# UK government accelerates £45 billion savings plan with AI-driven civil service overhaul



The UK government is pressing ahead with plans to save up to £45 billion in the Civil Service through the deployment of artificial intelligence (AI), particularly in software development and programming. This initiative, championed initially by former technology secretary Peter Kyle and now overseen by business secretary Liz Kendall, aims to modernise public services while cutting costs amid wider pressures for government efficiency.

According to a Department for Science, Innovation and Technology (DSIT) spokesperson, around 1,000 technology professionals spanning 50 government departments have been trialling approved AI coding assistants like Google's Gemini and GitHub Copilot. Early results suggest these tools are saving workers approximately one hour per day—the equivalent of 28 working days per year. These AI tools are chiefly used to draft or review code, with engineers typically editing the AI-generated outputs carefully: only 15% of the generated code is reportedly used without modification. This cautious approach reflects ongoing concerns about the accuracy and reliability of AI outputs requiring expert oversight.

Technology Minister Kanishka Narayan highlighted the need for government services to catch up with technological advances, viewing AI as a critical means to improve both efficiency and service quality. "For too long, essential public services have been slow to use new technology," he said. The potential savings are substantial, especially as all departments face demands to identify efficiencies ahead of the next budget.

A complementary government-led trial involving over 20,000 civil servants with generative AI tools such as Microsoft 365 Copilot demonstrated average time savings of nearly 26 minutes per day per individual, equating to nearly two weeks of additional worktime annually. This efficiency boost allows civil servants to redirect effort towards higher-value activities and innovation, supporting the government’s broader Plan for Change to modernise public services through digital transformation.

The £45 billion savings goal aligns with findings from a recent analysis highlighting that archaic technology within the public sector currently hampers productivity and results in significant taxpayer costs. Government reforms therefore seek to replace outdated systems with more agile, AI-powered solutions that can transform service delivery across healthcare, infrastructure, welfare, and beyond.

In parallel with internal government trials, the UK is investing substantially in AI research and safety measures. Recent commitments include £54 million earmarked for trustworthy and secure AI research, with projects led by academic centres such as the University of Southampton. This funding aims to advance responsible AI practices and address ethical and societal challenges. Additionally, £8.5 million has been allocated for studies focusing on AI safety risks, including threats like deepfakes and cyberattacks. These research investments underscore the government’s recognition of AI’s dual role as a driver of innovation and a technology requiring careful regulation.

Industry voices are positive about the government’s approach. Tara Brady, president of Google Cloud Europe, the Middle East, and Asia, praised the trial's success with Gemini’s Code Assist, underscoring the collaboration between public and private sectors in enhancing productivity and coding problem-solving.

This AI adoption push also forms part of a broader government strategy to test innovative applications across various sectors, supported by £7 million in funding for 120 projects spanning agriculture, retail, and infrastructure maintenance. The 'test and learn' funding model aims to accelerate innovation while managing risks and minimising wasteful spending.

Despite this momentum, challenges remain. Expert oversight remains crucial to verify, edit, and debug AI-generated code, indicating that time saved on drafting can sometimes be offset by quality assurance efforts. Nonetheless, the combination of efficiency gains, technology investment, and strategic partnerships suggests a determined effort to harness AI’s potential in public services and deliver significant fiscal savings.

