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November 2025

Beyond the iron fist:

What civil servants say will really cut Whitehall waste

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Contents

Foreword

Government's renewed focus on efficiency comes at a critical point. Despite years of digital transformation, many services still rely on tired systems, bureaucratic processes, and duplicated effort. The new departmental efficiency plans are a chance to break this cycle.

Departments are under pressure to deliver more with less, with plans aiming for billions in annual savings by 2028–29. Digital reform is central: HMRC expects nearly half its efficiencies from IT modernisation, DWP more than half from digital improvements, and MHCLG about 90% from workplace and digital reform. This is promising, but experience shows that headline commitments alone rarely deliver lasting efficiencies.

At Hitachi Solutions, we work alongside departments and agencies every day, and see where waste actually lives. It hides in repeated work, pointless approvals, disconnected systems, and the fatigue from navigating complexity. Waste drains both money and motivation, keeping skilled staff from what matters most.

That human cost drove us to explore this issue in depth. Our roundtables and survey brought together government voices who described frustration with change happening in the wrong places – technology applied to broken processes, or automation accelerating the wrong work. One participant said: "We automated a triage step that no one could justify. Now it just gets people to the wrong place faster."

Others pointed out a measurement problem: efficiency is often measured by volume – cases closed, claims processed – while more meaningful metrics like time returned to staff rarely appear. As one operations lead put it: "Saving people an hour a day isn't on the balance sheet, but it's the most human efficiency we can offer." Without such measures, real progress is hard to see.

Our research shows departments that use digital reform as service redesign achieve lasting value. Those treating technology as a layer on top of old systems risk perpetuating waste. Efficiency requires clarity, empowered leadership, and permission to stop outdated work – conditions that are still rare.

The government's efficiency plans signal the right priorities – modernisation, shared services, automation, smarter data – but say little about measuring success, adapting governance, or addressing duplication. Few mention stopping or consolidating processes, or the cultural change needed to build trust.

This report aims to support the conversation and action. It compares the intent of government efficiency plans with what actually works and identifies where more depth is needed to avoid repeating past reform cycles. Efficiency is not just cost-cutting – it's about releasing time, improving service, and building sustainable systems.

We hope this research helps bridge the gap between ambition and outcome. Waste elimination is easy to describe but tough to sustain. It requires new tools, better measurement, and leadership. If the current efficiency drive focuses on those fundamentals, it stands a better chance of lasting change.

At Hitachi Solutions, we believe efficiency should mean fewer barriers, clearer decisions, and more time for meaningful work. That's what we help departments build. This report is our contribution to an issue that matters for every public servant, taxpayer, and citizen.

Emma Charles
Industry Director, Government
Hitachi Solutions

Introduction and methodology

When Chancellor Rachel Reeves declared last December her intention to take an "iron fist against waste" and "inspect every pound" of government spending, she set in motion a government-wide drive for efficiency which promised to reshape how the public sector works. Beyond political conviction, her words carried an assumption about what waste looks like in the corridors of Whitehall.

Six months later, that "iron fist" materialised in the Spending Review 2025 – the UK's first multi-year financial settlement since 2021. The Review outlines the government's plans for public spending over the next five years, including departmental efficiency plans expected to deliver £14bn in savings whilst simultaneously managing operational constraints as administrative budgets are cut by 16% by 2029-30.

A deep-dive analysis by the Institute for Government reveals the scale of the challenge: despite overall public spending growing by 2.3% annually, only three services (local government, courts, and general practice) have funding that exceeds expected demand growth by more than 1%.

The Treasury has placed significant trust in digital transformation to deliver these savings, allocating £1.9bn to drive digitisation across government and £2bn to implement the government's AI Opportunities Action Plan.

This effort is ambitious. For example, according to the Ministry of Housing, Communities and Local Government, using AI to speed up routine tasks could save 500,000 staff hours each year, and the Department for Energy Security and Net Zero expects AI tools to deliver £19m in productivity gains every year by 2028-29.

But what if the Chancellor's iron fist is aimed at the wrong target? What if civil servants see waste differently than Treasury spreadsheets suggest? This report collates and examines research commissioned by Hitachi Solutions, in collaboration with *PublicTechnology* and *Civil Service World,* and sets out to answer these questions. In July 2025, we surveyed 239 government staff, asking them to define waste and identify what truly drives inefficiency in their daily work.

Methodology

Our methodology moved beyond traditional metrics to examining how deeper inefficiencies can cause problems within and across departments. We also explored cultural barriers that hinder the spread of good ideas, instances where busy work is mistaken for real progress, and the hidden costs of maintaining outdated processes.

The survey included multiple choice and open-ended questions, allowing civil servants to expand their responses in their own words. The questions explored the perceptions of waste, how waste occurs in practice, and the implications of wastage on public services.

This report combines the analysis of quantitative and qualitative survey data, as well as insights gathered at civil service events. To complement the survey, our findings consider analysis from a roundtable held at PublicTechnology Live 2025 entitled *'How Can Digital Help Win the War on Whitehall Waste?'* This session, hosted under Chatham House rules, brought together senior civil servants from multiple departments, union representatives, digital transformation leaders, and experts from Hitachi Solutions to examine what waste truly means in practice.

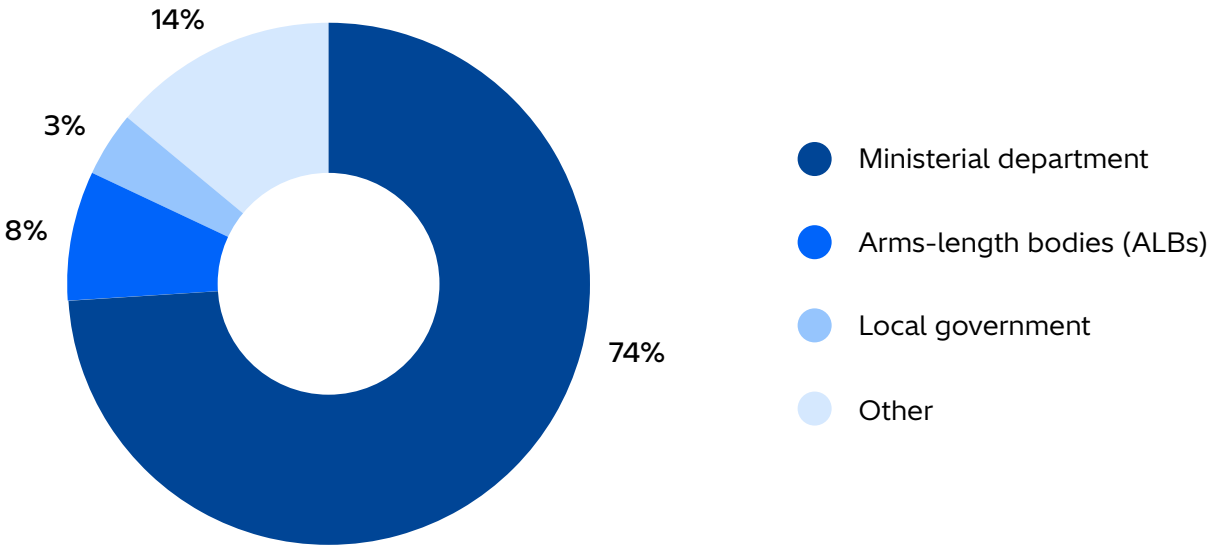
In addition, Hitachi Solutions offers in this report commentary with learnings from roundtable discussions and workshops held with civil servants. These conversations give additional context and depth to the quantitative findings.

Survey profile

Our survey captured responses from across the public sector ecosystem. Ministerial department staff represented 74% of respondents, arm's-length bodies contributed 9%, and local government representatives made up 3%. The remaining 14% came from other public sector organisations.

Survey profile

Q. Which organisation do you currently work for?



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What is ‘waste’?

This chapter explores how civil servants perceive and define waste within their organisations. First, we asked them to describe in their own words what waste means to them personally, and second, to identify what their organisations formally consider to be waste from a list of classifications. Survey data reveals that the concept of waste in government is something more nuanced, touching on everything from misaligned resources to fundamental questions about public value.

We asked civil servants what their organisations see as waste, and most agreed that wasting time is the main issue. The top consideration identifies *‘Manual processes that could be automated’* with 52% of responses, indicating that organisations are increasingly recognising the potential of technology to eliminate routine tasks that consume valuable staff time.

