

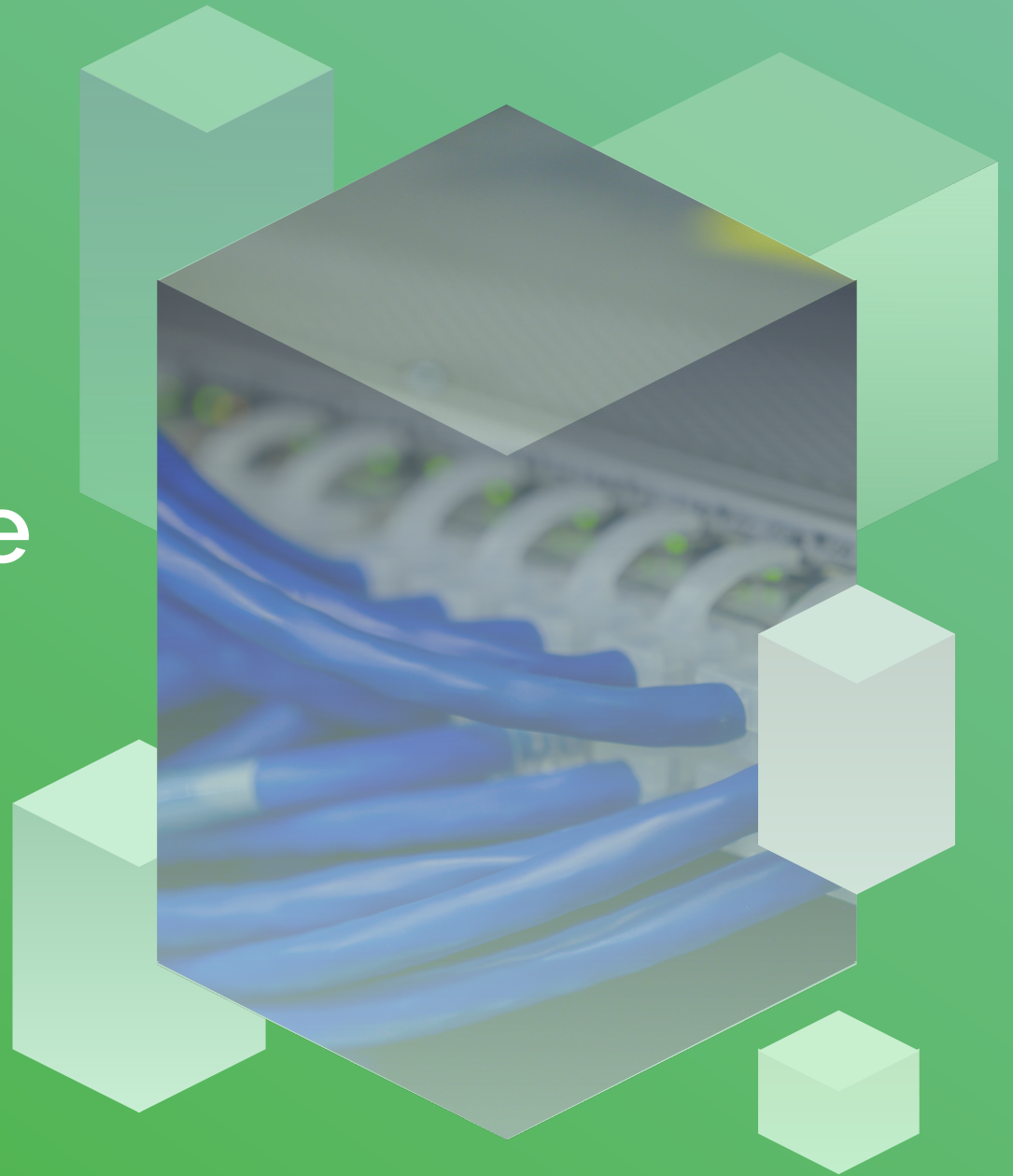
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# Public Sector IT Market Landscape: Q4 2021 Update

Trends and opportunities

tussell<sup>o</sup>

Trusted Insight on Government  
Contracts and Spend



# The market's trusted source of insight

## Corporate clients

Virgin media  
 BCG  
 Capita  
 leidos  
 servicenow  
 Palantir  
 SAP  
 FUJITSU  
 zoom  
 IQVIA  
 IBM  
 netcompany

## Public sector clients

Cabinet Office  
 Crown Commercial Service  
 Foreign & Commonwealth Office  
 Local Government Association

