pilot trap

02 The pilot trap

“The pilot trap exists because AI is often treated as an innovation exercise rather than genuine delivery reform. Isolated experiments rarely connect to real operational problems.”



Kat Excell,
Tony Blair Institute

Escaping the trap by grounding experiments in operational reality.



Move from Proof of Concept to Proof of Value

Stop testing ideas - start proving impact



Grounded in real data and problems

Synthetic inputs produce synthetic insight



Workflows, not tasks

End-to-end value, not isolated automation

03 A new data gap

The case for context engineering

"It is more around context engineering than prompt engineering. How we build that knowledge context within our domain to be able to access it with agents."



Karl Hoods,
ICS Digital

Where does this knowledge data exist?

People's heads



Where does this knowledge data exist?

People's heads



Documents



Where does this knowledge data exist?

People's heads



Documents



Policies



Where does this knowledge exist?

People's heads



Presentations



Policies



Something that the Public Sector has loads of..... 🗑️

04 Learn from adjacent industries

Learning in practice

"The leadership team visits organisations from F1 teams through to banks and insurance companies, to create connections and share knowledge"



Karl Hoods,
ICS Digital

Where can we learn?

Banking

Risk management frameworks and AI governance models for compliance-heavy decision-making.

Insurance

Algorithmic explainability and human oversight in automated underwriting and claims workflows.