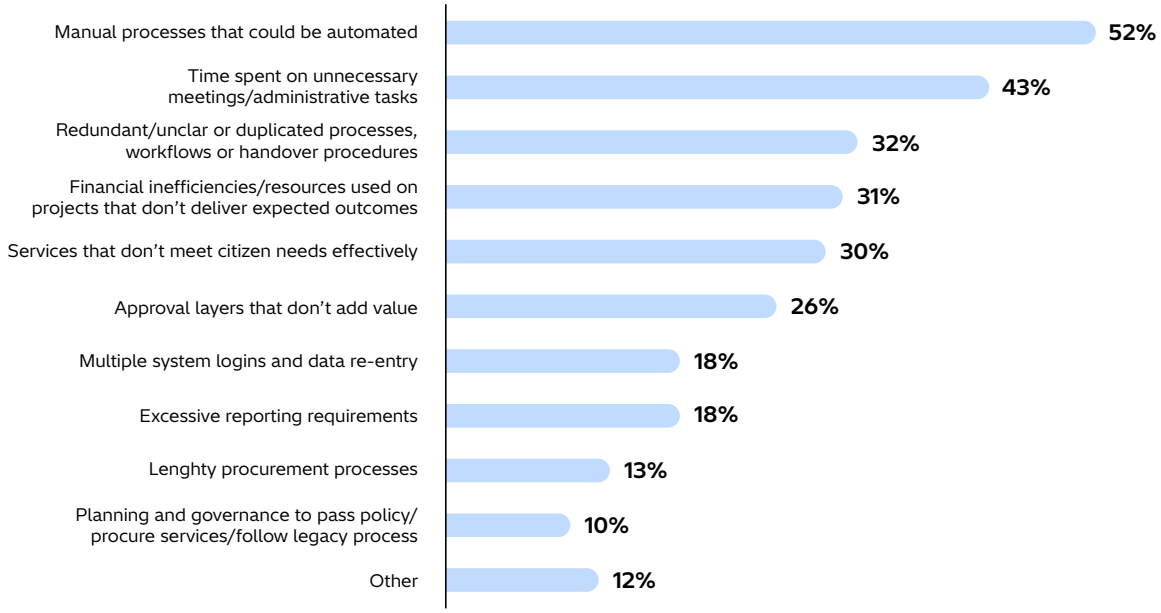
The second most common response, chosen by 43% of people, was *‘Time spent on unnecessary meetings and administrative tasks.’* This shows that many recognise how too much bureaucracy can get in the way of real work.

Additionally, 32% of respondents cite *‘Redundant, unclear, or duplicated processes’,* demonstrating how organisational complexity can create inefficiencies that multiply across different departments and functions.

Finally, 31% of civil servants mention *‘Resources used on projects that don’t deliver expected outcomes’,* and 30% note ‘Services that don’t meet citizen needs’. Together, these findings show that organisations face challenges in delivering value and in defining what value looks like from the outset.

What is waste according to organisations

Q. What does your organisation consider to be ‘waste’?



The fact that outcome-focused categories rank among the top five suggests some organisations look at waste based on results, not just what they put in, but also as a failure to deliver real benefits to the public.

When asked to define waste in their own words, civil servants describe it differently depending on their role and experience. Junior and operational staff often mention daily frustrations with routine processes. One higher executive officer (HEO) summed up operational waste by saying: “Duplication of work, purchase of equipment through specified channels at hugely inflated prices compared to high street prices, unnecessary changes incurring costs, changes for changes’ sake with no real benefit incurring unnecessary costs, the list is endless.”

Another HEO frames waste in terms of missed digital opportunities: “Waste to me means not using resources as effectively as possible by embracing digital technology to improve efficiencies.” These responses reflect frontline experience with systems that consume time without delivering proportionate value.

Senior officials, by contrast, demonstrate more strategic thinking about waste. A senior civil servant defines waste as: “Inefficiencies in processes, talent under-utilised, resources/tech available but not in use.” This wider view includes not only broken processes but also untapped skills and resources.

The dominant focus centres on resources and value, with many respondents highlighting the fundamental mismatch between effort and outcome, and some respondents show a clear grasp of systemic waste. For example, a Grade 7 respondent explains that budget structures can lead to ongoing inefficiency, saying: “Working in the civil service waste means to me waste of public money and waste of resources that could be better utilised”.

In their own words, civil servants explain how organisational structures create waste. They point to issues like temporary staffing, unclear hierarchies, and overlapping roles, which cause inefficiencies that go beyond single processes. Their analysis shows they see waste as part of larger systemic problems, not just isolated cases.

Leadership and the cultural dimension

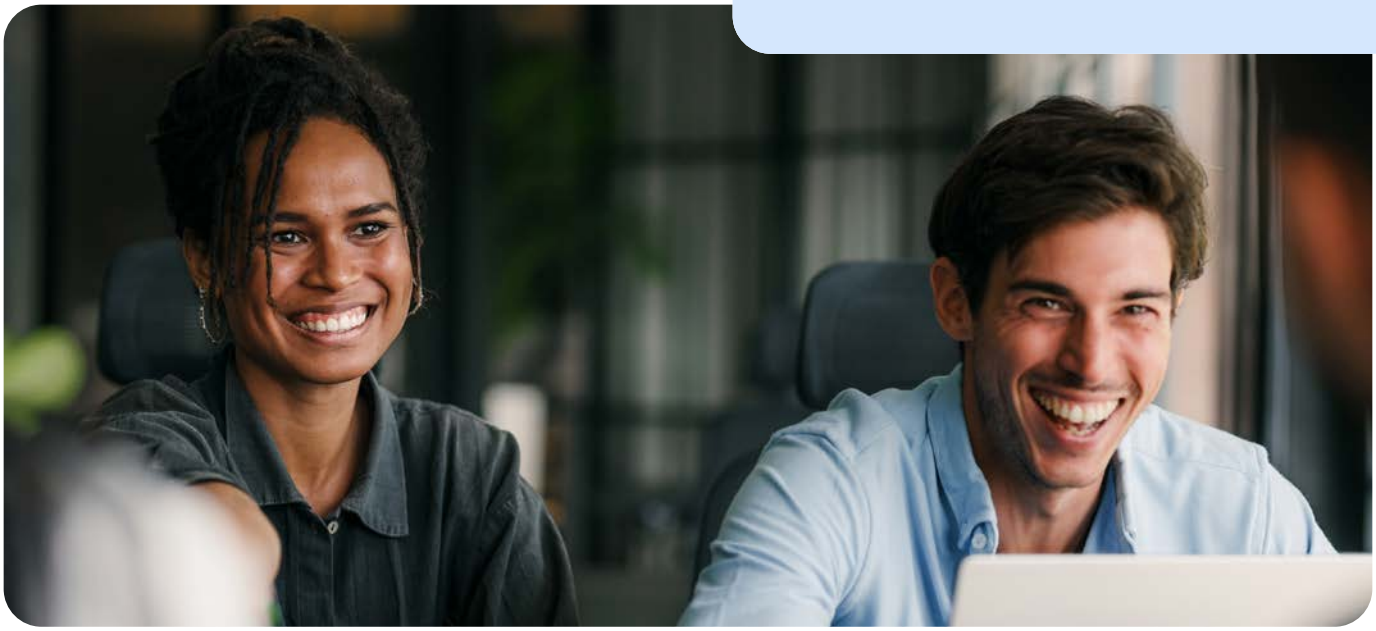
Several responses show frustration with how leaders approach spending. One senior executive officer (SEO) explains: “The attitude is: ‘Spend because it’s not my money! If I want something changed at a cost, and then changed again because of inaccuracies, so be it! ‘Very frustrating.” This comment points to the fact that attitudes about resources can lead to waste. This issue also relates to larger questions about organisational culture and accountability, which are often at the root of how organisations define and recognise waste.

This analysis shows that people see waste in government as a complex issue. At its core, both organisations and individuals often define waste as time and resources spent without real benefit, such as manual processes, unnecessary meetings, or repeated procedures.

However, beneath this general agreement, there is a deeper view of waste as energy used in the wrong way, a loss of direction, and a challenge to serving the public well. Civil servants focus on results, such as projects that do not succeed and services that fail to meet people’s needs. They also consider personal values, showing that they see real efficiency as more than just working quickly or saving money.

Key findings:

- Civil servants see waste as a multifaceted issue including loss of public value as well as time and resource misalignment.
- The top waste sources are manual tasks that could be automated (52%), unnecessary meetings/admin work (43%), and redundant processes (32%).
- Outcome-related waste is notable: 31% cite projects that fail to deliver results; 30% mention services that don’t meet citizen needs.
- Definitions vary by role. Junior staff stress daily inefficiencies and higher-ranked officials highlight underused talent and resources.
- Structural issues like unclear hierarchies, temporary staffing, and overlapping roles drive systemic waste.
- Leadership and culture shape how waste is created and tolerated, with many reporting frustrations by lack of accountability in spending.



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The anatomy of waste – causes, consequences and barriers to eliminating it

This chapter looks at three key areas: what creates waste in the first place, how that waste appears in the delivery of public services, and what stops organisations from getting rid of it. Our research shows that more often than not, the systems meant to protect quality and accountability end up creating inefficiency.