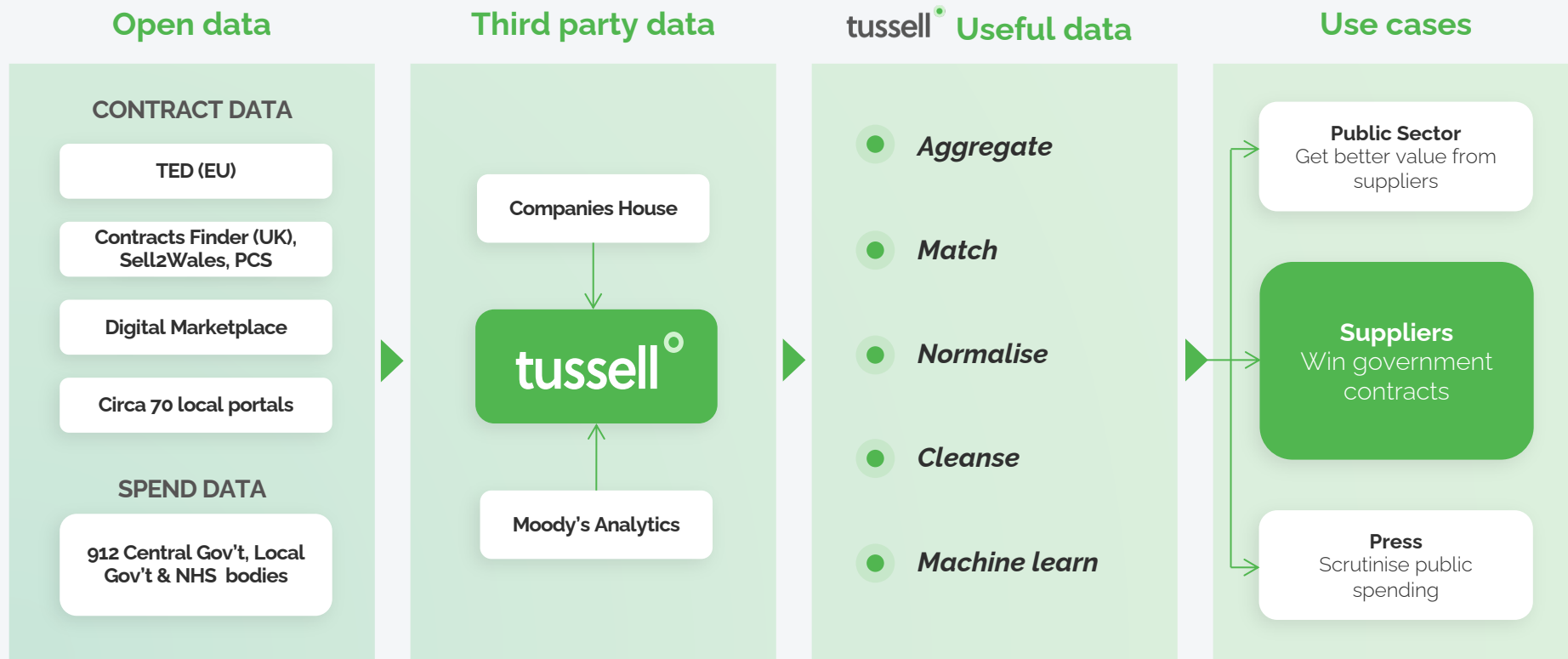
## Media citations

FT  
 The Economist  
 BBC  
 THE TIMES  
 The Telegraph  
 Bloomberg  
 EveningStandard.  
 The Guardian  
 NewStatesman  
 REUTERS

**900+**  
 Press citations since 2017

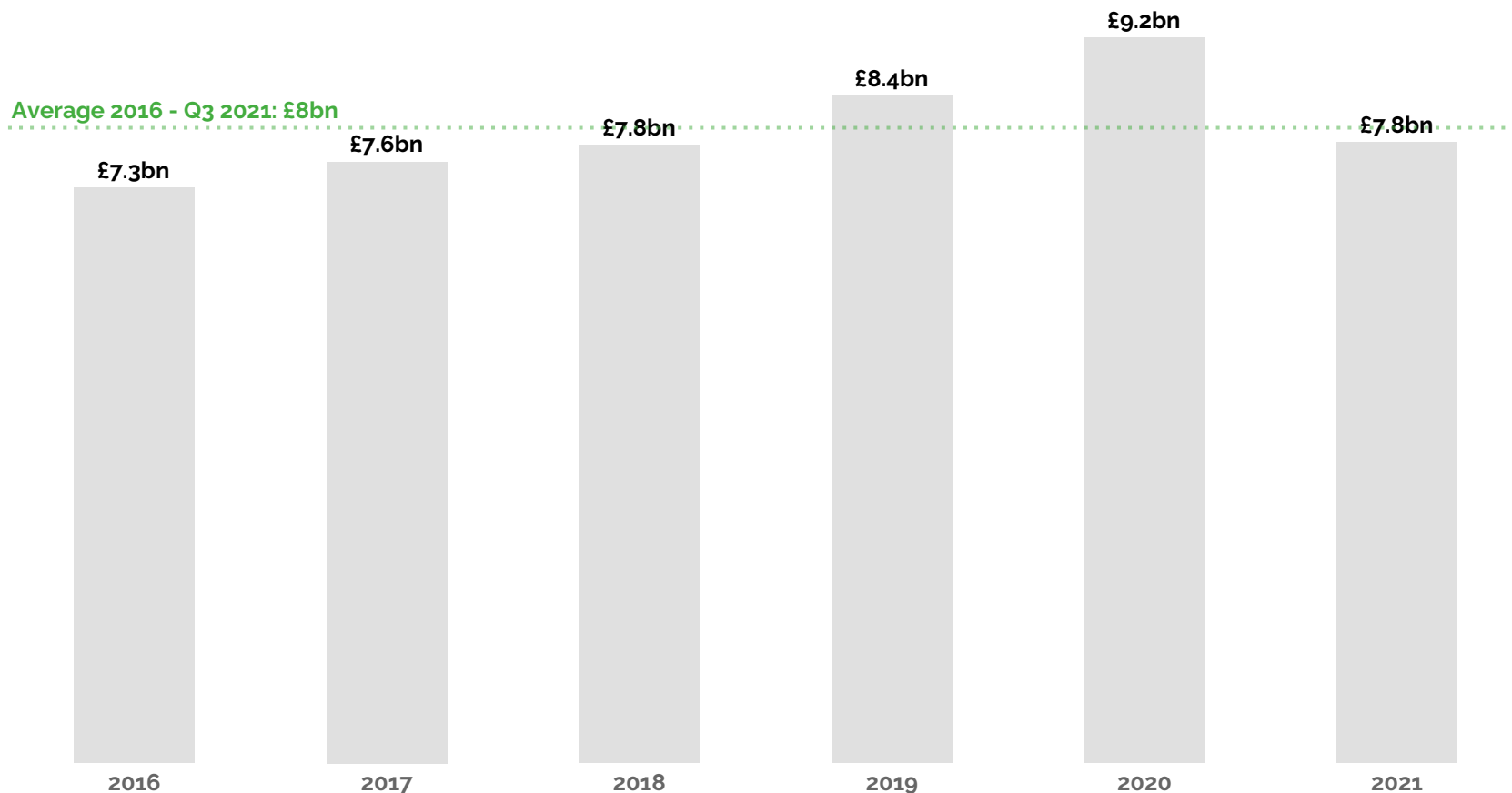
FINANCIAL TIMES  
*“Serious-minded business data provider Tussell”*  
 Matthew Vincent  
 22<sup>nd</sup> September 2018

