

Regaining control of soaring UK cloud costs.

A proven blueprint for turning your largest uncontrollable expense into a strategic advantage.

Cloud spend is no longer a tech cost; it's the second-largest expense after people.

A recent study by Cloud Capital confirmed what many leaders already knew: cloud now exceeds 10% of revenue for most IT-led businesses. This has elevated cloud spend from an IT budget line to a primary concern for the entire C-suite.

Source: Cloud Capital, "The Cost of Compute"

10%

For UK firms, the reality is even more stark.

The 10% figure is just the baseline. For technology-enabled businesses across the UK, from software houses to financial services, the percentage of revenue consumed by cloud is significantly higher and growing faster than in other markets.

12-18% of revenue

Source: Tech Nation, Pulse Data 2025

This is a systemic issue across the UK's most critical growth sectors.



Tech & Digital

UK tech and digital services firms routinely report cloud consuming 12-18% of revenue.

(Source: Tech Nation)



Financial Services

For mid-sized FS firms, cloud is the single largest third-party IT cost.

Major banks like HSBC, Lloyds, and NatWest report nine-figure (£100m+) annual bills.



PE/VC-Backed Scale-ups

Cloud burn is the fastest-growing opex item across UK scale-ups, often overtaking office and marketing costs combined.

(Source: British Private Equity & Venture Capital Association, Q3 2025)

Artificial intelligence is the primary accelerant, now driving over a fifth of UK cloud bills



22% to 28%

UK-specific benchmark show AI/ML workloads now account for 22-28% of public cloud spend among British enterprises that have moved beyond the pilot stage. This share is climbing rapidly.

Sources: CloudHealth/VMware & Flexera, 2025 State of the Cloud (UK Edition)

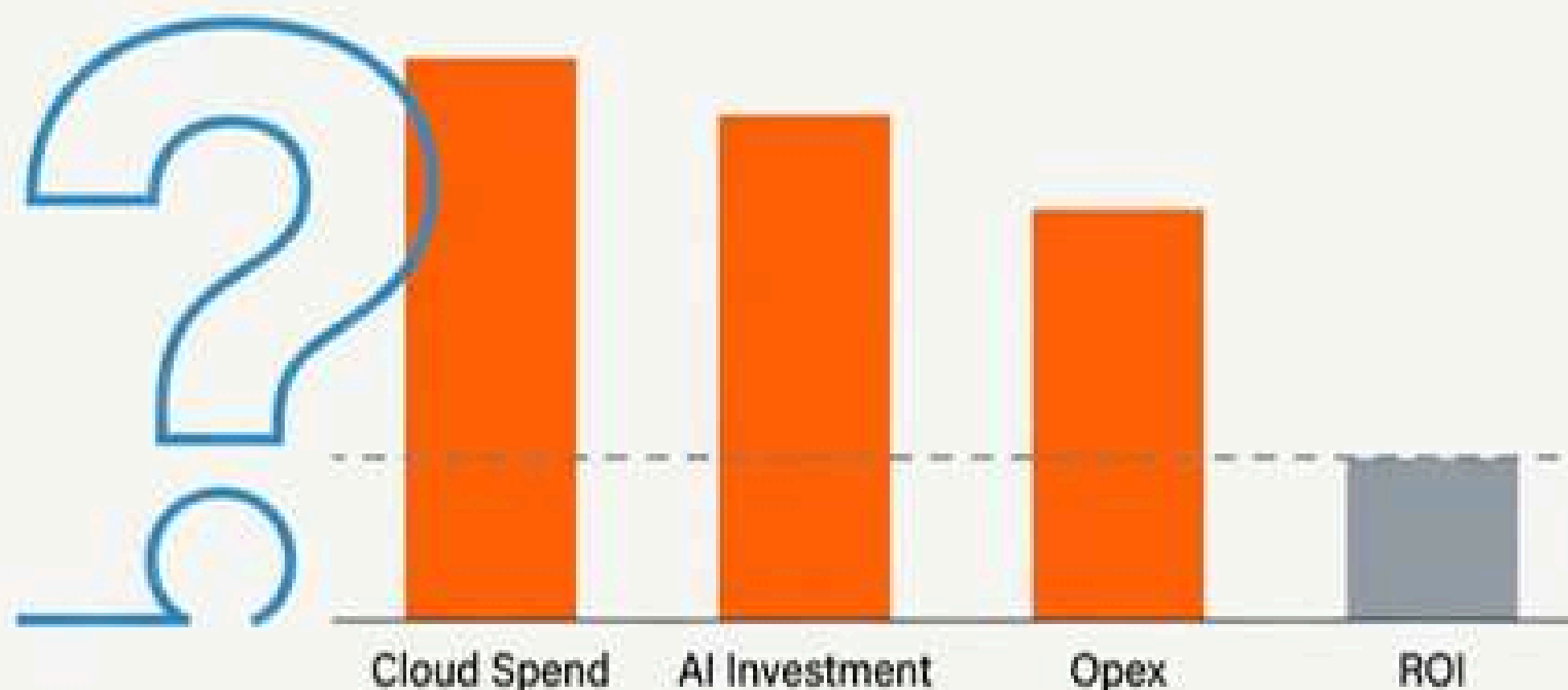
The scale of this spending has now attracted regulatory attention.