The root causes

Looking at the causes of waste, *'Legacy IT/ Systems/Clouds that don't integrate or work well together'* tops the ranking at 54%, highlighting years of fragmented technology investments which have left many organisations with outdated systems. As a result, skilled employees often spend time on repetitive workarounds and manual tasks, which hurts both productivity and morale.

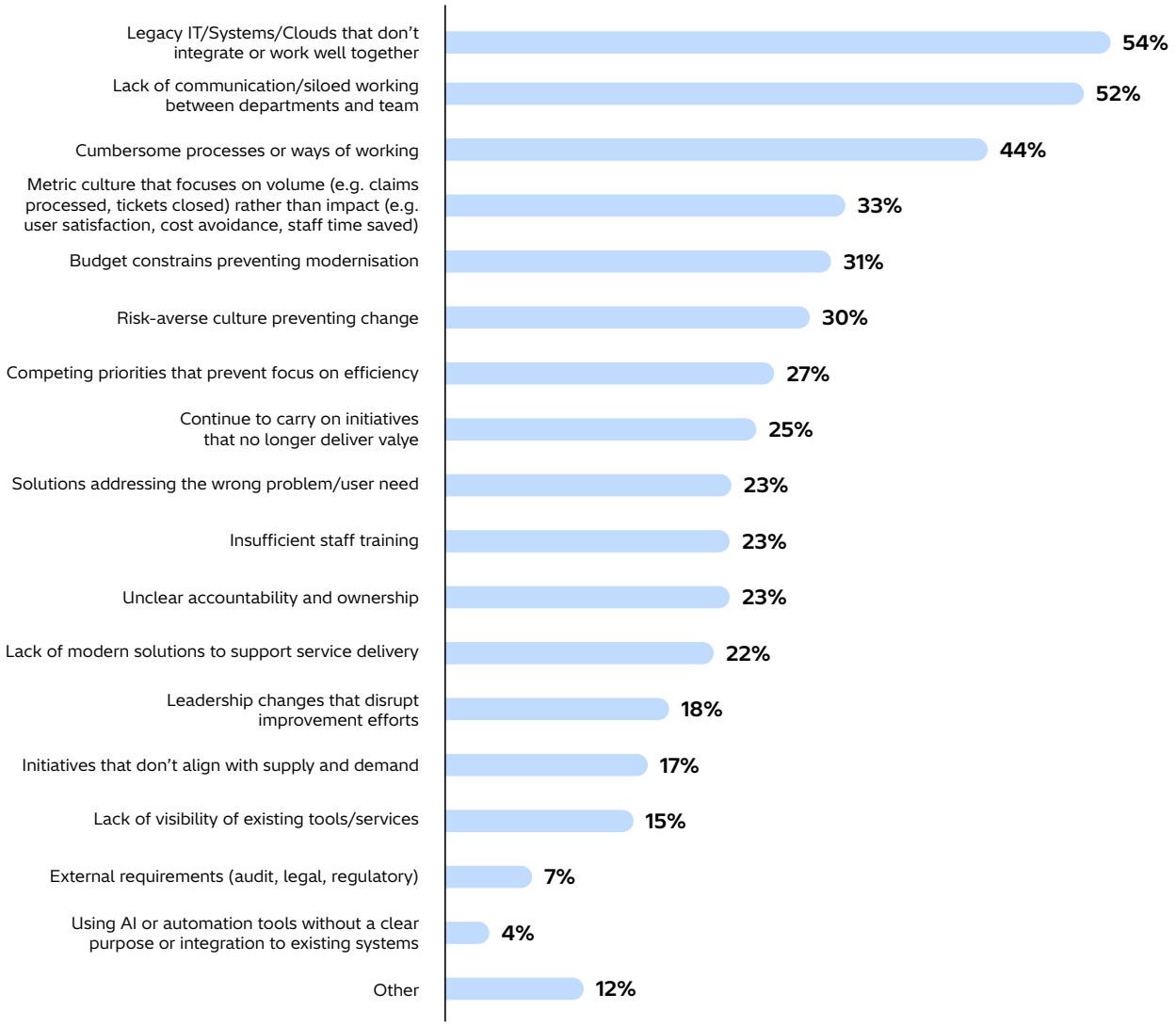
'Lack of communication and siloed working between departments and teams' ranks second at 52%. Even after years of trying to create a joined-up government, things are still fragmented. At our roundtable, participants noted that departmental ownership often makes it hard for teams to work together across government.

'Cumbersome processes or ways of working' is third at 44%. This phrase hides a deeper issue: many processes are set up to shift responsibility instead of helping people get things done. As one roundtable participant put it: "Too often, governance is designed to manage risk and spend, not to enable good delivery. We wait for permission. We get caught in sign-off spirals ." When every decision needs several approvals, no one really owns the result, and skilled employees spend more time getting signoffs than solving problems. Each failure leads to more oversight, which ends up creating the very bureaucracy these processes were supposed to avoid.

> *"Too often, governance is designed to manage risk and spend, not to enable good delivery. We wait for permission. We get caught in sign-off spirals"*
>
> **PublicTechnology Live roundtable participant**

Root causes of waste

Q. What are the main factors that lead to waste in your organisation?



The survey highlights a key contradiction in how government addresses waste. Nearly a quarter of respondents (23%) identified *'Insufficient staff training'* as a main factor leading to waste. However, efforts to improve efficiency often focus more on technology and process changes, leaving skills development overlooked.

This tension becomes clear when we look at the government's goal for 10% of the civil service to be digital experts. While this ambition highlights the importance of digital skills, it could lead to a divided workforce where specialists are seen as more valuable, and the rest may feel left out.

A roundtable participant cautioned that defining a fixed category of 'digital expert' may be counterproductive. Most public servants use technology in their daily work, even if it's just Excel, and are expected to apply digital skills to deliver efficiently. Drawing a line between 'digital' and 'non-digital' roles risks missing the point: every staff member should feel ready for a more digital government. Gaps in skills, at any level, can lead to bigger problems and waste across the whole system.

When waste hits the frontline

The implications of these systemic challenges are quite real and can be seen in different ways that influence both civil servants and the citizens they support. When we asked civil servants about the primary impacts of waste on service delivery, they pointed to major pressures on the organisation.

'Duplication of work' is the most cited consequence, mentioned by 49% of respondents, followed by *'Increased costs that could otherwise fund frontline services'* identified by 43%, and *'Delays in implementing new policies or service improvements'* with 38%.

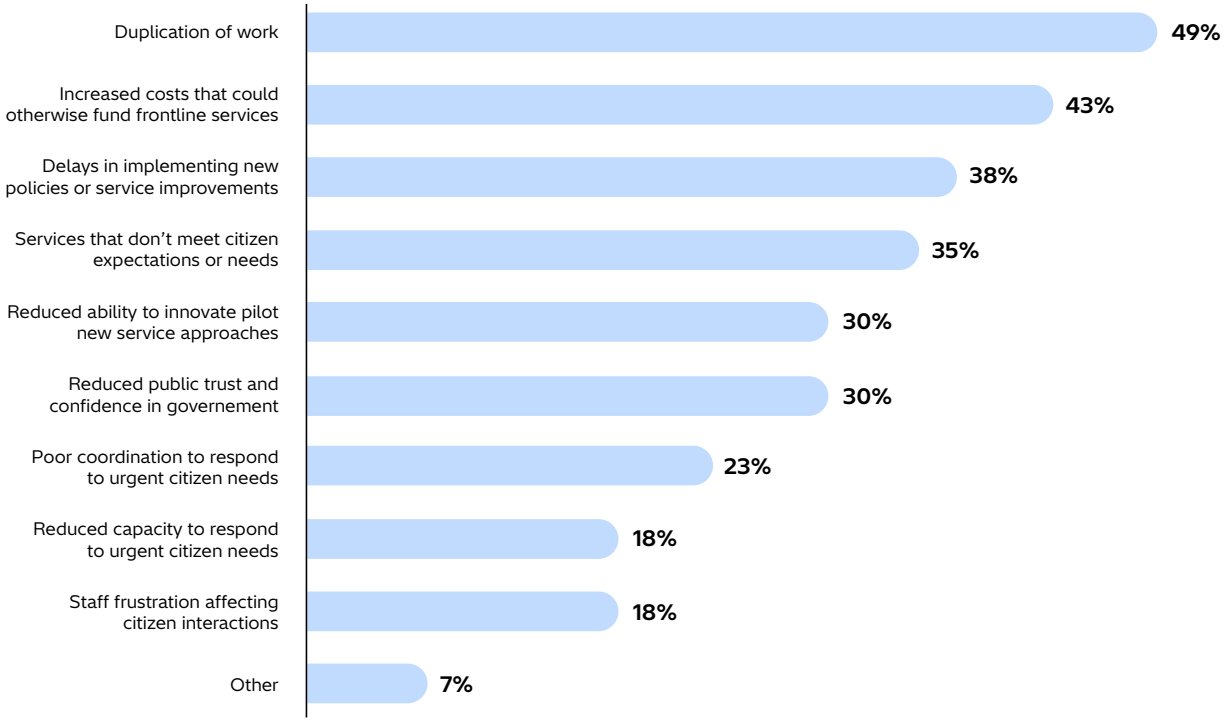
In addition to these operational impacts, the survey finds some worrying effects on service quality. About 35% of respondents cite *'Services that don't meet citizen expectations or needs',* whilst 30% point to 'Reduced ability to innovate or pilot new service approaches' and an equal proportion identify *'Reduced public trust and confidence in government'*.

