

Government Consultancy Spend Hits £13 Billion Amid Accusations of U–Turn

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The government's consulting bill has surged to a record £3.4 billion in 2023–24, prompting criticism that ministers have reversed previous promises to clamp down on outsourcing and reliance on external advisors.

Reporting by The Telegraph reveals the UK public sector spent £13 billion on consultants and contractors in the past year, a figure 62% increase vs 2019–20. that of the last comparable period. Departments including Health, Justice, and the Civil Service slashed internal capacity during austerity but have since poured resources into external expertise to fill capability gaps.

Critics say this marks a significant U–turn by ministers who previously vowed to reduce reliance on consultants. One MP, speaking anonymously, said: “We were told the age of white–board consultants was over, now we’re paying more than ever to plug holes left by senior job cuts.”

Defenders argue that some consultancy spend represents necessary expertise, especially during crises. A source from the Treasury, speaking on condition of anonymity, said that rapid response, digital transformations, and pandemic recovery required specialised talent “simply not available in–house”, and insisted that steps were underway to bring more work back inside government.

The rise in consultancy costs is also fueling reform debates. The Institute for Government has long warned that systemic weaknesses in civil service planning and digital delivery have forced reliance on external support. A recent report noted that after cutting deep from 2010 to 2015, public sector capability “never fully recovered”. Without rebuilding internal capacity, the argument goes, governments are trapped relying on private–sector partners.

There’s also concern over transparency and value for money. Questions are mounting over whether contracts are being properly scrutinised and

whether taxpayers are getting an adequate return for what they're paying. Labour has seized on the figures, accusing ministers of hypocrisy. However, critics say the opposition risks undermining its argument by failing to propose a credible alternative for delivering specialist services.

For frontline departments like the NHS and Home Office, consultants have been used for major infrastructure projects, digital roll-outs, and emergency planning. While some interventions, such as at NHS Test and Trace, are widely viewed as failures, others, like the accelerated deployment of cloud infrastructure, have been described as “game changers” by internal officials.

Looking ahead, the government is due to publish an internal capability review later this year, outlining targets to transfer key roles back to civil servants. Whitehall sources suggest that an initial tranche of more than £500 million in consultancy roles will be phased out, with “the government plans to phase out around £550 million of consultancy spending in 2024–25, with further reviews due later this year. As public spending remains under pressure, the debate is clear: rebuild core government capabilities or rely on costly consultants indefinitely. Ministers now face mounting pressure to deliver on long-promised cuts, while ensuring vital skills aren't lost in the process.