

The UK's Soaring Cloud Costs: How to Regain Control

The Problem: UK Cloud Spend is Out of Control

12-18% of Revenue



#2 Business Cost

For many IT businesses, cloud spend is now the second-largest cost after people, exceeding 10% of revenue.

In 2023, UK tech and digital services firms routinely report cloud costs consuming 12-18% of their total revenue.



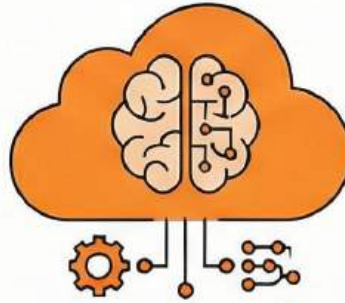
£100M+ Annual Bills

Major UK banks like HSBC, Lloyds, and NatWest have publicly stated their annual public cloud bills now run into nine figures.

Fastest-Growing Opex for Scale-ups

The British Private Equity & Venture Capital Association notes cloud burn is the fastest-growing operational expense, often overtaking office and marketing costs combined.

The Key Driver: The High Cost of AI



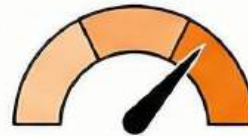
AI/ML Consumes 22-28% of Cloud Spend

Among British enterprises that have moved beyond pilots, AI and ML workloads now account for nearly a quarter of their total public cloud bill.



A Regulatory Concern

The Bank of England's 2025 Financial Stability Report flagged "concentration risk in cloud and AI-related spend" as an emerging issue.



AI Spend Set to Reach 35%

Experts predict AI will consume 25-35% of cloud budgets for digital businesses within the next 18-24 months.

The Solution: A UK-Specific Blueprint for Savings



A Proven Path to Savings

Over 60 UK-based firms have achieved 20-30% sustainable savings in the first year using targeted strategies without cutting innovation budgets.

<p>Adopt FinOps Form a "Cloud Centre of Excellence".</p>	<p>18% to 35% in the first 12 months</p>
<p>Maximise Discounts Use Government C-Cloud, UK Public Sector agreements (AWS, Google, Cracle), and new Azure pricing.</p>	<p>5% to 15% additional discount</p>
<p>Use Sovereign Cloud Employ UKCloudX, Ark Data Centres, or Azure UK regions for data-sensitive workloads.</p>	<p>Avoids expensive data-egress & compliance rework</p>
<p>Rightsize & Repatriate Move predictable, steady-state workloads back to hosted UK data centres.</p>	<p>40% to 60% saving on those specific workloads</p>
<p>Negotiate Early Renew Microsoft EA/EAS and AWS EDP agreements early to secure deeper AI credits.</p>	<p>Heavily discounted capacity</p>