The human cost is also significant: *'Reduced capacity to respond to urgent citizen needs'* is cited by 18% of respondents, revealing how waste creates a demoralising cycle where talented professionals find themselves trapped in inefficient systems. This frustration grows as teams face heavy pressure with urgent tasks, often leaving little time to find and fix deeper problems.

What makes waste particularly challenging to tackle is how different types of inefficiency build on each other. Legacy systems create manual workarounds, which takes more staff time and delays projects, which creates pressure for shortcuts, which compromises quality and creates rework.

Impact of waste on services

Q. What do you think are the main effects of waste on the services that your organisation provides?



Barriers to eliminating waste

Just as important as understanding the causes of waste is identifying the barriers to eliminating it. According to our survey, civil servants see three main obstacles to reducing waste. Their responses suggest that many organisations are held back by systems designed to protect themselves.

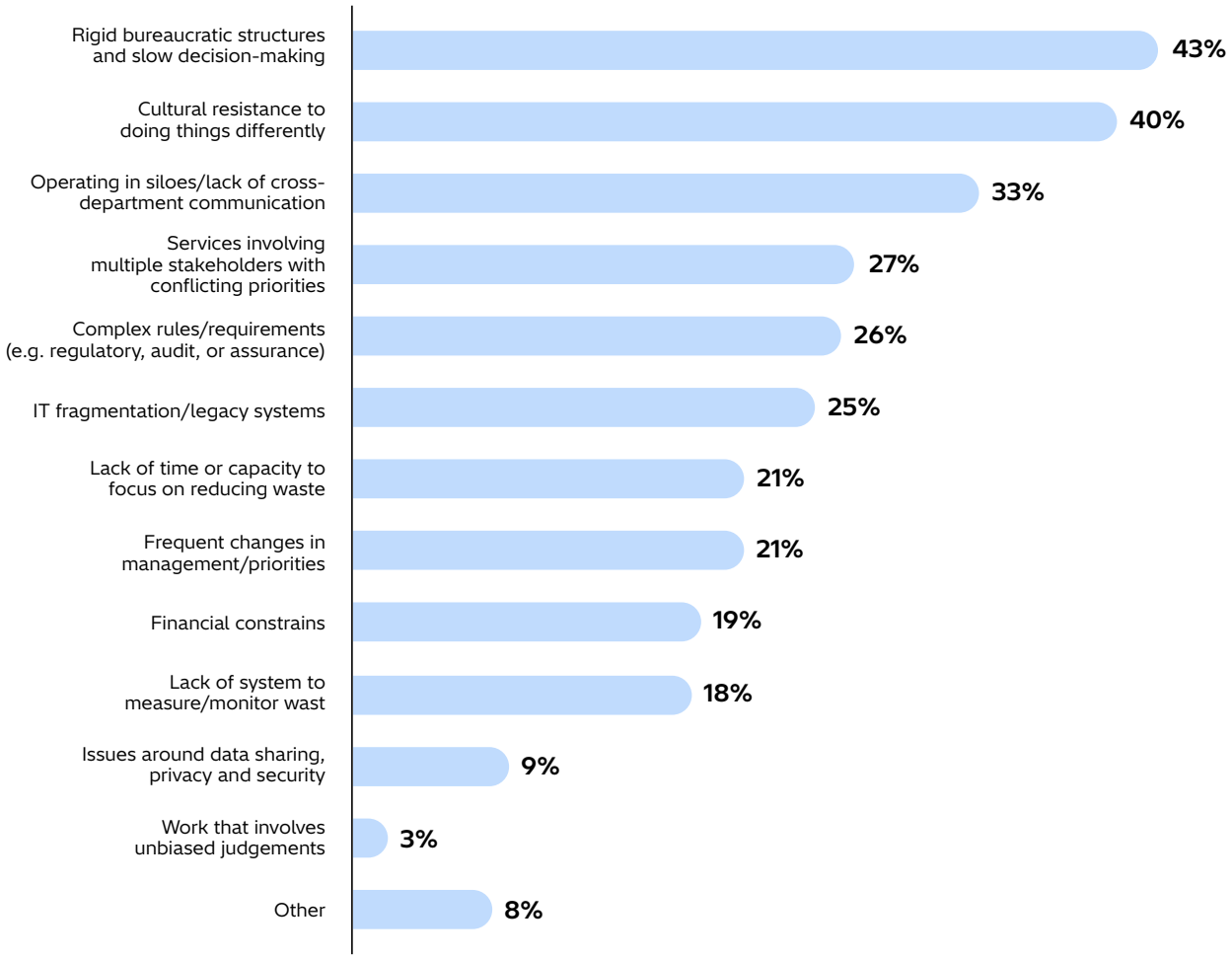
With 43%, *'Rigid bureaucratic structures and slow decision-making'* tops the list of barriers, followed by *'Cultural resistance to doing things differently' at 40%, and 'Operating in silos/lack of cross-department communication'* at 33%.

These issues highlight the structural, cultural, and communication challenges that make it hard for government to work efficiently.

Other significant barriers include *'Services involving multiple stakeholders with conflicting priorities'* (27%), *'Complex rules/requirements (e.g. regulatory, audit, or assurance)'* (26%), and *'IT fragmentation/legacy systems'* (25%), showing how the barriers to tackling waste often mirror the factors which caused it.

Barriers to reducing waste

Q. What are the biggest obstacles that prevent waste reduction in your organisation?



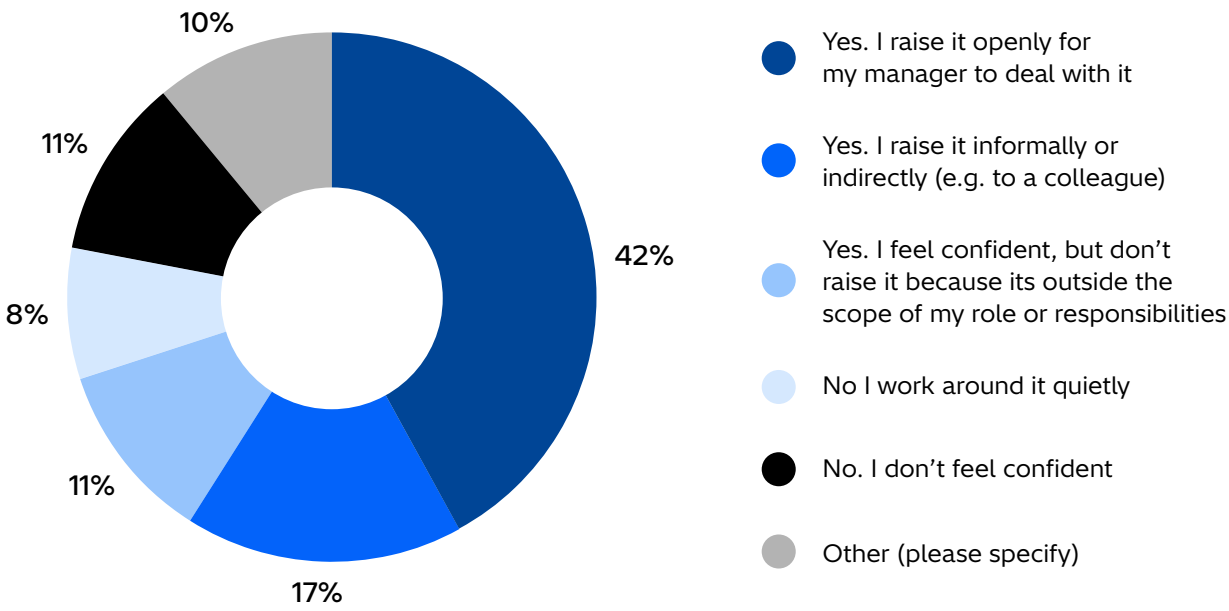
The confidence crisis

Our data raises the need for more work to build psychological safety. When we asked civil servants if they feel comfortable pointing out wasteful practices, a significant minority (42%) say *'Yes. Raise it openly for my manager to deal with it'* when they identify waste, but almost as many (30%) would not raise it either because of lack of confidence or because it isn't their responsibility, including 8% who admit working around it. Only 17% say *'Yes. Raise it informally or indirectly (e.g. to a colleague)'*.