# We transform open data into useful data



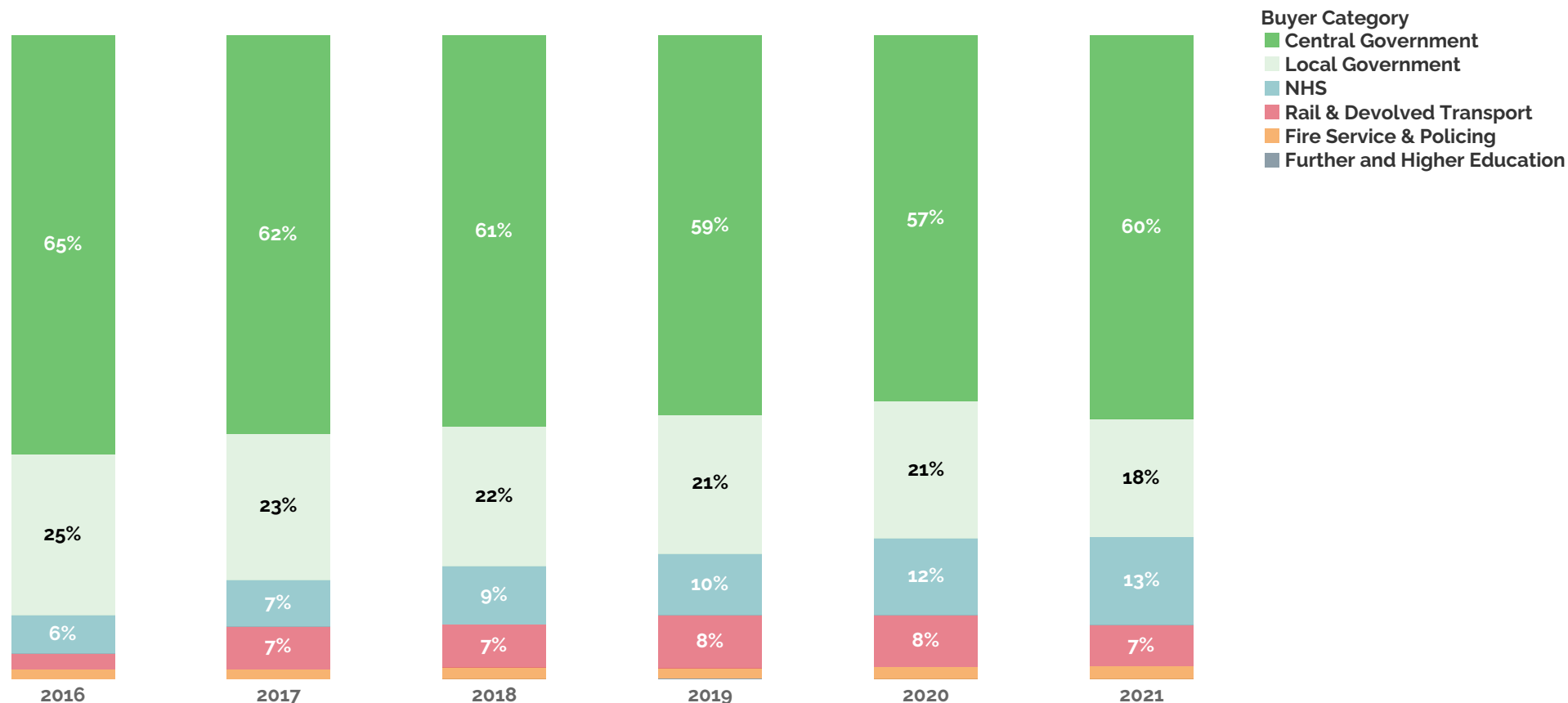
# Public sector IT spend growing at 6% per year since 2016 to reach over £9bn in 2020

