

## 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



**30%**

Customer service deals accounted for almost a third (**30 per cent**) of the total outsourcing spend by businesses



**£1.01 billion**

UK companies signed contracts worth **£1.01 billion** in the first three quarters of 2016



**80%**

The number of deals agreed in the private sector (18) was up **80 per cent** year-on-year



**88%**

of contracts signed during January and September were for multi-channel, up from **50 per cent** last year

### 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



**30%**

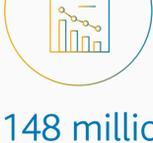
Outsourcing agreements worth **£4.43 billion** were signed in the UK in the first half of 2016, up **30 per cent** on the same period last year



**11%**

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.



**£148 million**

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



**£73 million**

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

### Spend by sector



**£969 million**

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



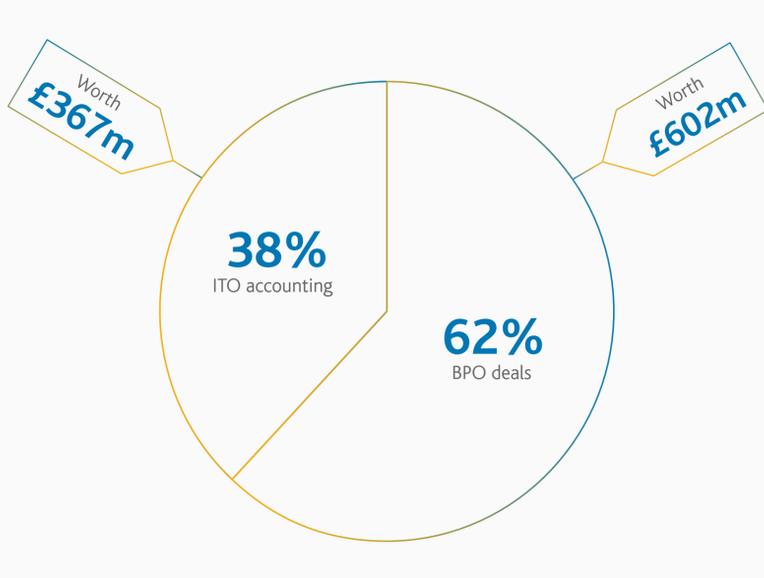
**£821 million**

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



**15%**

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



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data provided by NelsonHall