When people hesitate to speak up, waste often goes unnoticed and becomes, as one roundtable participant put it, "the way we've always done things". This has serious consequences because if those who see the problems stay quiet, organisations lose valuable opportunities to improve.

Confidence to raise issues in organisation

Q. If you identify something wasteful in your work, do you feel confident to raise the issue within your organisation/department?



The unintended consequences of efficiency drives

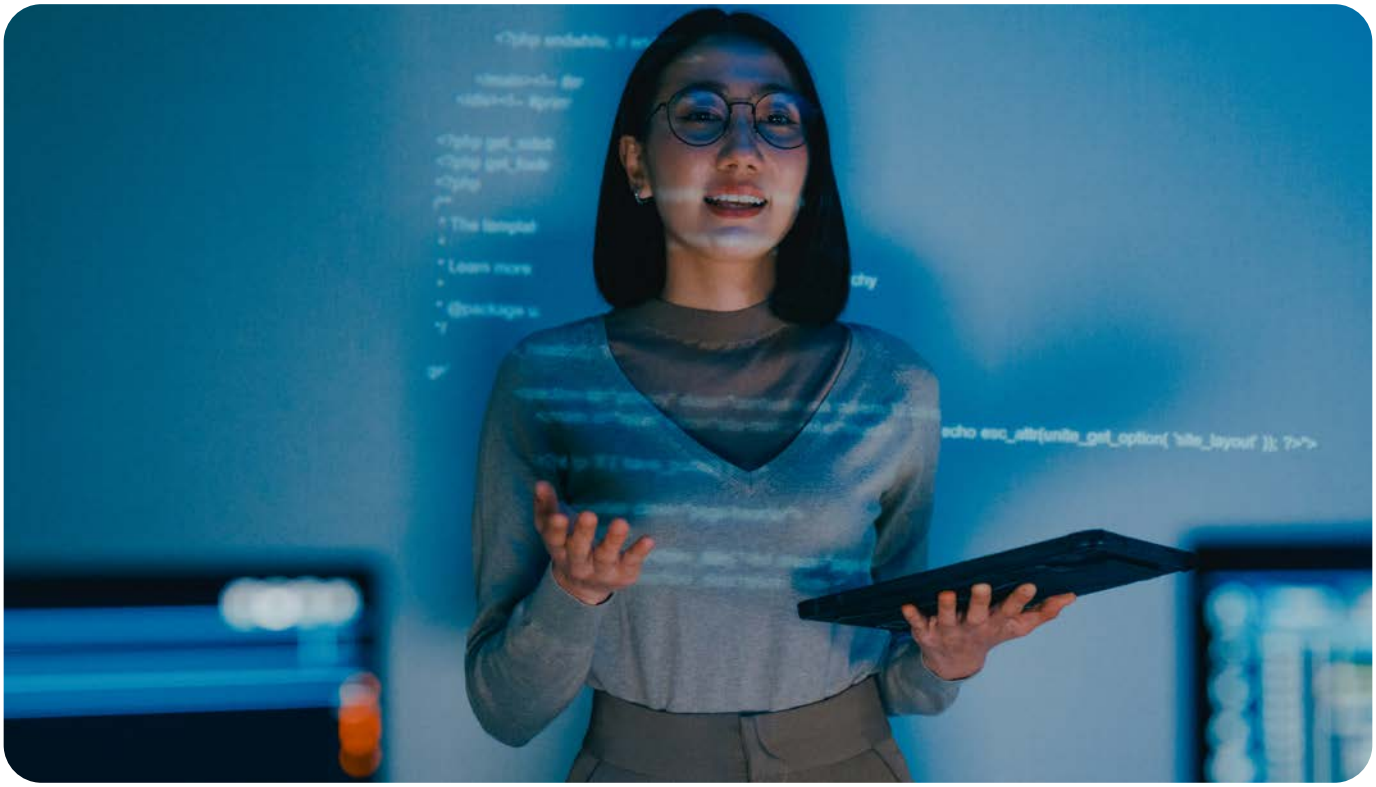
Our research points to a difficult reality in some waste reduction efforts. Through the survey and roundtable discussions, we found that when efficiency initiatives are not well designed, they can actually lead to new types of inefficiency. Civil servants at the *PublicTechnology* roundtable often referred to this as the risk of "doing the wrong thing efficiently".

This statement reflects a broader challenge: organisations often try to make processes more efficient without first asking if those processes are right or even necessary. When efforts focus more on compliance and measurement than on real results, they can add extra layers of bureaucracy that end up wasting time and resources.

Research findings suggest that government waste is more than just a matter of inefficient processes that new technology or better procedures can fix. It is a complicated system shaped by structural, cultural, and psychological factors that work together to keep inefficiency in place.

The data shows three critical insights. First, the causes of waste are systemic rather than technical, dominated by legacy systems, siloed working, and cumbersome processes that reflect deeper organisational design problems.

Second, the effects build up in many areas, including operations, finances, culture, and community. This can create cycles where waste leads to even more waste. And third, the barriers to change often look a lot like the causes of waste, which means that traditional efficiency methods might only treat the symptoms rather than problems. Learning how these factors work together can help create better ways to reduce waste.



Service reuse and duplication: Paying to stay different

One of the strongest themes from our interaction with civil servants at roundtables and workshops was the lack of reuse across government services. Departments are still funding multiple platforms that perform near-identical functions, even when shared tools already exist.

There are examples of progress, such as teams adopting shared approaches to reduce overheads, but these are still the exception rather than the rule.

The barriers are as much cultural as technical:

- Lack of visibility of what is already built
- Cultural reflexes such as “not built here” meaning “not trusted here”
- Weak incentives for alignment across departmental boundaries
- Gaps in awareness about available tools and processes
- Allocation of budgets encourages siloed working

As one participant put it: “We have five grants platforms doing 80% of the same thing, and each one is paying to stay different.” Another observed: “There’s no single view of what’s been built. We end up wasting money just staying unaware.” And perhaps the clearest example: “There are processes where we touch a case 17 times – because of roles, not reasons.”

By improving visibility and building confidence in shared capabilities, departments could reduce duplication and make efficiency gains that directly benefit staff and citizens.

Key findings:

- Waste in government is largely systemic, driven by legacy IT, siloed working, and cumbersome processes rooted in organisational design.
- Waste results in duplicated work, higher costs, delays, and citizen services that miss the mark, while also frustrating and demotivating staff.
- The biggest barriers to eliminating waste are rigid bureaucracy, cultural resistance, and siloed communication.
- Many civil servants do not feel comfortable raising concerns, allowing inefficiencies to persist and embed in organisational culture.
- Poorly designed efficiency drives can create new inefficiencies, especially when they focus on compliance and measurement over meaningful results.

3

The AI promise and peril

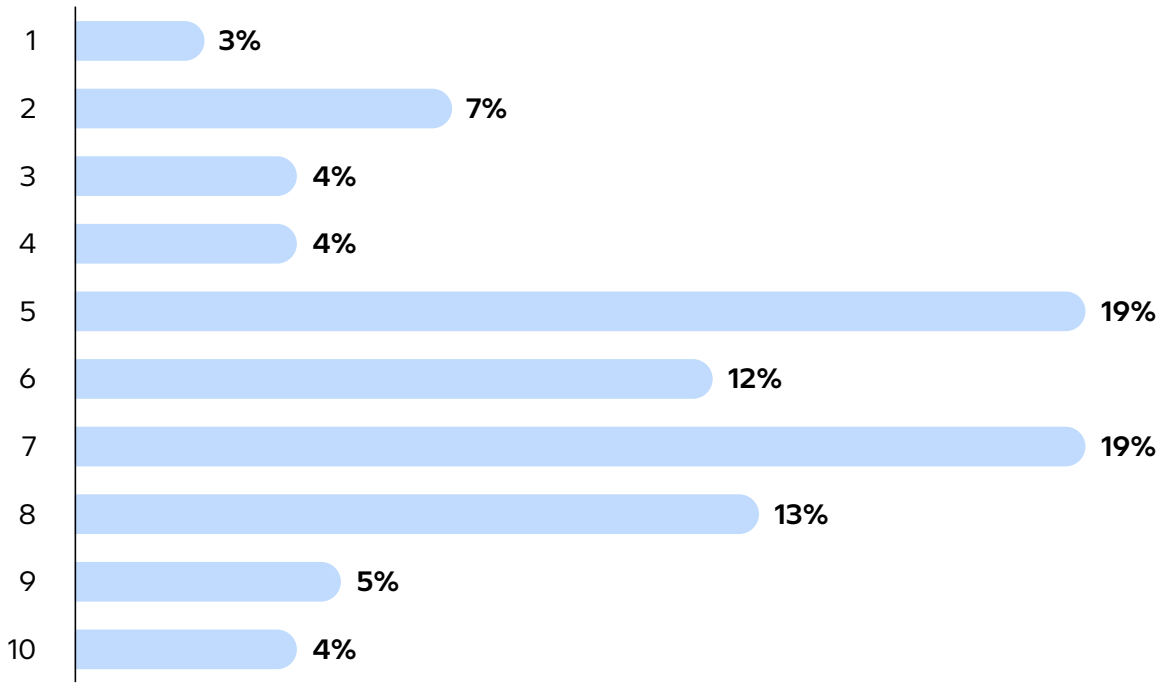
When we asked civil servants how their organisations feel about using AI to reduce waste, the most common score was five out of 10 (21%), with seven out of 10 (20%) and eight out of 10 (14%) close behind, suggesting that people are cautiously optimistic. They see potential in AI but also recognise its limits and risks.