Total IT spend by wider public sector buyers, by year, Q1 2016- Q3 2021



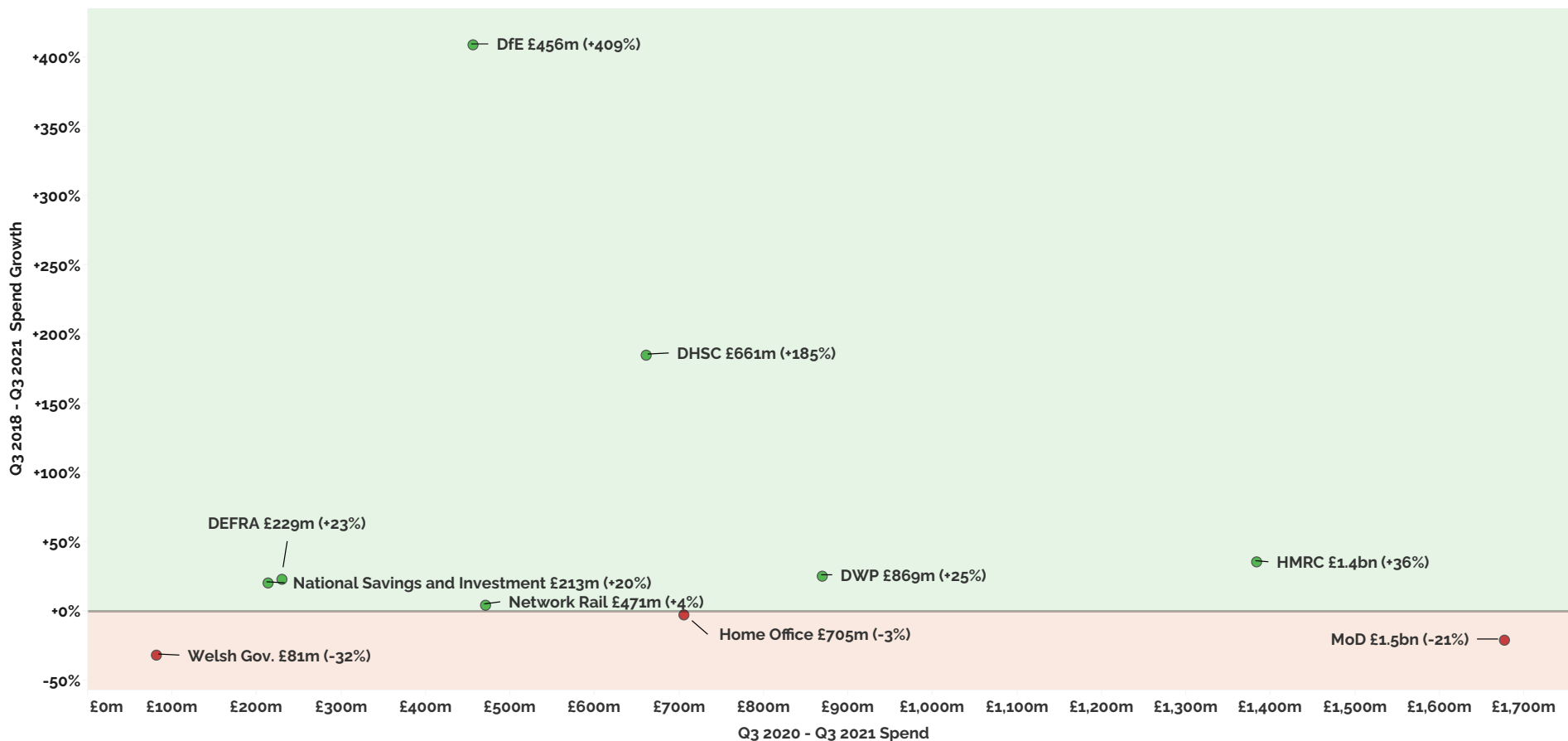
# NHS proportion of total IT spend has doubled since 2016

Total IT spend by wider public sector buyers, by year and category, Q1 2016- Q3 2021



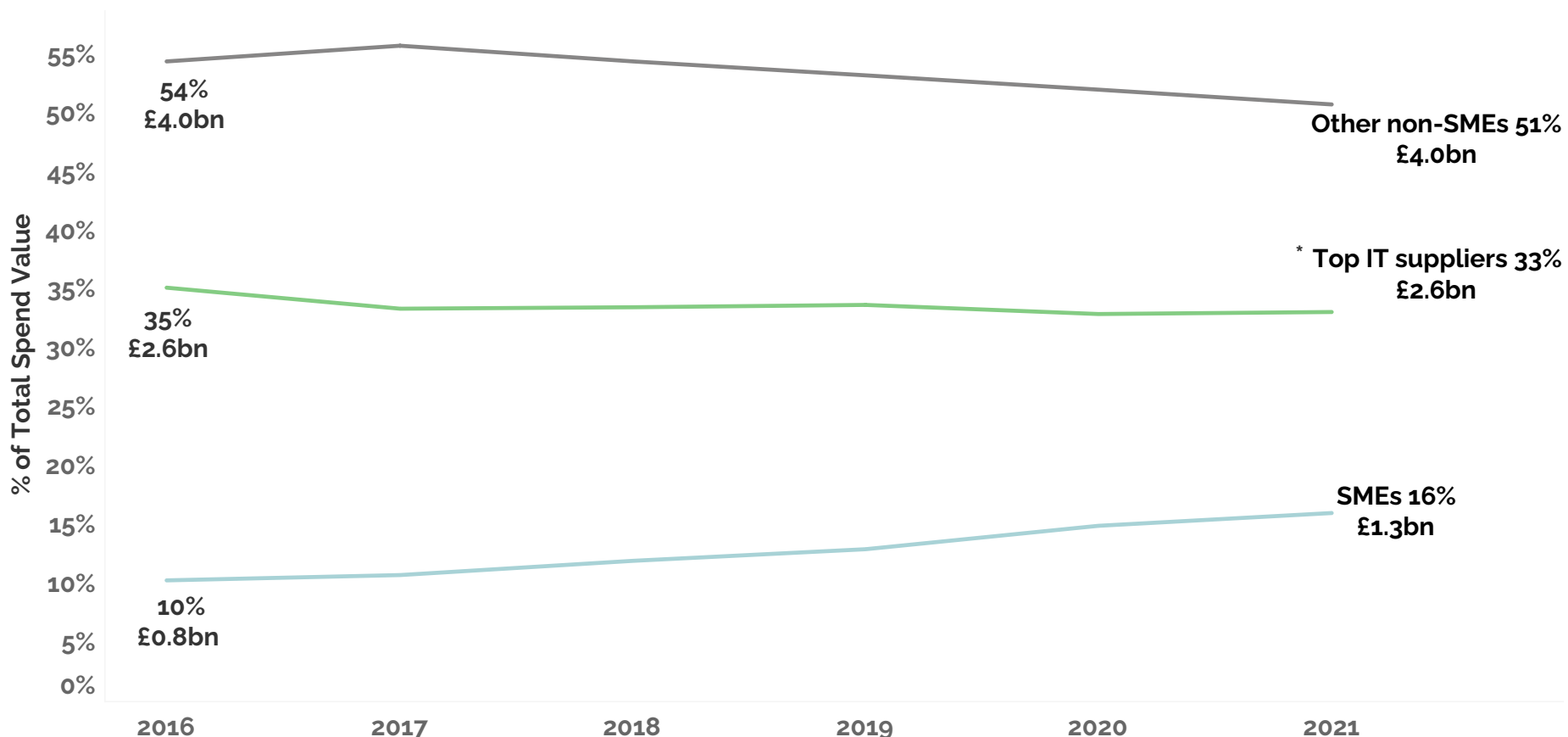
# 7 out of 10 of the largest IT spenders increased their budgets in the two years to Q3 2021