“...concentration risk in cloud and AI-related spend.”

— The Bank of England, 2025 Financial Stability Report

The Bank of England has explicitly flagged this as an emerging supervisory concern for UK systemic institutions, a clear signal of how rapidly these costs are scaling and their potential financial impact.

But is this investment delivering the expected return?



The critical question is not just the scale of the spend, but its effectiveness. Many UK firms are finding that the ROI from AI is not meeting expectations, leading to conversations about 'hype vs. reality'.

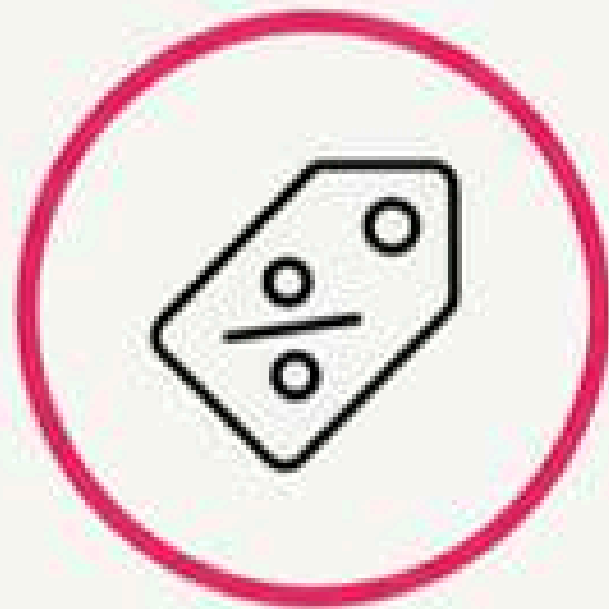
The UK market has unique levers and constraints. A pure US-style playbook for cost optimization doesn't always fit. A different approach is required.

A five-point blueprint is delivering sustainable savings for UK organisations right now.

These five strategic levers are backed by a growing strategic focus identified in the PwC 2025 EMEA Cloud Business Survey. They are designed to address the specific commercial, regulatory, and technical landscape of the United Kingdom.



FinOps



Discounts



Sovereign
Cloud



Rightsize &
Repatriate



Enterprise
Agreements

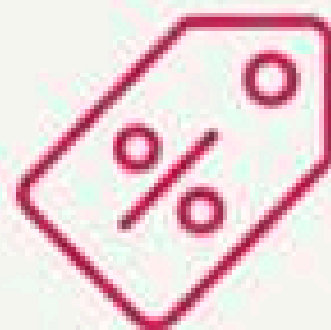
Start with financial governance and commercial leverage.



Adopt FinOps

UK-Specific Action: Form a cross-functional “Cloud Centre of Excellence” with finance, engineering, and procurement. This is now mandatory for many FCA-regulated firms.

Typical Savings: 18 to 35% in the first 12 months.



Maximise UK-specific discounts

UK-Specific Action: Utilise the Government G-Cloud Framework (Crown Commercial Services), specific UK Public Sector agreements with AWS, Google & Oracle, and recent Microsoft Azure pricing changes for Business Premium.

Typical Savings: 5 to 15% additional discount on list price.

Optimise your infrastructure footprint and procurement strategy.



Use UK Sovereign Cloud options aggressively

UK-Specific Action: Leverage UKCloudX, Ark Data Centres, and Azure UK South/West regions for data residency-sensitive workloads to avoid expensive data-egress and compliance rework.



Rightsize & repatriate predictable workloads

UK-Specific Action: Move steady-state workloads (e.g., SQL/Server) back to hosted UK data centres like Virtus or Datum. Several London fintechs and law firms have already done this.

Typical Savings: 40-60% saving on those specific workloads.



Negotiate multi-year enterprise agreements early

UK-Specific Action: Microsoft EA/EAS and AWS EDP renewals in 2025-26 are including much deeper AI credits for UK customers who commit early.

Looking forward: AI's share of cloud spend will grow, but so will optimisation maturity.

The Growth

AI will consume 25-35% of cloud spend within 18-24 months.

- More production deployments go live.
- Organisations move to self-hosted models for cost/privacy.
- Multimodal AI increases compute requirements.

The Control

Early signs of cost optimisation are emerging.

- Inference efficiency (smaller, faster models).
- Better GPU utilisation through batching.
- Use of spot/preemptible instances for training.
- Hybrid approaches (API for experimentation, self-hosted for production).

We achieve 20-30% sustainable savings for our UK clients within the first year.

At Northdoor, we've helped more than 60 UK-based clients—from FTSE-100 banks to fast-growth fintechs—bring their cloud and AI spend back under control while still accelerating their AI roadmaps.

60+

UK-Based Clients

20-30%

Sustainable Savings

1 Year

Timeframe

These savings are achieved without cutting innovation budgets.

**The UK-specific strategies above provide
a proven blueprint to turn the tide.**

*Is your cloud spend becoming your
largest uncontrollable cost?*

Contact us for a UK-focused consultation.

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See how we achieve 20-30% sustainable savings without cutting innovation.