This perspective is very different from the political talk that often presents AI as a quick fix for government inefficiency. Research shows that civil servants have a more realistic view of what AI can and cannot do.

We asked survey respondents to explain, in their own words, the rating they gave to their organisation's view of using AI to reduce waste. After reviewing over 200 responses, we grouped similar opinions and experiences, and this process uncovered three main areas that show the range of views on AI confidence.

How organisations feel about using AI to reduce waste

Q. On a scale between 1-10, where 1 is not at all optimistic and 10 is very optimistic, how does your organisation feel about using AI as a potential solution for improving waste?



The optimists

About a third of respondents pointed to positive early experiences that fuel their optimism. Many highlighted successful pilots with AI tools, particularly Microsoft Copilot for meeting notes and administrative tasks.

“We are encouraged to use Copilot and experiment with how it can help make us more efficient,” writes an SEO respondent. Another notes: “We are starting to see pilots and the introduction of AI already – so we have started on the journey of how we can do things differently.”

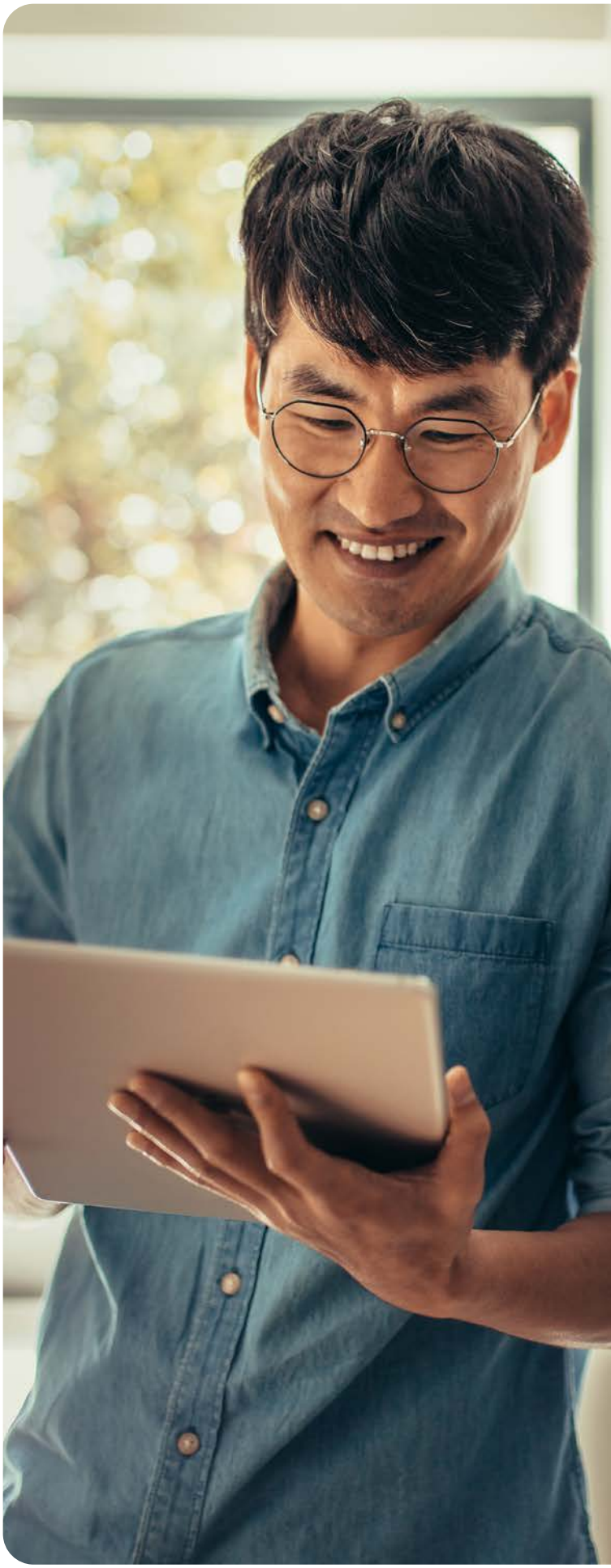
However, even among optimists, expectations remain grounded. Their enthusiasm stems from individual productivity gains rather than organisational transformation. AI is proving useful enough to generate hope, but not yet transformational enough to inspire complete confidence.

The sceptics

Most people in this group show a clear understanding of where AI falls short and the difficulties in putting it to use. As one Grade 6 civil servant points out: “AI is only as good as the questions it’s asked and the information it’s allowed to draw from,” which sums up the idea that good results depend on good input.

Many sceptical responses focus on skills gaps, as one civil servant explained: “There are limits to training and over recent years, training has not been the priority it should be due to lack of resource and time.”

Several respondents point out a gap between political excitement and what actually happens in practice. One person describes the pressure from above: “Every SCS person is saying AI will solve this (...) find a way to use AI to solve it.” This cautious attitude comes from past experiences with technology that did not meet expectations. As one SEO respondent notes: “It was seen as the panacea to all ills but has consistently failed to live up to the hype.”



The undecided

A significant minority expressed uncertainty or mixed feelings. These respondents see potential but remain unconvinced about their organisation's readiness or approach, as a Grade 7 civil servant explained: "Some are all for the change and want to be early adopters, whilst others fear the impact it could have on them or their work. Most sentiments feel like it's viewed as a threat, not an opportunity."

Many in this group called for better strategy and communication. "There is a lot of investment in AI, there appears to be an (erroneous) underlying assumption that a lot of work can be done by AI," notes an SEO respondent, suggesting the need for more realistic expectations.

The time-saving trap

Across all three areas, civil servants consistently cite timesaving as AI's primary benefit – 28% point to process efficiency and 22% to meeting and admin reduction. Yet our research shows that while time wasted through inefficient processes dominates perceptions of waste, it isn't the highest-impact problem government actually faces.

As seen in Chapter 2, the main causes of waste are legacy IT systems that do not integrate (54%), siloed working (52%), and rigid bureaucratic structures (43%). These are deep-rooted issues that need major changes in governance, culture, and how processes are designed. While AI can help with these changes, it cannot lead them.

This situation is risky because the government puts money into AI tools that save a few minutes on paperwork, but the bigger problems that waste hours are still ignored. "We are not thinking about systemic change enough – too many people are just thinking about slotting AI into existing systems rather than redesigning operations and whole systems," observes one Grade 7 civil servant, capturing exactly why treating AI as a standalone solution misses the point entirely.

"We are not thinking about systemic change enough – too many people are just thinking about slotting AI into existing systems rather than redesigning operations and whole systems"

Civil servant, Grade 7

The opportunities that excite

When we asked civil servants what excites them most about AI's potential to reduce waste, their responses revealed both practical enthusiasm and strategic thinking.

Process efficiency and automation (28%) tops the list, with respondents highlighting AI's potential to streamline workflows and reduce duplication. "The time it can cut down on to produce menial or mundane repetitive tasks," writes a Grade 6 civil servant, and another notes: "A lot of minor low-level work can be achieved using AI, freeing up time for other, more important or priority work."

Meeting and admin reduction (22%) reflects daily frustrations with reporting cycles and paperwork. "The ability to summarise and highlight actions from an hour-long meeting in 30 seconds is a game changer," says a Grade 7 respondent.

Improved service delivery emerged as a key theme, with civil servants seeing AI's potential to enhance citizen experiences. "Improved customer service – free up time from administrative tasks to allow them to speak to individuals and support them better," notes an SCS official.

Other respondents point to strategic applications. "Most excited would be in producing quick and effective risk indicators to reduce fraud," writes a Grade 6 civil servant, whilst another notes: "What excites me the most is the advances in fraud detection AI can support with."

