

UK Outsourcing Index Q3 2016

The latest Arvato Outsourcing Index reveals the private sector dominated the UK market in the first three quarters of 2016 amid an overall slowdown in activity

Businesses dominate 2016 outsourcing market

According to the findings, the value of private sector deals agreed between January and September doubled year-on-year



£3.18 billion

Businesses spent **£3.18 billion** on BPO and IT outsourcing in the period January to September

The financial services and telecoms industries were the most active buyers of outsourced services



£1.08 billion

The value of contracts signed by telecoms businesses rose more than four-fold to **£1.08 billion**

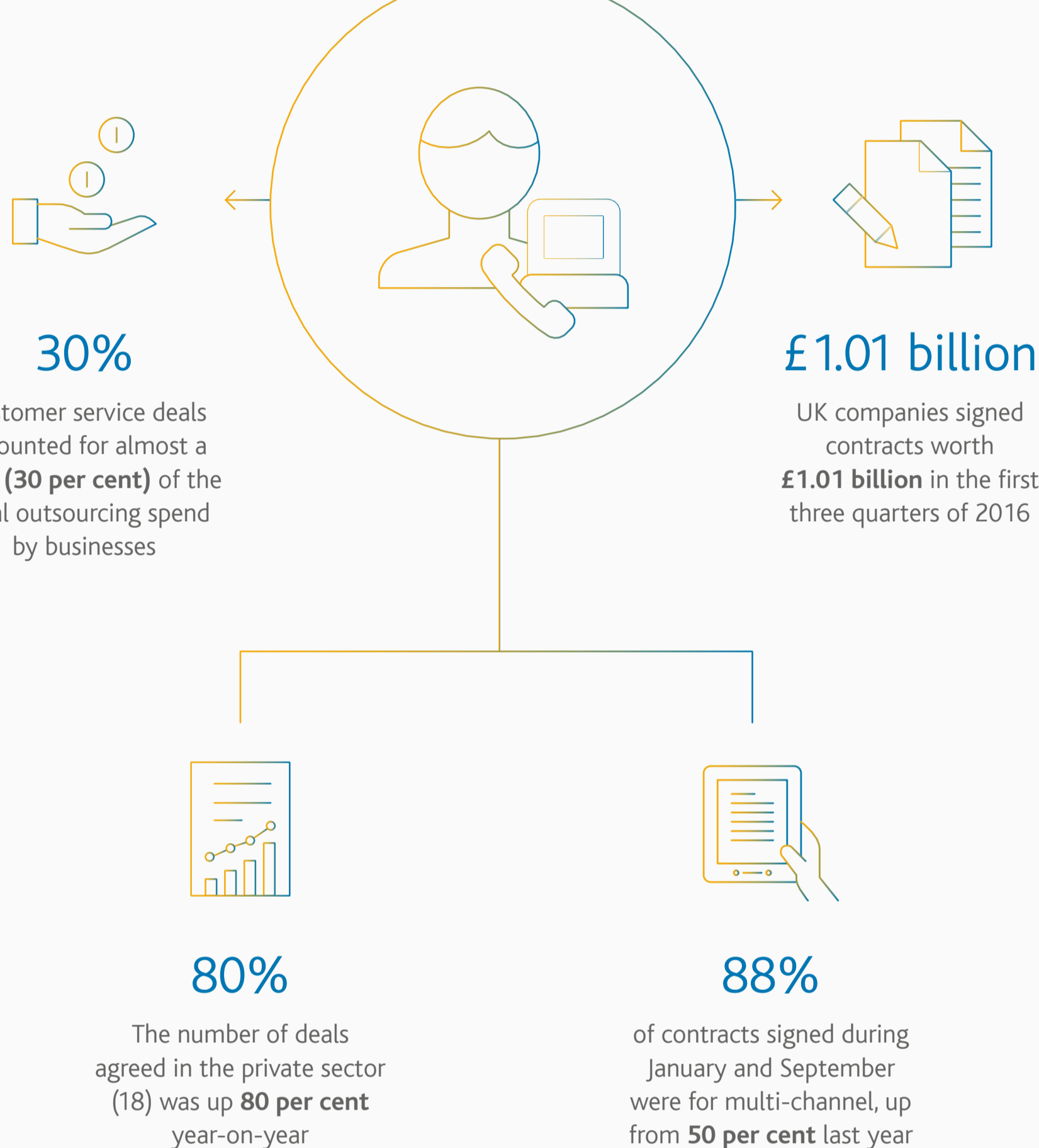


32%

Financial services firms procured deals worth **£697 million**, a rise of **32 per cent** year-on-year

Customer services tops priority list for UK companies

Customer services was the most popular service line procured in the private sector between January and September 2016

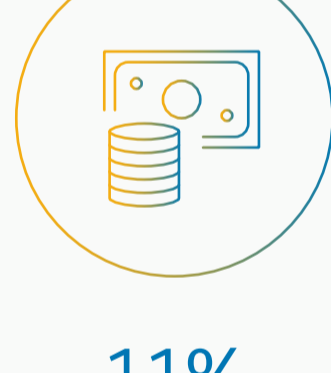


Private sector buoyant despite overall slowdown

After strong year-on-year growth across the UK market in the first half of the year, there has been an unsurprising slowdown in the public sector

