

EXTRACT

Pulse report

The use of consulting services in the UK public sector

 SOURCE

Feb 2025



Background and objectives

The Labour government has introduced new regulations and guidelines governing the use of consulting services in the public sector.

The aim of this research has been to:

- Examine what impact this advice had on public sector buyers of consulting services, and what the future of consulting looks like in the sector.
- Understand public sector needs and primary concerns.
- Identify the opportunity within the sector for consultants, and how they should tailor their offering in response to new demands from the government.

Methodology

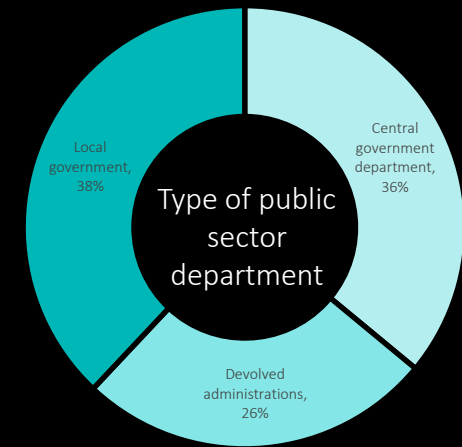
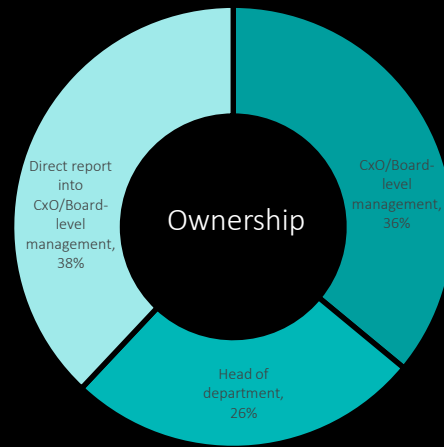
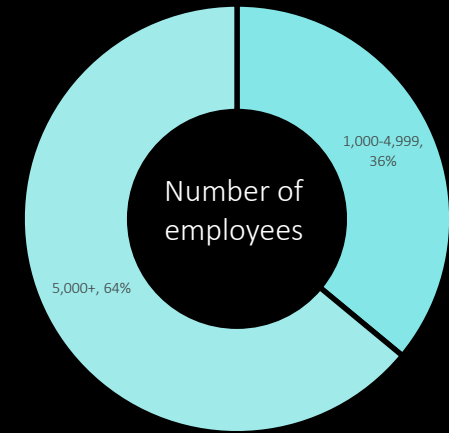
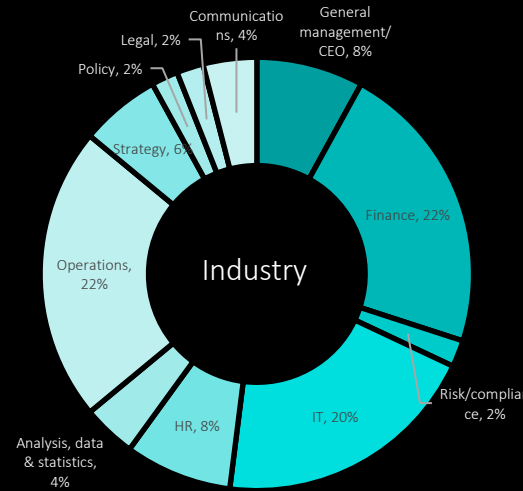
- We wrote a tailor-made survey which reflects the key concerns within the public sector.
- We gave that survey to 50 senior executives in the sector. We wanted to determine their response to the advice given to them by the Labour government in the wake of the government transition in July 2024.
- Our survey included breakdowns across central government (36% of respondents), local government (38%), and devolved administrations (26%).
- Our survey also included breakdowns across different levels of responsibility within the public sector, including head of department (26%), CxO/board-level management (36%), and direct report into CxO/board-level management (38%).
- It also featured a broad breakdown among types of work (e.g., financial services, risk, legal, etc.).

Our methodology

We surveyed 50 senior buyers of public sector consulting services in the UK. Respondents came from a representative range of sectors and 64% came from organisations with more than 5,000 employees.

The research was carried out in January 2025.

Breakdown of the sample by...



