

# **Public Sector Consultancy:** Essential Expertise or Expensive Excess?

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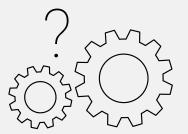


I distinctly remember the moment I shared the news with my colleagues at the Civil Service that I was leaving to join a consultancy; amongst the congratulations and warm wishes there were a few comments about 'joining the dark side'.

In light of the recent announcement in the Autumn of 2024 by the Chancellor to 'slash government consultancy spending', I have been reflecting on these comments and the role consultancies play in supporting government.

Outsourcing data company Tussell reported that in 2023, the UK government spent approximately £3.4 billion on consultancy services, returning to pandemic-era spending levels. The reliance on external consultants has been particularly notable in technology-related areas, with tech management consultancies dominating the spending. Central government remains the largest consumer of consultancy services, accounting for over half of the expenditure during this period.

With such huge sums involved, the scrutiny under which consultancies now find themselves is understandable.



"Do consultants actually do anything?" It's the brutal question that floods Google searches. And it reveals a damning truth: most people think consultants are just expensive hot air

These factors mean taxpayers have every right to be questioning whether the spend is worth it and indeed ethical.

There are clear advantages that consultants bring to the public sector, according to a survey by Circle research consultants are 'valued by public sector leaders for the transformation impact, innovation, and increased efficiency they bring'.



I believe the overarching positives can be categorised into the following:

#### Fresh eyes, sharp mind: the outsider advantage

Consultants provide external and objective thinking, bringing insights and new ideas to solve complex problems. Consultants, unencumbered by the challenges public servants face and being brought in for a timebound period, can enable deep thinking on problems.

#### Pattern recognition: why experience beats theory

Consultants work on a huge variety of initiatives bringing insights and understanding trends from this experience. Through repeating similar projects, they can identify common pitfalls and provide guidance on managing these.

Rent the best: why smart government borrows brainpower
Utilising consultancies enables the public sector to flex their
resourcing, bringing in specific skills and expertise - which may not
exist in-house, be available, or cost effective to employ permanently
- for a timebound period to support complex projects.

Despite the clear positives, there is a mixed public perception of consultants. You may hear of consultants being seen to swoop in, regurgitating a flashy PowerPoint or as Alan Leaman stated in 'Just About Managing: The History of Management Consultants in Government', *"others confuse them with the contractors who can hang around bureaucracies for years on a generous daily rate. And some argue that private sector businesses cannot properly serve the public interest".* 

As a consultant committed to transforming the public sector, how can I maximise my impact and deliver real, lasting change?







The Chancellor stated "consultants can play an important role, but taxpayers must get value for money". The use of consultants should not be the default answer to solving public sector problems, but I believe consultants still have a key role to play. We must be challenging ourselves as to whether we are bringing the right approach, and the environment is suitable to optimise adding value.

#### The following factors are key to ensuring this:

**Consulting's dirty secret:** we don't know everything (and that's good)

Mazzucato, author of 'The Big Con', argues that consultancy is a trick of confidence where consultants give the impression of having all the answers, creating an aura that they are indispensable, and that this in turn creates a reliance and prevents the public sector from developing in-house capabilities.



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In my experience consultancy works best when there is a genuine partnership with client teams to collaboratively solve problems, and to do this effectively there must be honesty, being clear about the areas you bring knowledge and expertise to, but also the areas where you are not an expert. Like the notion of 'The Incomplete Leader' in Leadership Thinking, I argue there is a case for the 'Incomplete Consultant'.

I have worked in Transformation, Change, and Benefits Management for several years across industries and initiatives, but will never know more than a client about their passion and specialism and should never claim to (the health of bees for example). The beauty of collaboration comes from combining our respective knowledge and experiences.

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#### Build capability, not dependency



Linked inextricably to collaborative working is the ability to empower the team you are working with. My team talk of 'empowering client teams to take forward our work in a sustainable way'. Through my experience as a civil servant, consultants worked quite independently and you could be left at the end of an engagement with a lovely PowerPoint, but no real sense of how to meaningfully put this into action. My approach since joining Methods has been to try to work side by side with clients, collectively challenging each other's ideas. One of the biggest wins in my consultancy career was when a colleague and I received this feedback, *"Working through this with experts has been better for me than going on a course, as I can see first-hand what has been done, ask questions, and improve my understanding".* 



#### Amplify voices, don't replace them

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It would be naïve to assume that this transfer of knowledge only happens one way. Consultants are gaining knowledge and experience from their clients as well as imparting it. Consultants are likely to have access to information, gather insights from people across the organisation and opinions from senior leaders, and this insight is a privilege.

I remember a frustration as a civil servant, when leaders would engage consultants to provide guidance on a problem, only for the advice to inevitably be what the team had already been saying. Good consultants are facilitators and mindful of this privilege, ensuring that people are credited for their contributions. Consultancy cannot be a replacement for public sector leaders listening to their own people, but we can help to amplify their thinking.

Rewarding public good: can incentives be used to support public good?

I reflect here on the old adage of 'what is measured is managed'. Consultancies of course need to measure things such as profit margins and billable hours, but I would suggest incentives and performance measures for consultants should focus primarily on the value for money, the impact made, and client satisfaction over the profit. A consultancy business model doesn't have to maximise profit over quality if goals and values are properly aligned and incentives properly designed.

Before you hire: are you asking the right questions of your consultants?



The Institute for Government's 'Managing Consultants: A Guide for Working with Consultants in Government', lists some of the key questions departments should consider before bringing in consultants. The two I would particularly like to focus on are: 'Can we define the project?' and 'Does the department have the capacity to follow up recommendations when the project closes?'.

The latter question relates back to the point about knowledge transfer and collaboration. For those to be effective, people must be available to work together throughout the project and beyond. Consultants are sometimes brought in to get initiatives off the ground, or where there are capacity issues, but there is a risk in these circumstances that the environment is not suitable for consultancy support without assurances of there being someone to continue the momentum and focus. The question in relation to project definition can also be difficult, if a problem is too ambiguous or open ended, there is a real risk of not being able to hold consultants to deliverables.

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In my experience, the specific time-bound problems are where the consultancy environment flourishes. Most projects have some ambiguity, but clear expectations and parameters should be set from the outset. There is an onus on departments to ensure they have asked these questions, but also a responsibility of consultancy firms not to take on work where these questions cannot be



I believe consultants do have a key role to play in supporting our public services, but the emphasis should rightly be placed on value for money and ensuring that consultants are only brought in when certain conditions are met and can demonstrate they are approaching engagements in a way that empowers the client and does not create a dependency.

## Public sector consultancy can provide essential expertise, but without proper oversight, it risks becoming an expensive excess.

One of the key reasons I decided to join Methods was hearing the messaging from one of its senior leaders that, "we take decisions to prioritise the best interests of the clients over our revenue opportunities and can consistently demonstrate this". And although as a business we need to ensure we grow and develop, what's made me happy with my decision in joining 'the dark side,' has been seeing my colleagues at Methods truly living up to this.

#### Background

As a Principal Consultant at Methods, Emily brings deep expertise in transformation, strategic communications, and benefits-driven change management. Her diverse experience spans both public and private sectors, including five years as a Civil Servant and valuable experience in food manufacturing.

At Methods, she has successfully led numerous strategic initiatives, from PMO development to implementing innovative benefits management frameworks.

Emily holds a Law Degree and a Master's in Human Resources from the University of Birmingham, complementing her practical expertise with strong academic foundations.