The risks that concern

Civil servants' concerns about AI show they have a good grasp of the challenges involved in putting it into practice.

Quality and trust issues dominate (25%), with respondents highlighting fundamental questions about AI reliability. "Excited by the speed of production and superficial quality of generative AI. Concerned that generative AI carries warnings that it may contain mistakes," notes an SEO respondent.

Fear of job displacement (12%) is more nuanced than simple automation anxiety. "Job losses are a worry. Not excited about it at all – it dehumanises all services," writes one HEO respondent.

Lack of strategy (11%) reflects worries about AI deployment without clear purpose or direction, connecting directly to findings about organisations applying technology solutions without addressing underlying systemic issues.

Security and data concerns (11%) also feature prominently. "We are being asked to use a technology that we don't fully understand in an age of increasingly sophisticated cyber threats/attacks," warns one SEO staff.

Skills gaps (10%) mirror broader capability issues identified throughout this research and loss of human touch (10%) reflects deeper anxieties about AI's impact on public service relationships. "I do worry that we will lose the ability to think creatively for ourselves," noted one respondent.

These concerns are not just about people losing jobs. They also raise important questions about how well services are delivered, what people can do, and whether organisations are prepared for change.

One of the most important findings is the difference between how well AI works for specific tasks and how rarely it is used for bigger strategic goals. Civil servants say they benefit from tools like Copilot for meeting notes and from fraud detection systems. However, there is little sign that AI is being used in a broader way to tackle the main causes of waste discussed in previous chapters.

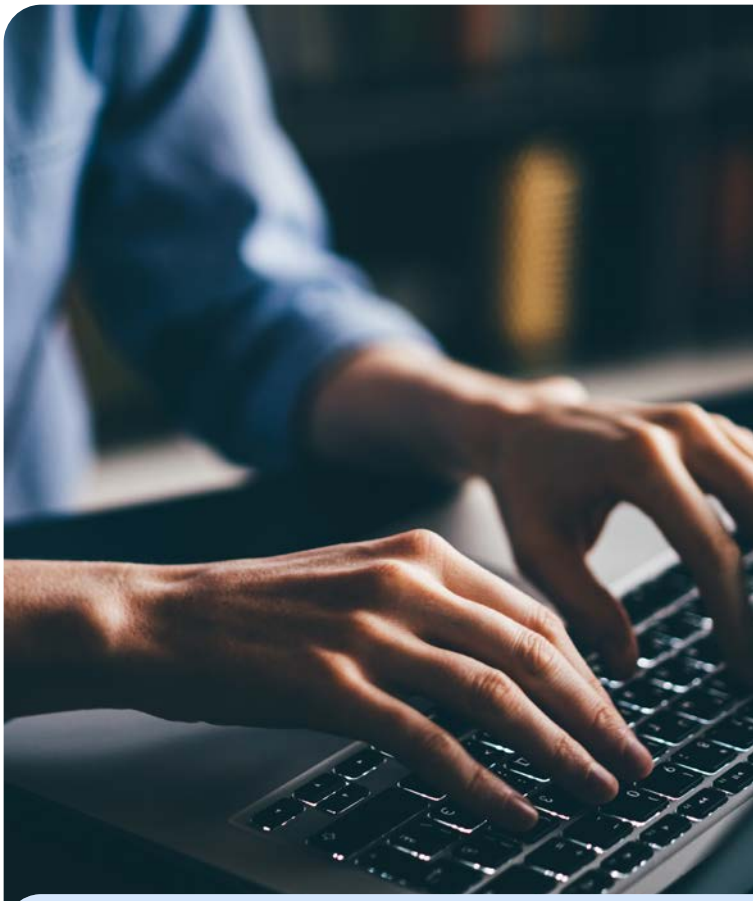
> *"We are being asked to use a technology that we don't fully understand in an age of increasingly sophisticated cyber threats/attacks"*
>
> **Civil servant, SEO**

AI as a supporting actor

The cautious optimism surrounding AI in government recognises that technology alone cannot fix issues tied to structure, culture, or human behaviour. As one SEO respondent put it: “AI may be good at processing data, but policy work often requires creative thinking. AI is just ‘machine learning’ not creative in itself.”

Government’s most important work – setting priorities, balancing competing interests, managing complex stakeholder relationships – requires human judgement, accountability, and leadership. AI can inform these decisions but cannot make all of them. As one HEO staff suggests: “AI has a tremendous capacity to improve efficiency, however, if it is set to work on bureaucratic processes, the outputs will still need to be reviewed and approved by humans that are bound by process and unable to make a decision through fear of making a mistake and being accountable.”

These statements show that civil servants recognise AI works best when it strengthens human intelligence in systems that already function well, instead of trying to fix broken ones. The real measure of success will be whether AI helps make government more organised, responsive, and effective, not just how advanced the technology is.



Key findings:

- Civil servants are cautiously optimistic about AI’s role in reducing waste. They see potential benefits, but also recognise limitations and risks.
- The **optimists** see early gains, the **sceptics** cite skills gaps and past tech failures, and the **undecided** want clearer strategy and communication.
- AI is currently valued for saving time on admin work, but is seen as addressing only surface-level inefficiencies; deeper issues require more fundamental changes than AI alone can provide.
- Excitement centres on AI’s potential to streamline processes, improve services, and detect fraud, but concerns remain around data security, output quality, job displacement, lack of strategy, and loss of human touch.

4

The issue of cost, measurement and ROI

A fundamental mismatch emerges in our research: while civil servants overwhelmingly identify time-wasting processes as the primary form of waste, the measurement systems designed to eliminate inefficiency often create the very problems they're meant to solve.

In this chapter, we examine how traditional return-on-investment (ROI) frameworks can increase rather than eliminate waste, drawing on survey data showing that 43% of respondents cite rigid bureaucratic structures as barriers to waste reduction – the same structures created by narrow financial metrics and compliance requirements.

When protection becomes the problem

The irony of the government's efficiency drives is that the systems intended to ensure value for money often end up making everything more expensive. A participant in the PublicTechnology Live roundtable expressed this frustration: "A task that we could have completed in local government for £20,000 suddenly costs £500,000. How can that be possible?" This sentiment reflects a common concern shared across government departments.

Treasury analysis reveals the problem. The government announced £225m in administrative efficiency savings for 2024-25, but at the same time, it faced £9.4bn in pay settlement costs. Calling these savings while overlooking wider cost pressures does not get rid of waste; it simply shifts it elsewhere.

Parliamentary analysis warns of these "unintended consequences" of efficiency drives. As the House of Lords noted, when resources are removed from systems without proper consideration, "the problem bleeds into other areas" making "austerity too expensive".

The National Audit Office has similarly cautioned that efficiency gains "should not be regarded as final" due to "the extent of the risk that efficiencies may not be measured accurately."

This connects directly to the rigid bureaucratic structures cited by 43% of survey respondents as barriers to eliminating waste. Teams find themselves spending more time proving compliance than delivering outcomes, creating exactly the time-wasting inefficiencies that civil servants identified as their primary concern about waste.

"My finance colleagues want to know: how many people can we take offline? But it's not that straightforward," observed one roundtable participant, capturing the tension that drives much of government's measurement dysfunction.

When ROI frameworks focus exclusively on easily quantifiable outputs – posts and budgets cut, processes accelerated – they create perverse incentives that drive exactly the kind of waste our research identifies; fragmented solutions, risk-averse cultures, and short-term fixes that create long-term problems.

Our survey shows that 49% of respondents see duplicated work as a major source of waste, 38% mention policy delays, and 35% say services fail to meet citizen expectations. Yet, traditional measurement methods do not account for how these problems add up.

This reflects the time-saving trap discussed earlier in the report. When AI only aims for small time savings, it can overlook bigger changes. In the same way, ROI frameworks that focus just on quick cost cuts can miss deeper improvements that remove waste entirely.

The ROI of addressing root causes

As seen in Chapter 2, the highest-impact wastage stems from systemic issues; legacy IT integration problems (54%), siloed working (52%), and cumbersome processes (44%). Yet these are precisely the areas where traditional ROI approaches struggle to justify investment.

Finance teams that focus on short-term, measurable savings often struggle to justify investments in culture change, skills development, or process improvements that pay off over a longer period. As a result, the most valuable changes are often overlooked, while small, quick wins take up most of the attention and resources.

PublicTechnology roundtable participants called for "stronger business analysis and process mapping" by investing early in understanding end-to-end services before optimising them. However, this foundational work requires ROI frameworks sophisticated enough to reward long-term outcomes over short-term outputs, which current measurement systems consistently fall short.

The measurement problem: Why 'tens of billions' in savings remain elusive

The National Audit Office has identified the scale of what's at stake. In his January 2024 speech, NAO head Gareth Davies said that "annual savings worth tens of billions of pounds are available through improving public sector productivity", particularly noting that "the potential efficiency gains in services dependent on high volumes of data processing are enormous, with fewer, better paid civil servants delivering more modern and responsive public services". Yet current measurement systems prevent government from realising these gains.