What really matters

96% of public sector clients are planning to increase their spend on consulting in the next two years

These clients are increasing their spending on consulting because they are coming under ever greater pressure to get more work done more quickly

At the same time, they're struggling with a lack of talent, which is a response to unclear directives from above

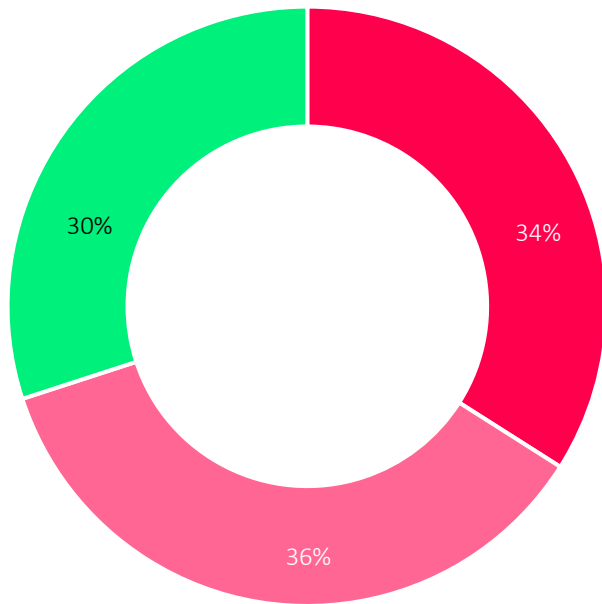
- Despite a directive from above to spend less on consulting services, almost all public sector clients are still planning to increase their spending on consultants over the next two years.
- 78% of clients don't feel that they can reduce their current spending because they need to transform their organisation.
- 27% of clients listed the need to get more work done as the primary reason that they were planning to spend more on consultants. A further 33% said that this was the second most important reason.
- Clients also felt that ministers were more likely to listen to advice when it came from an external source, and this was another key reason why clients are loath to decrease their consulting spend.
- 36% of clients said that they don't have access to the right talent.
- This is coupled with 26% of clients who said that changing government directives were a key issue for them—clients feel that it is hard to recruit the right talent because the government is being unclear about its strategic priorities.
- Consultants can offer clients flexibility in response to this problem.