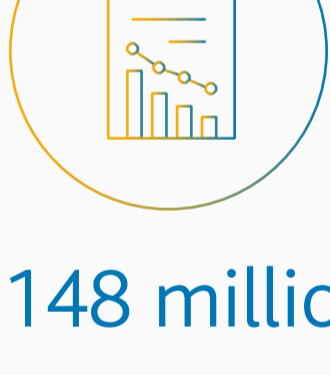


Outsourcing agreements worth **£4.43 billion** were signed in the UK in the first half of 2016, up **30 per cent** on the same period last year



The overall value of deals signed between January and September was down **11 per cent** year-on-year

A subdued public sector market in the third quarter is behind the fall.



worth of deals were signed by public sector organisations between July and September, compared with the **£2.08 billion** agreed in the first two quarters of 2016



Local authorities spent **£73 million** during the period, with councils procuring deals for revenues and benefits and network management services

Spend by sector



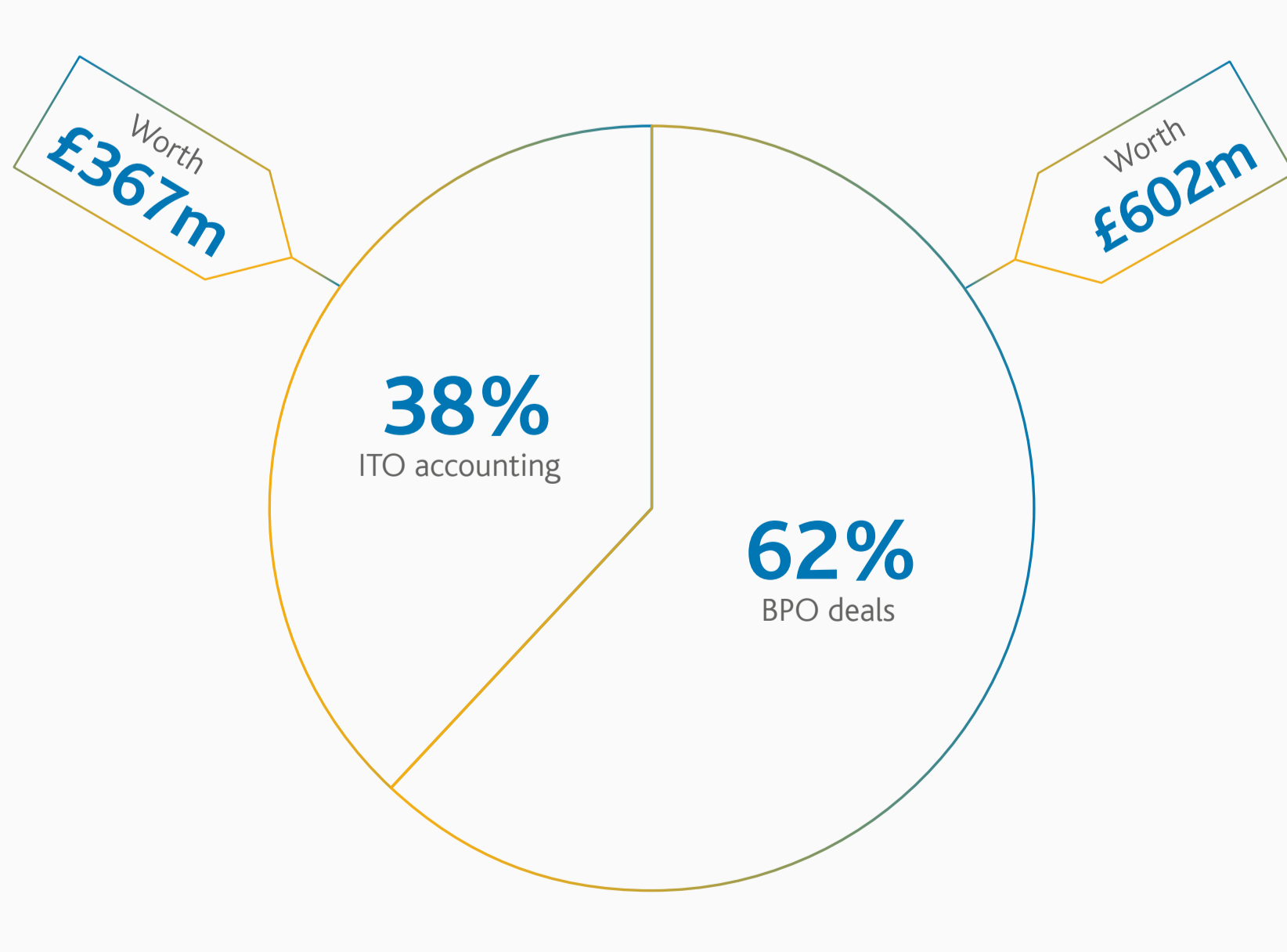
Contracts worth **£969 million** were signed in the UK in Q3 2016



Businesses procured deals worth **£821 million** between July and September 2016, accounting for 85 per cent of the total spend



of contracts were signed by government organisations with a total value of **£148 million**



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data provided by NelsonHall