When maintenance is delayed across Britain's national infrastructure, it leads to the very waste the government says it wants to avoid. The NAO has repeatedly warned that putting off repairs ends up costing more in the long run. For example, delaying a roof repair might save £50,000 now, but it could cost £500,000 if the building later becomes unsafe. Still, standard business cases rarely support preventive spending because the benefits are hard to see. It's difficult to measure the crisis that never happened, the service that stayed open, or the emergency repair that was never needed.

Finance teams have no trouble approving emergency repairs because these costs can't be avoided. However, they often hesitate to approve regular maintenance since the benefits are based on statistics, not immediate results. This leads to a situation where it makes more sense to let things break and then fix them at a much higher cost. As a result, efficiency measures end up rewarding costly crisis responses instead of supporting cheaper, preventive actions.

Davies noted how measurement failures compound waste: "HS2 and the New Hospital Programme are examples of mega projects too large for risks to be managed by the relevant departments and arms-length bodies, with overall budgets in the tens of billions and long project lifetimes. Both lacked sufficiently robust and realistic assessments of affordability at the outset."

Problems with measurement are not limited to infrastructure. For example, fraud and errors in Universal Credit cost taxpayers £5.5bn each year. Outdated IT systems slow down the modernisation of public services, make government less efficient, and increase the risk of cyber-attacks.

The main challenge is creating ROI frameworks that can show both quick wins and bigger, long-term improvements. To do this, you need to measure results over time, look at ongoing benefits, and count problems you avoid, not just the ones you fix.

As Davies noted: "It is relatively easy to cut spending, but it requires skilled leaders and managers to deliver genuine efficiencies that release resources for government priorities." The measurement systems must evolve to reward this skilled approach rather than crude cost-cutting.

Government can avoid the measurement trap that leads to waste if it rethinks how success is defined and measured, shifting the focus from processed volume to prevented demand.

Metrics that matter most

Our research shows that the inefficiencies of government are not simply about time lost; they are about people stretched to breaking point. Participants at our roundtables and workshops spoke of frontline staff “drowning” in repetitive tasks and casework made harder – not easier – by the very systems designed to support them.

Current measures tend to focus on throughput, for example claims processed and tickets closed, yet overlook whether effort aligns with purpose, whether staff are freed to focus on meaningful work, and whether problems are prevented before they overwhelm the system.

As one participant noted: “Saving someone an hour a day isn’t just operational, it’s humane.” There is, as another observed, “a difference between efficiency and overload”. Automating flawed processes only gets people to the wrong place faster, while failing to capture emotional burden or time reclaimed hides the real costs.

Key findings:

- Time-wasting processes are seen as the main form of waste.
- Current ROI methods overlook the value of prevention, sustained benefits, and long-term impact, hindering investment in systemic improvement.

1. Traditional financial metrics reinforce rigid compliance demands, sometimes increasing waste instead of reducing it.
2. Major waste sources such as legacy IT, siloed operations, and cumbersome process overhauls are often underfunded because traditional ROI fails to justify them.
3. Emphasis on quick, quantifiable wins and short-term savings skews focus, driving risk aversion and long-term inefficiency, and creates hidden costs like crisis repairs.

Conclusions

The government's "war on waste" rhetoric implies that waste can be eliminated through strict measures. However, our research shows that waste is often the result of misaligned efforts that require redirection.

Cost-cutting and time savings are often seen as the main face of waste. However, civil servants describe waste as something deeper; a mismatch between effort and outcome, where energy is poured into the wrong work, and value for the public is diluted. This waste shows up in slow decision-making, duplicated projects across departments, and a culture that discourages questioning whether current processes are still the right ones. As pressure grows and urgent tasks crowd out improvement work, teams find themselves stuck maintaining inefficient systems rather than redesigning them, with skills development sidelined and capacity to respond to real citizen needs eroded.

This research also highlights how different types of inefficiency reinforce one another. Legacy systems require manual workarounds, which consume staff time and delay delivery; delays create new pressure to cut corners; and those shortcuts lead to lower-quality outcomes and more rework. Efficiency drives often respond by making these same processes "faster" rather than asking whether they are necessary at all, what one civil servant called "doing the wrong thing efficiently". Without a clear strategy for how AI and digital tools connect to broader organisational change, there is a risk of investing in solutions that automate small tasks while ignoring the structural issues that waste far more time and undermine morale.

What stands out most is that eliminating waste requires more than an iron fist. It needs many hands to work in alignment, putting together the pieces, guiding change, and steering towards real outcomes. It takes open and honest conversation and empowering people to solve problems, rather than work around them. It's about taking time where it matters – not just trying to spend less time to fix services properly instead of dressing up old processes in new technology. The real loss is not just the money wasted but the people who get tired from fixing the wrong things, the services that never get better, and the new ideas that never grow because the system makes it harder to share than to start over.

Recommendations and efficiencies findings

In departmental efficiency plans published in June 2025, each UK government department set out how they intend to deliver significant efficiency savings over the next spending period. These plans show real intent to redesign services, simplify estates and technology, and increase digital adoption, but they still vary widely in how they target waste at its source.

This report's findings give a practical lens to judge the plans: are they set up to cut waste or simply move it around?

What departments are already getting right

- **Service reform is prominent.** Departments like MHCLG and DWP identify opportunities to modernise services and consolidate platforms, which align with long-term waste reduction. Nearly every major department identify specific processes to fix or areas to re-engineer.
- **Stopping outdated activities is visible.** Examples include removing legacy IT, ending paper-based processes and reducing contractor reliance.
- **Technology is often framed as transformation.** Unified patient records in DHSC and digital tax interactions in HMRC show a shift to redesigning delivery rather than bolting new tools on top.

Where efforts are mixed

- **Digital without process change risks shallow gains.** Plans frequently mention automation and AI, yet few detail how frontline roles will evolve or how processes will be simplified. Only a few departments mention training staff for AI or adjusting roles to fit automation.
- **Measurement remains limited.** Success is often tracked through financial savings and channel shift rather than outcomes like time returned to staff or prevented demand.
- **Weak focus on readiness.** Data quality, change management and role redesign are essential for adoption but are inconsistently addressed.

Where gaps persist

- **Governance reform is absent.** The plans rarely explain how delivery will speed up, what the delivery is actually set to achieve, or who is accountable for unblocking progress.
- **Savings are heavily back loaded.** The largest efficiencies are expected in 2028 to 2029 which raises delivery risk without clear milestones or defined and measurable outcomes.
- **Duplication remains invisible.** There is no shared view of platforms, tools or services across government, making true reuse harder than it should be.

These gaps reinforce the findings in our research. Waste is rare ly caused by a single failing. It is the result of well-intentioned people working in fragmented systems that make the wrong work unavoidable.

What to keep in mind when reducing waste

Departments are already taking steps that align with the findings in this report. The following six points are intended as practical reminders for anyone designing or reviewing efficiency initiatives. They reflect what our research suggests is most likely to deliver real and lasting waste reduction.

Recommendations and efficiencies findings

1. **Redefine efficiency as value released**
   Track whether services become easier to deliver and easier to use. Examples: time freed for frontline workers, fewer repeat contacts, healthier workloads. A saving that shifts pressure to another part of the system is not efficient, it is displaced demand.

2. **Empower the people who see the waste**
   Give operational leaders authority to stop low value work, redirect resource, and fix system constraints quickly. This requires formal authority, not goodwill.

3. **Make duplication visible**
   Help teams check what already exists across government before commissioning new solutions. Create a simple register of platforms and shared capabilities. Something similar to the Government Office for Science's AI Projects & Technology Engagement Team's work to coordinate AI tool development in Whitehall Departments would prevent repeated investment and allow reuse to become the norm.

4. **Let governance enable delivery**
   Approvals should match real risk. Low risk or easy to reverse changes should not wait months for multiple boards. Speed matters. When decisions drag, waste grows.

5. **Aim AI at the right problems**
   Fix the process first. Ensure data is reliable. Shape roles so people spend more time on meaningful work. AI works when it reduces avoidable effort, not when it makes bad processes faster.

6. **Support communities that spread reuse**
   Communities of practice already solve problems. Treat that work as a core part of the job. A little support goes a long way: coordination, time protected for participation, and sponsorship to move ideas into delivery.

Taken together, these practices can shift the focus from trimming budgets to removing the causes of waste itself. They build on the ambition within departmental plans while addressing the conditions required for success.

Over the next three years, government can either repeat past patterns of shallow efficiencies or target the root of waste by redesigning how services work. These practical reminders are intended to support those already working hard inside the system to make that shift real.

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