01:
**What are the
challenges facing
UK public
servants?**



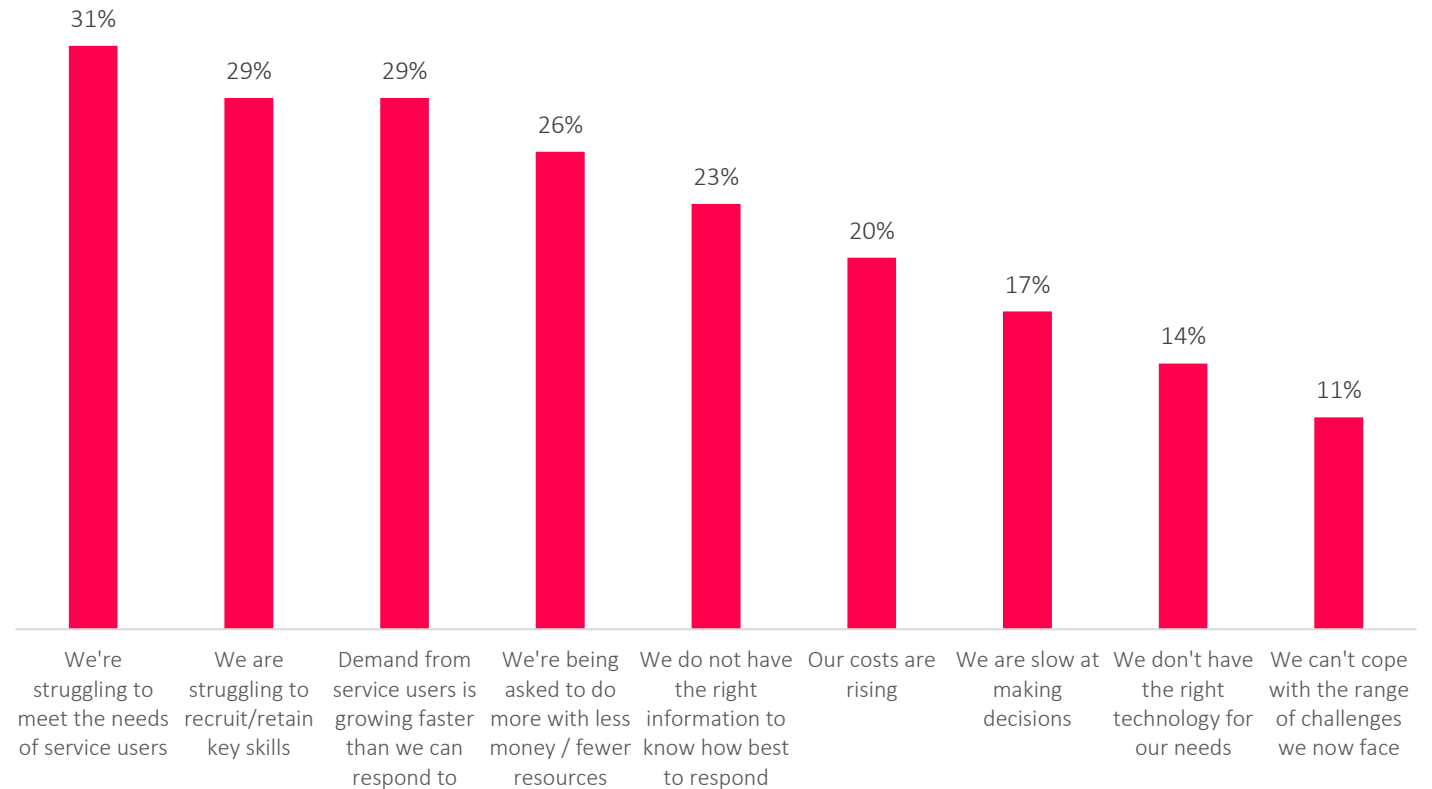
Over two-thirds of clients have had their confidence reduced by the macroeconomic environment, with many saying that they are struggling to meet the needs of their users

To what extent has the general political and economic environment impacted your confidence when thinking about the future of your organisation?



■ Significantly reduced ■ Somewhat reduced ■ Not reduced our confidence

Why has the general political and economic environment reduced your confidence?