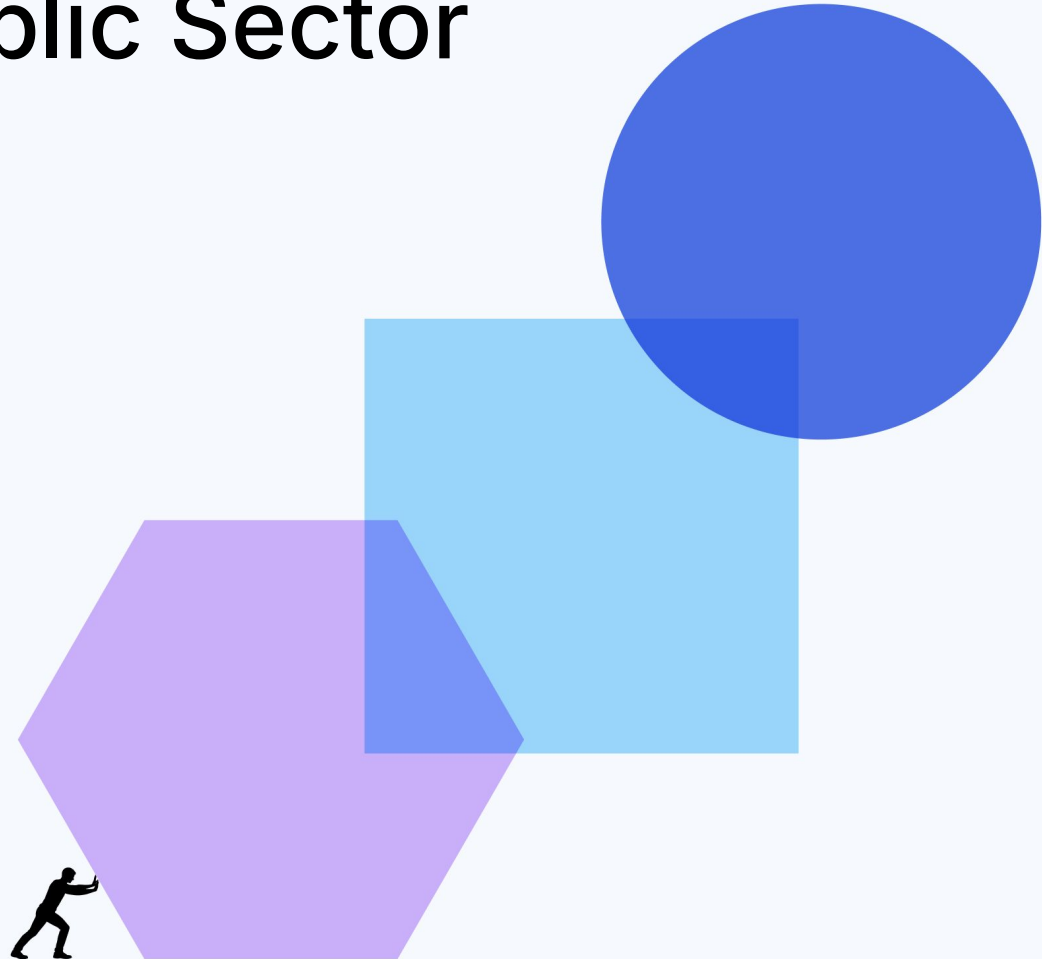
Energy

Deploying AI at scale across regulated infrastructure with public accountability and safety requirements.

Telecoms

Redesigning customer-facing roles around AI agents while managing regulatory and privacy obligations.

A Blueprint for Public Sector Productivity



An Agentic Blueprint for Public Sector Productivity

Map

Lay the foundations before deploying technology

- Redefine Productivity
- Identify High-Value Opportunities

Build

Ground AI in delivery reality and real data.

- Prove Value, Not Concept
- Build Orchestration Across Platforms

Scale

Move from pilots to institutional performance.

- Optimise Governance for Explainability
- Scale with Confidence

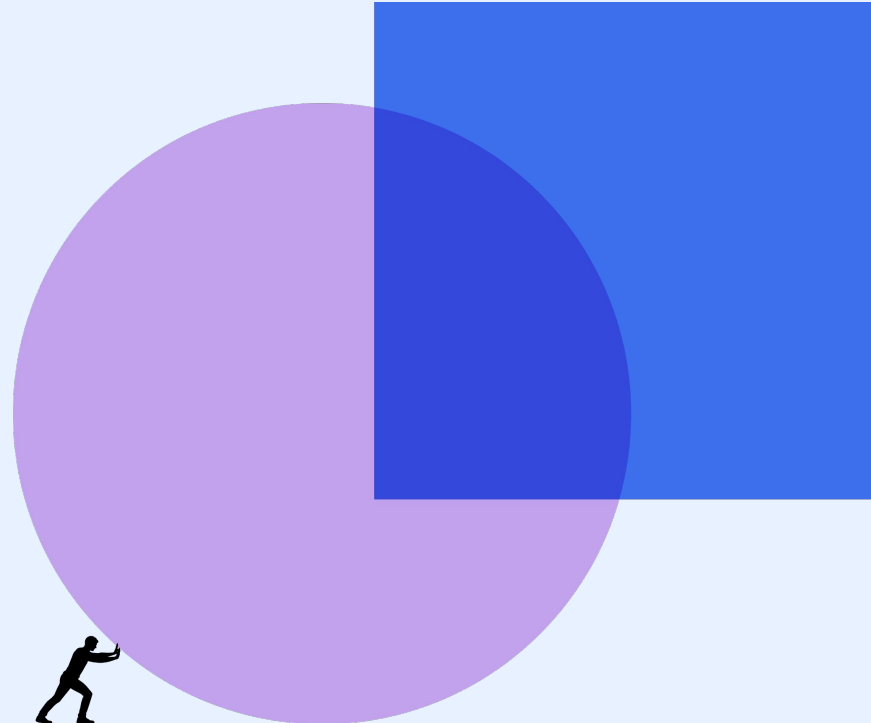
Evolve

Redesign services and processes around agents.

- Build Organisational Memory
- Establish a Hybrid Operating Model

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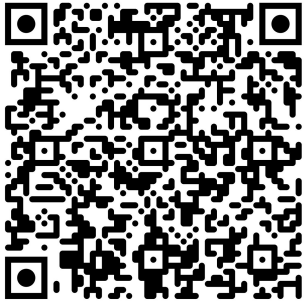
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In summary

- The public sector has a genuine window right now to break the 30-year productivity stagnation.
- Agentic AI is the mechanism. But we must stop treating AI as an innovation exercise and start treating it as delivery reform.
- That means redefining productivity, grounding experiments in reality, building the knowledge infrastructure agents need, and learning from those who've done it before.

Questions?



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