### 📌 Reference Map:

* Paragraph 1 – [[1]](https://www.coastfm.co.uk/news/politics/govt-still-hoping-for-45bn-in-savings), [[3]](https://www.gov.uk/government/news/archaic-tech-sees-public-sector-miss-45-billion-annual-savings)
* Paragraph 2 – [[1]](https://www.coastfm.co.uk/news/politics/govt-still-hoping-for-45bn-in-savings)
* Paragraph 3 – [[2]](https://www.gov.uk/government/news/landmark-government-trial-shows-ai-could-save-civil-servants-nearly-2-weeks-a-year), [[1]](https://www.coastfm.co.uk/news/politics/govt-still-hoping-for-45bn-in-savings)
* Paragraph 4 – [[3]](https://www.gov.uk/government/news/archaic-tech-sees-public-sector-miss-45-billion-annual-savings), [[1]](https://www.coastfm.co.uk/news/politics/govt-still-hoping-for-45bn-in-savings)
* Paragraph 5 – [[6]](https://www.gov.uk/government/news/54-million-boost-to-develop-secure-and-trustworthy-ai-research), [[7]](https://www.gov.uk/government/news/tech-secretary-unveils-85-million-research-funding-set-to-break-new-grounds-in-ai-safety-testing)
* Paragraph 6 – [[1]](https://www.coastfm.co.uk/news/politics/govt-still-hoping-for-45bn-in-savings)
* Paragraph 7 – [[4]](https://www.gov.uk/government/news/government-puts-ai-to-work-for-bakers-road-workers-and-more), [[5]](https://www.gov.uk/government/news/government-to-take-a-test-and-learn-approach-with-spending-on-ai-and-digital-to-push-innovation)
* Paragraph 8 – [[1]](https://www.coastfm.co.uk/news/politics/govt-still-hoping-for-45bn-in-savings)

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## Bibliography

1. <https://www.coastfm.co.uk/news/politics/govt-still-hoping-for-45bn-in-savings> - Please view link - unable to able to access data
2. <https://www.gov.uk/government/news/landmark-government-trial-shows-ai-could-save-civil-servants-nearly-2-weeks-a-year> - A government-led trial involving over 20,000 civil servants demonstrated that using generative AI tools, such as Microsoft 365 Copilot, can save an average of 26 minutes per day per person. This equates to nearly two weeks of time saved annually, allowing civil servants to focus more on higher-value tasks and innovation. The trial's success supports the government's Plan for Change, aiming to modernise public services and achieve £45 billion in savings through technological advancements.
3. <https://www.gov.uk/government/news/archaic-tech-sees-public-sector-miss-45-billion-annual-savings> - A report revealed that outdated technology in the public sector is hindering productivity and costing taxpayers £45 billion annually. The findings highlight the need for modernisation to improve public services and efficiency. The government plans to address these issues by implementing reforms and leveraging digital technologies, including AI, to enhance service delivery and achieve significant savings.
4. <https://www.gov.uk/government/news/government-puts-ai-to-work-for-bakers-road-workers-and-more> - The UK government is funding 120 projects across various sectors to test how AI can boost productivity and efficiency. With £7 million allocated, these projects aim to harness AI's potential in areas such as agriculture, retail, and infrastructure maintenance. This initiative is part of the government's broader strategy to drive economic growth and modernise public services through technological innovation.
5. <https://www.gov.uk/government/news/government-to-take-a-test-and-learn-approach-with-spending-on-ai-and-digital-to-push-innovation> - The UK government is overhauling its funding approach for AI and digital projects to foster innovation and efficiency. By adopting a 'test and learn' strategy, the government aims to reduce wasteful spending and accelerate the development of new technologies. This initiative is part of the broader Plan for Change, which seeks to modernise public services and achieve £45 billion in savings through digital transformation.
6. <https://www.gov.uk/government/news/54-million-boost-to-develop-secure-and-trustworthy-ai-research> - The UK government has announced a £54 million investment to support AI and data science research, focusing on developing trustworthy and secure AI technologies. The funding will back groundbreaking research at the University of Southampton and other institutions, aiming to establish responsible AI practices and address societal impacts. This initiative underscores the government's commitment to advancing AI research and maintaining the UK's position as a tech leader.
7. <https://www.gov.uk/government/news/tech-secretary-unveils-85-million-research-funding-set-to-break-new-grounds-in-ai-safety-testing> - The UK government is offering up to £8.5 million in research grants to study AI safety, focusing on risks like deepfakes and cyberattacks. The funding aims to enhance society's resilience to AI-related challenges and harness its benefits, such as increased productivity. This initiative reflects the government's proactive approach to managing AI's impact and ensuring its safe integration into various sectors.