



Private consultancy firms rake in big GB Energy public money

Description

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gb energy

New-ish GB Energy has wasted no time [siphoning off public money](#) to private companies. Scottish paper the *National* has revealed that up to [£20m of taxpayer money](#) is going straight to consultancy firms.

GB Energy: corporate capture

Under energy secretary Ed Miliband's guidance, London-based firms Deloitte and Baringa Partners are gaining [lucrative contracts](#). They're to handle day-to-day operations of Labour's flagship - supposedly publicly-owned - corporation GB Energy.

The *National* has revealed that [these contracts](#) signed on 1 May, awarded the two firms a shared programme worth up to £10m each in which they will:

be responsible for organisational set up support, operational design and delivery, market strategy and technical support.

Deloitte is expected to handle the bulk of the contract. Baringa will be expected to step in wherever conflicts of interest arise or where there's a resourcing issue. The extendable contracts will run for two years.

Under pressure from corporateering Gulf State agent and AI-tech [lobbyist Tony Blair](#), Labour government ministers this week debated [scrapping net zero](#) altogether. This came amid the UK's worst [May heatwave](#) and a subsequent drought across parts of Britain leaving [thousands without water](#).

Keir Starmer's Great British Energy is in a sorry state of affairs

More broken Labour promises?

The *National* didn't hold back, highlighting that GB Energy was supposed to be headquartered in Aberdeen, which Labour announced but not have yet seen through. (Although the region is notoriously controlled by Europe's largest oil cartel so this could be a net-negative, carbon-positive.)

They also underscore that GB Energy was supposed to create 1000 jobs, mainly in the far-north. The *National* previously revealed that only 30 staff are employed on permanent contracts. The remainder are on temporary or contingent, ergo more insecure government-sponsored contracts.

Most scathingly, the *National* reminds us that Labour previously pledged to halve government spending on consultancy contractors. Labour emphasise "knowledge sharing", which insiders suggest shows that GB Energy is building its internal capability from zero. This could signal a limited in-house expertise.

Consultancy costs ballooned under the Johnson-Truss-Sunak government, with Â£-billions squandered on the non-entity Rwanda Plan and punitive anti-migrant small boat measures. They have now dropped by 14% across government departments, with in-housing savings mainly in healthcare and the Home Office.

However, it's a matter of public record that Labour, especially under its Starmer/McSweeney/Labour Together/Think Labour leadership pivoted hard towards large corporate and private donors. It now takes less from unions combined than it does from corporations.

The "Big Four" revolving door

It's well documented that the so-called "Big Four" frequently flirts with politics and regularly imbricates its swanky corporate structures and methods into political process.

Between 2009-2012, for example, the Big Four - Deloitte, EY, PwC and KPMG - offered, or donated, almost Â£2m worth of free labour to the UK's then-Big Three political parties. This corporate "secondment" comes in the form of unrequited "staff costs," offering free "expertise" to political parties and government alike.

The Rusbridger-era *Guardian* reported that Big Four employees regularly worked with MPs, party offices, and the government, often for months. HM Treasury had 15 secondees from the Big Four on loan in 2012.

Given that these same corporate staff regularly consult for FTSE 100 or FTSE 250 companies simultaneously with government, many argue that this alone constitutes conflict. At the time, Andrew Simms of the New Economics Foundation think-tank said:

Conflicts of interest are built into the very DNA of the big professional services firms.

Former Labour MP Austin Mitchell described these firms being [“more powerful than government”](#). These companies’ financial successes grant them privileged access to government big-wigs and policymakers.

This is by no means unique to British politics. It was reported in 2024 that the New York government paid [McKinsey \\$4m](#) for a 95-page deck on waste management. Its revolutionary suggestion was: to adopt *wheelie bins*. This came at a whopping cost of some \$42,000 per presentation slide!

NYC paid McKinsey \$4m for a 95 page deck on putting trash in containers, not bags

That’s \$42k per slide.

So McKinsey made \$42k for this slide explaining the concept of a trash bin

<https://t.co/QgWPWt7fXJ pic.twitter.com/4S8jqit0aD>

Andrew Lynch (@andrewglynne) [July 10, 2024](#)

Australian journalists have also clearly documented the [“revolving door”](#) between Big Four firms and their mainstream politicians. Subsequently, Australian government contracts awarded more than [quadrupled to over Â£1.4b](#) in the decade to 2023.

ABC similarly produced a [damning investigative article](#) titled:

How the big four accounting firms infiltrated governments, earning more than \$10b over a decade while taxpayers are in the dark

Likewise, one New South Wales university researcher extolled an [in-depth article](#) titled:

How reliance on consultancy firms like PwC undermines the capacity of governments

It’s time that Britain’s political and media class wake up to this problem like Australians have.

[It’s not renewables putting up your energy bills, it’s billionaires](#)

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By [Cameron Baillie](#)

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