Year prior to Q3 2021 IT spend of 10 largest wider public sector buyers vs Q3 2018 - Q3 2021 IT spending growth



# Top IT suppliers have held their market share at about 33% since 2016, while SME share has grown

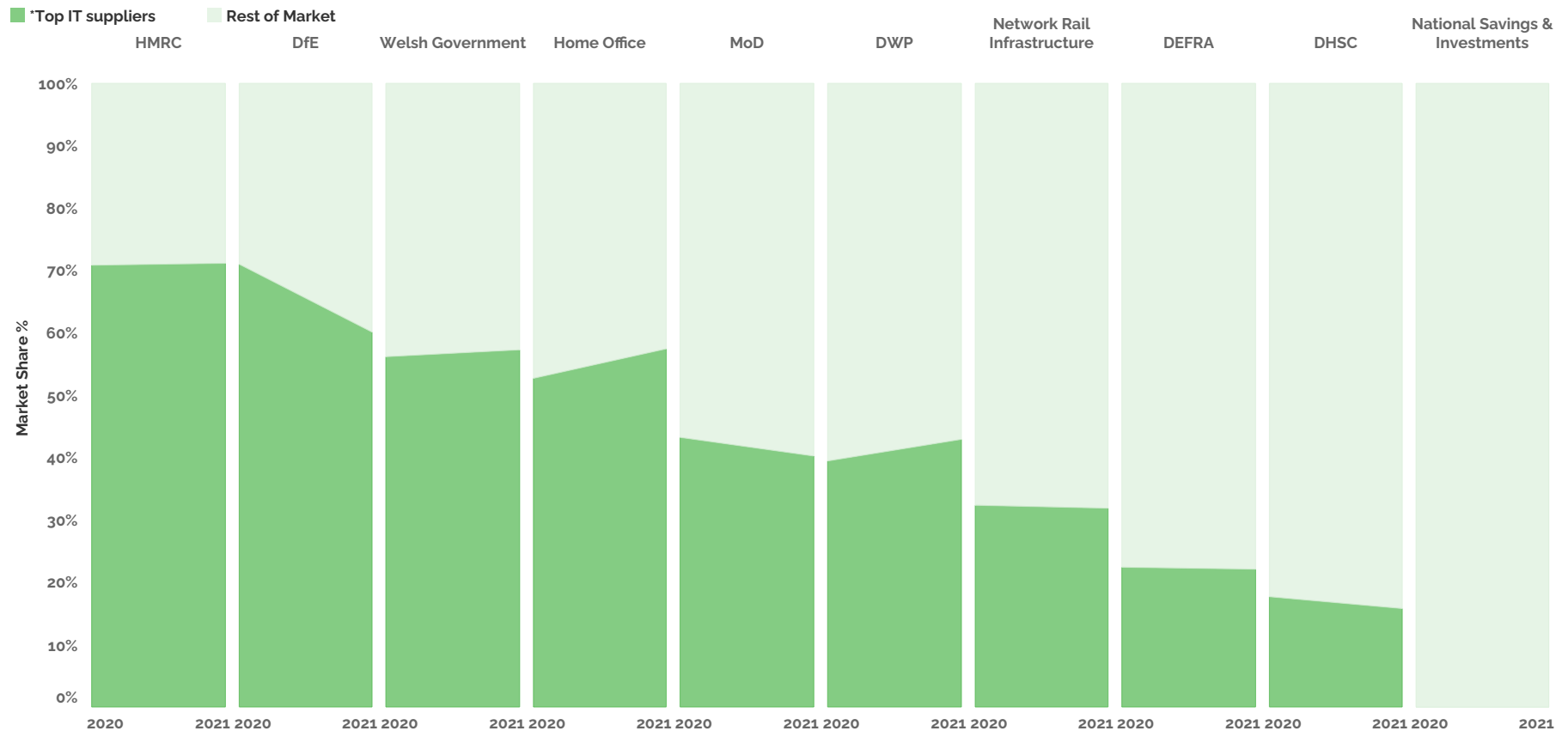
Proportion of wider public sector direct IT spending, public service board members, SMEs, and other non-SMEs, Q1 2016 - Q3 2021



\*Top IT suppliers include large well-known IT companies such as Microsoft, IBM, Fujitsu, etc.