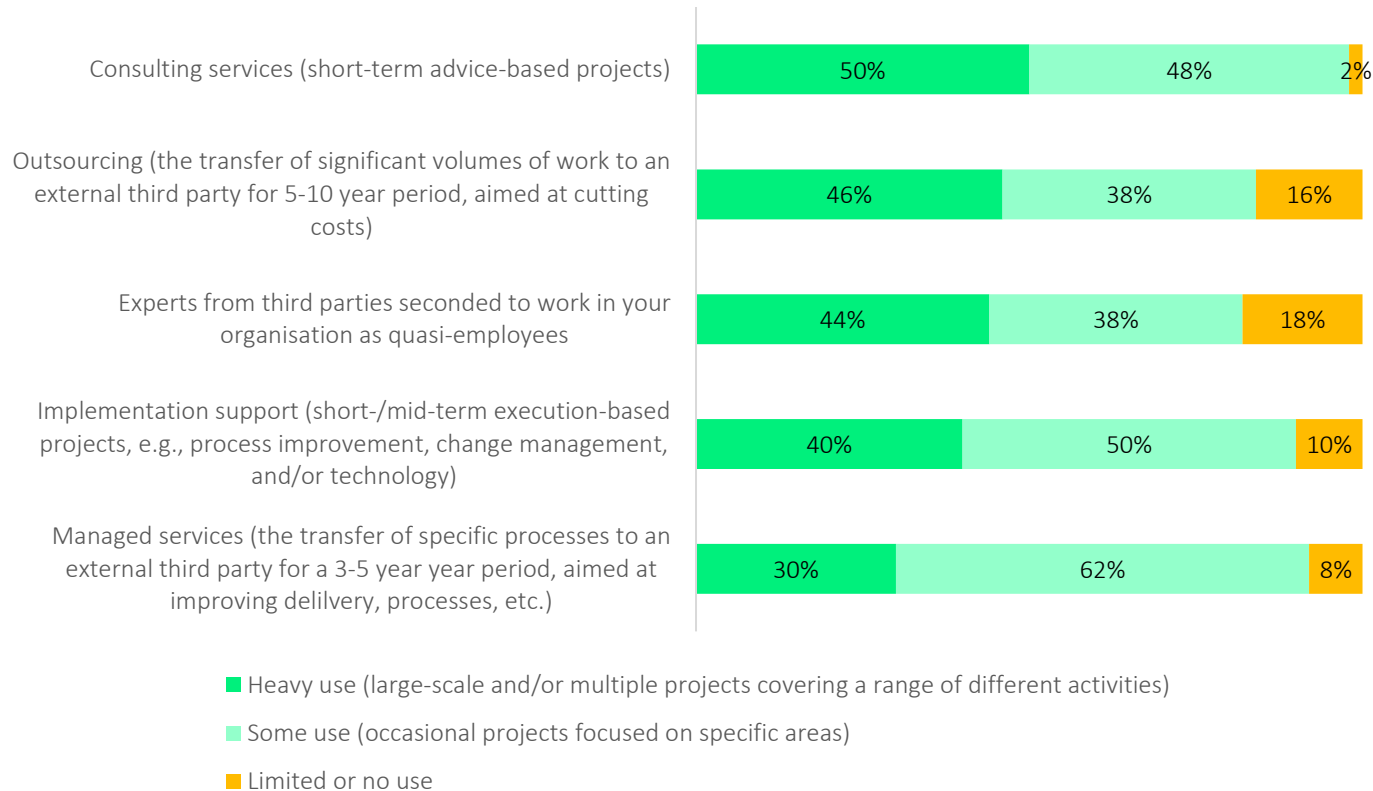


02:
**How has the
public sector
responded to the
need to reduce
consulting spend?**

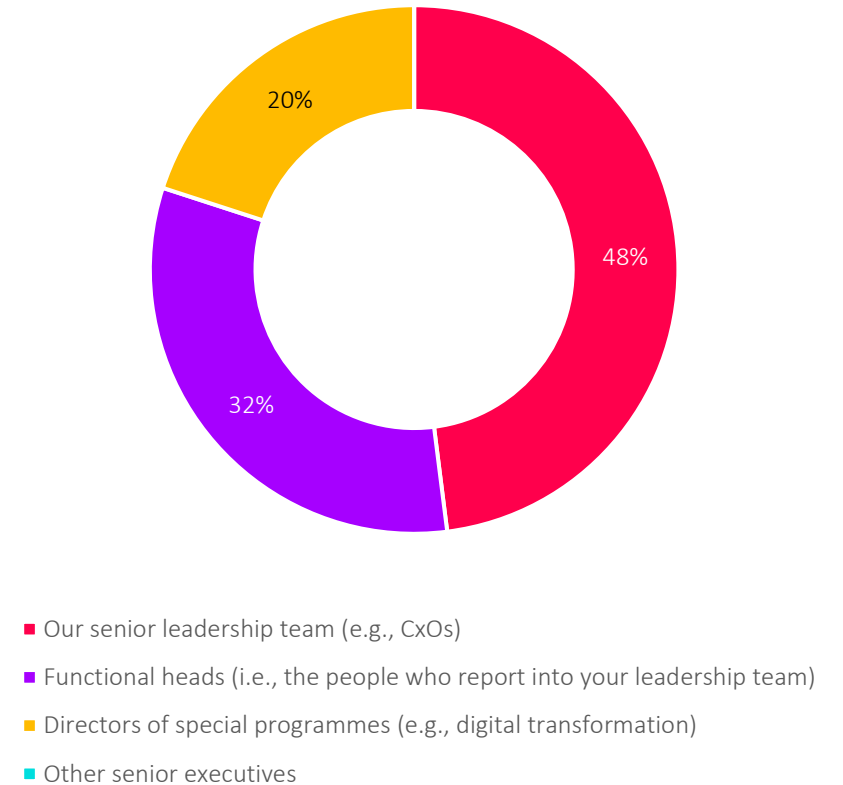


For the last two years, public sector clients have been reliant on external support for short-term advice-based projects, as well as using other support for different tasks

To what extent has your organisation used external support in the last two years?



Which level in your organisation typically buys the most external support?



03:
**What's likely to
happen next?**