# In the year to Q3 2021, top IT suppliers had a majority market share in the 4 largest IT buyers

IT market share of 10 largest wider public sector buyers, Q3 2020 - Q3 2021

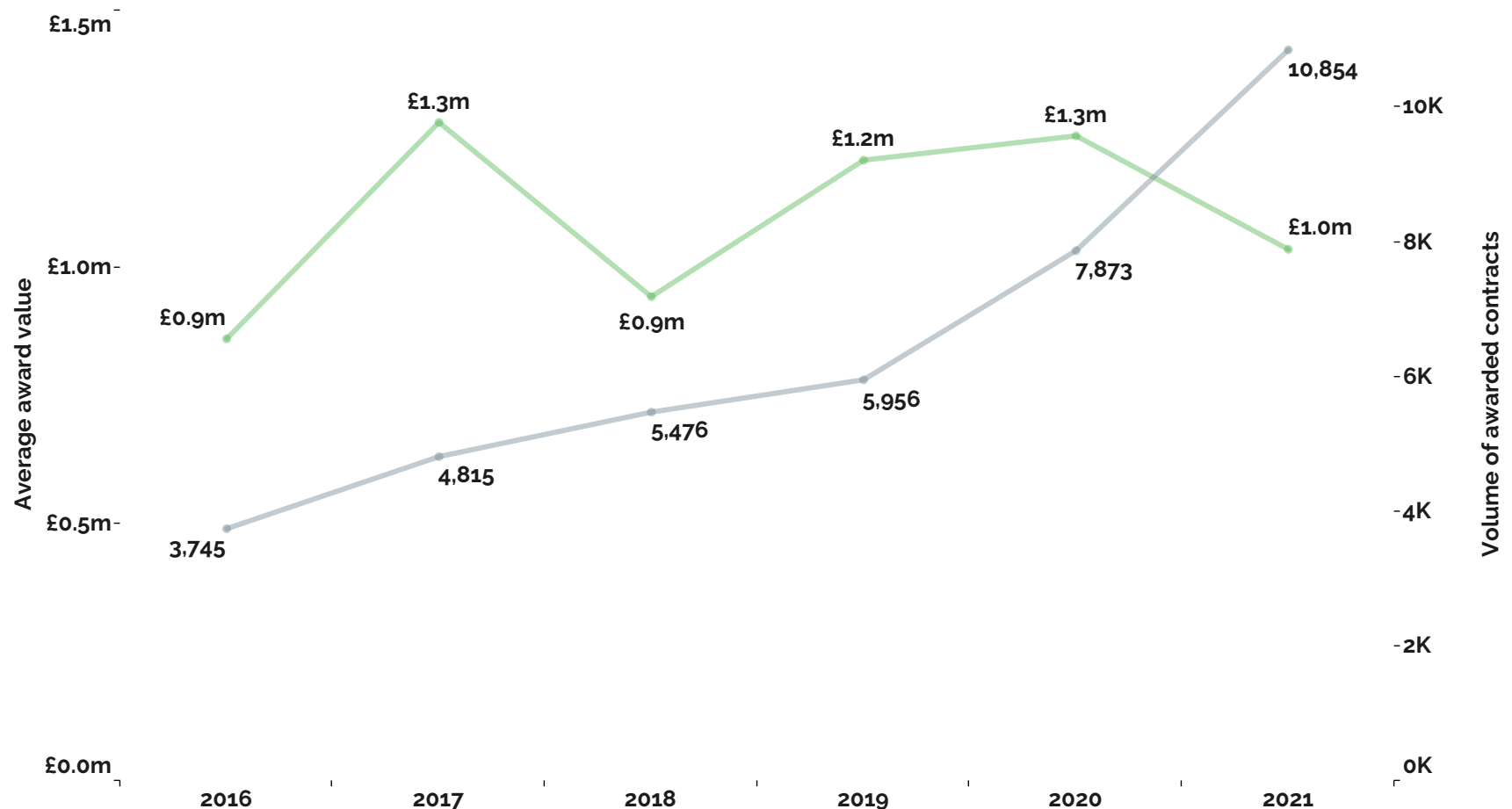


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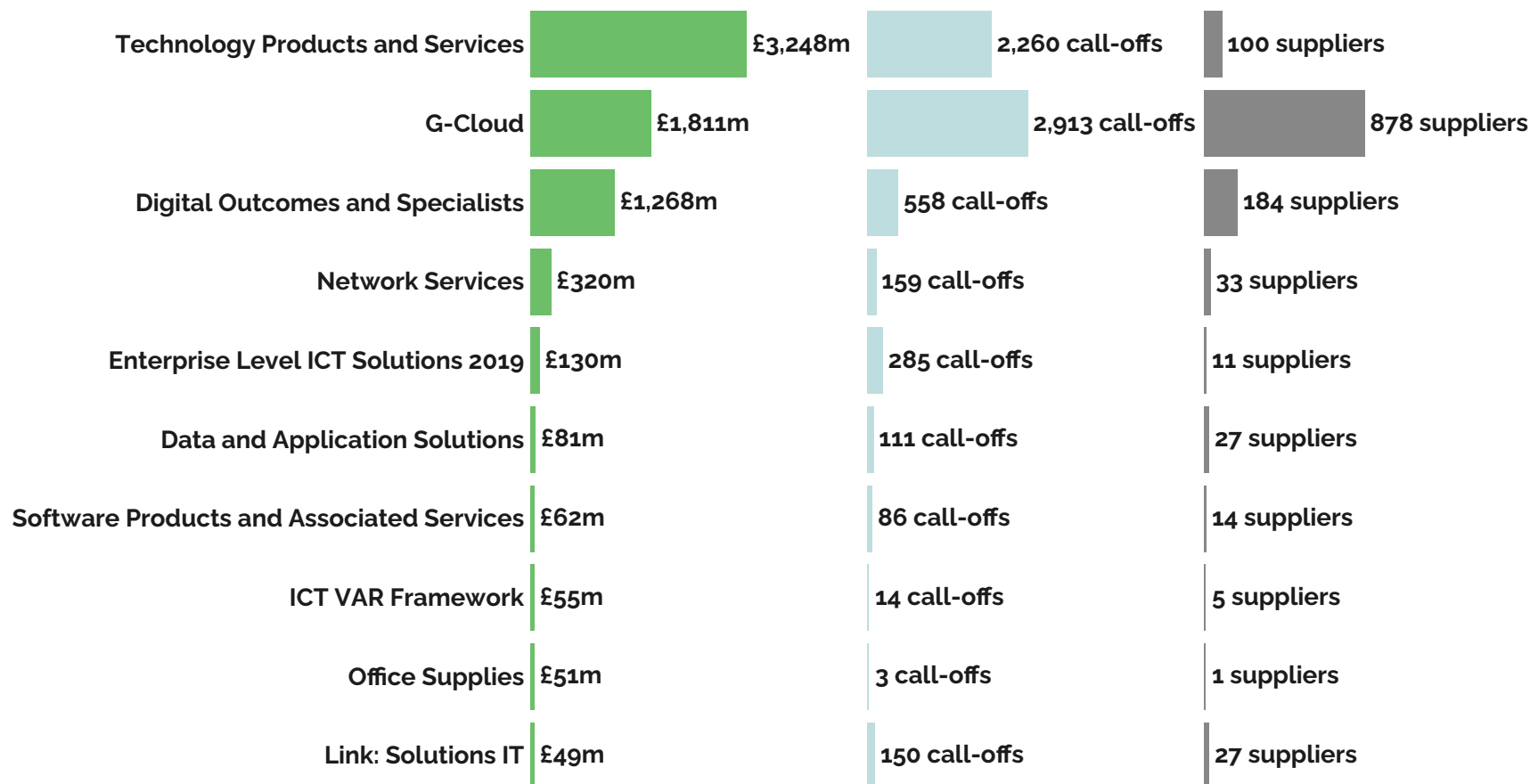
# Overall market growth is driven by contract volume, not higher pricing

Average value of IT contracts awarded by wider public sector bodies, and the volume of contracts awarded , Q1 2016 - Q4 2021



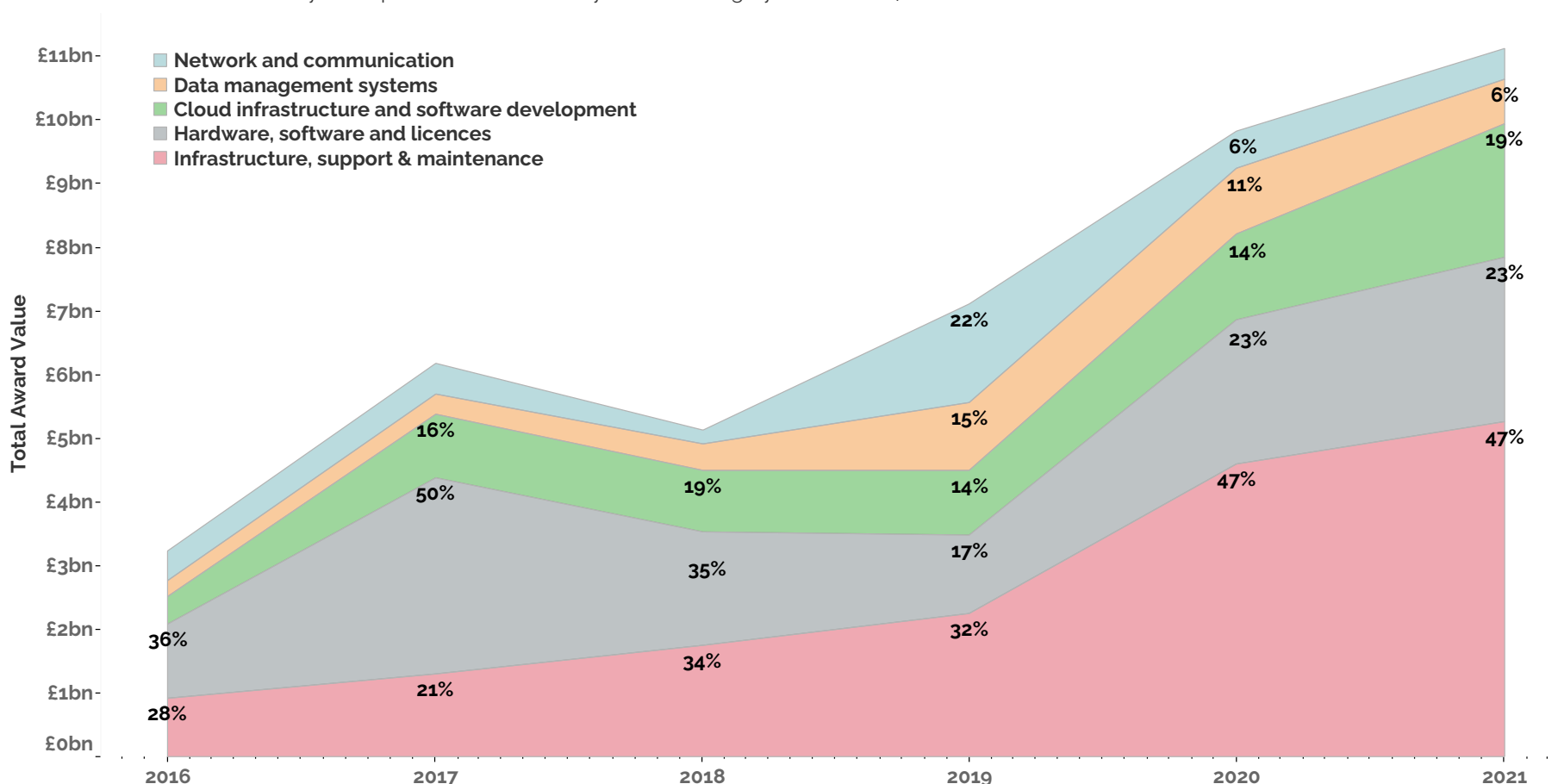
# Over £7bn worth of call-offs from the largest IT frameworks since 2016

Largest IT frameworks called off by wider public sector bodies, Q1 2016 - Q4 2021



# Infrastructure, Support & Maintenance contracts were nearly half the value of IT procurement in 2020 and 2021

Value of IT contracts awarded by wider public sector bodies, by contract category, Q1 2016 - Q4 2021



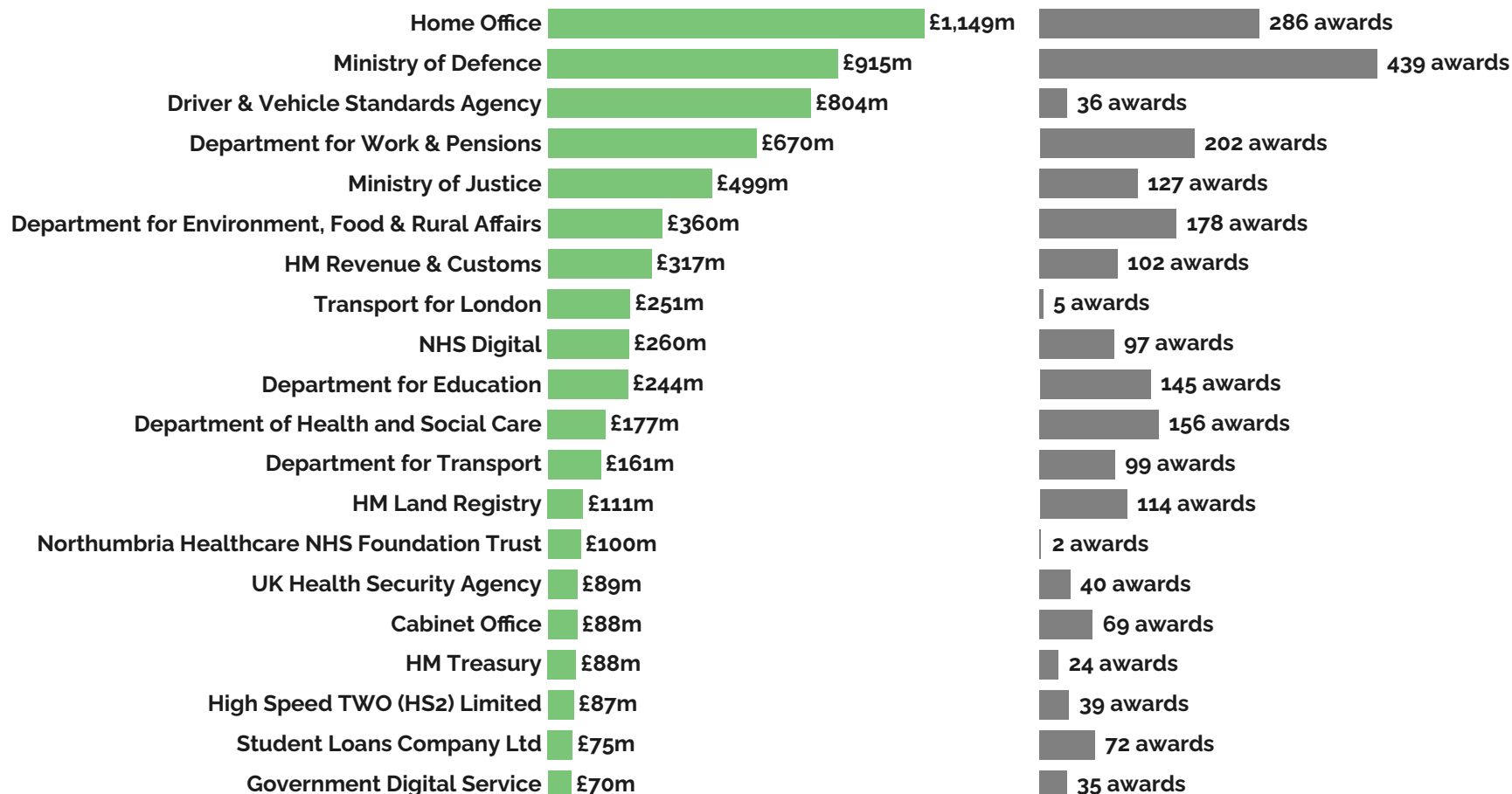
# Position yourself to win in upcoming contract renewals of £1bn per quarter

IT contracts awarded by wider public sector bodies, expiring Q1 2022 - Q4 2023

	2022				2023				Grand Total
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	
Cloud infrastructure and software development	£349m	£212m	£245m	£138m	£169m	£99m	£170m	£544m	£1,925m
Data management systems	£59m	£47m	£70m	£56m	£89m	£34m	£77m	£49m	£481m
Hardware, software and licences	£352m	£492m	£269m	£197m	£479m	£133m	£296m	£474m	£2,691m
Infrastructure, support & maintenance	£582m	£333m	£1,021m	£375m	£394m	£409m	£372m	£186m	£3,672m
Network and communication	£30m	£71m	£31m	£40m	£43m	£14m	£22m	£12m	£264m
<b>Grand Total</b>	<b>£1,371m</b>	<b>£1,154m</b>	<b>£1,636m</b>	<b>£806m</b>	<b>£1,174m</b>	<b>£689m</b>	<b>£937m</b>	<b>£1,264m</b>	<b>£9,033m</b>

# 20 contracting authorities account for over 70% of upcoming contract renewals

Top 20 wider public sector bodies by value of IT contracts expiring Q1 2022 - Q4 2023



# Public sector IT market landscape - Key findings

£8bn market  
growing at 6%  
per year

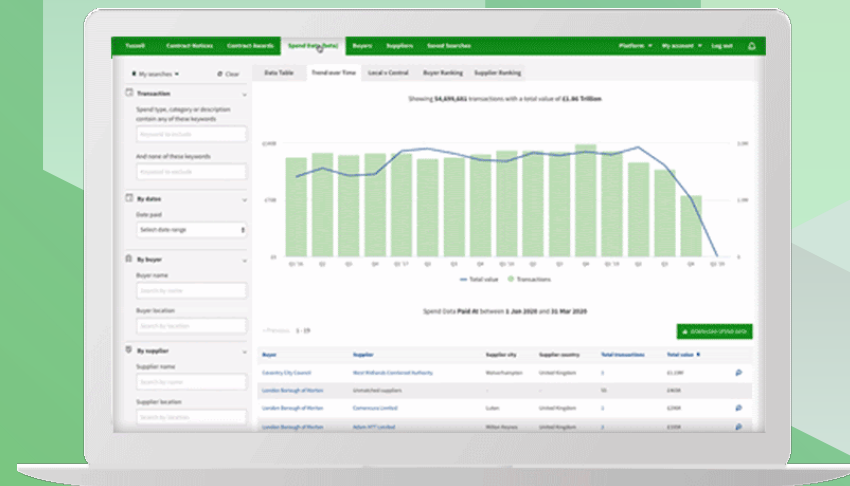
Growth in  
volume offsets  
price  
competition

Top IT  
suppliers have  
a steady 33%  
market share

Position yourself to win in upcoming contract renewals  
of £1bn per quarter

# tussell<sup>o</sup>

All the data in this report came directly from Tussell Insight, our online market intelligence platform



To learn more or book a demo visit [tussell.com](https://www.tussell.com)