

Public Sector Services and Solutions

A research report comparing provider strengths,
challenges and competitive differentiators



GOVERNMENT

DIGITAL

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unisys

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The digital shift in the UK public sector centres on reuse, resilience and AI readiness

During 2025-2026, the UK public sector's services landscape is moving from pilot-era experimentation to structured, centrally guided transformation focused on reuse, resilience and responsible AI, while balancing urgent efficiency pressures and service continuity. This period is witnessing pragmatic shifts as programs that have failed to scale are being retired, cross-government digital plumbing is being prioritised and departments are demonstrating measurable returns from digital investments amid tighter fiscal discipline.

Market context

The government has published and operationalised a consolidated blueprint and roadmap that reframes digital work across departments, setting a sustained whole-of-government agenda for common platforms, data sharing and AI-ready services. Central

teams emphasise a transition from fragmented project delivery toward persistent product teams and common systems to reduce waste from repeated custom builds and to accelerate safe reuse of components across services.

Cyber and resilience have become non-negotiable investments following GovAssure's and related assurance work's focus on pervasive legacy risk and uneven maturity across the estate. New units and funding lines have been created to raise baseline capability and provide central cyber direction. Skills and workforce initiatives, targeting product managers, engineers, data specialists and digitally literate senior leaders, have become an explicit pillar of central policy, backed by structured initiatives aimed at improving cyber security skills and digital capability and ring-fenced funding to enhance capability building across regions and arm's-length bodies.

Spending review outcomes position digital as foundational infrastructure rather than discretionary change, tightening expectations around efficiency, accessibility and measurable service outcomes for each investment. The route to market and supplier engagement has

Central
government **drives**
platform-based
delivery, **assurance**
and **measurable**
service value.



also shifted. The digital commercial function is simplifying procurement for small providers while aligning large supplier engagement with reuse-first and platform-based procurement approaches.

Enterprise priorities

Departments and agencies focus on three pragmatic priorities: stabilise and rationalise, join up and value delivery. Stabilisation focuses on the active remediation of legacy systems and the consolidation of hosting, identity and common tooling to reduce operational fragility and lower cyber exposure. Central assurance feedback and targeted funding for critical remediation are the major drivers of this approach.

Joining up services at the data and API layer is a daily delivery priority: the push for common APIs, shared identity (One Login ambitions) and an interoperable data infrastructure intends to reduce transactional friction for citizens and create a persistent platform for cross-cutting services such as benefits, health records and regulatory transactions.

Departments are required to show tangible efficiencies and service improvements. Business cases and delivery plans should highlight measurable service KPIs and evidence of reuse, while continuous funding models for product teams replace short, project-limited pots in some programmes to encourage sustained delivery rather than repeated reprocurement. These shifts have translated into more disciplined prioritisation: fewer, larger bets on platform work and shared components rather than many bespoke portals; a stronger emphasis on accessibility and inclusion, mindful of digital exclusion risks; and a more cautious, governance-led approach to public sector AI adoption that balances productivity gains with explainability, auditability and public trust.

For health and social care providers, the NHS digital agenda continues to focus on secure access to records and patient-facing services, while education and local authorities concentrate on back-office consolidation, data-led resource targeting and digital inclusion initiatives supported by central funds.

Provider dynamics

The reshaped procurement and engagement landscape favours providers that demonstrate platform thinking capabilities, security assurance and public value. The centralisation of digital strategy and the creation of new commercial centres require bids to align with reusable components, security posture as evidenced through schemes such as GovAssure and the ability to operate within long-term product funding models rather than short-term project contracts.

Large systems integrators have adapted by building or acquiring reusable modules and platform capabilities to align with the government's emphasis on common systems and remain competitive in a reuse-first environment. They are expected to demonstrate stronger cyber controls and clear roadmaps for modernising legacy estates without disrupting citizen-facing services. Central policies are pushing the faster adoption of single sign-on, APIs and modular service design for midsize and niche digital firms. Small providers that offer highly specialised

components or domain expertise can win placements inside composite delivery teams and through frameworks designed to widen supplier participation. The emphasis on assurance and evidence has raised the entry bar: providers must now demonstrate not only technical fit but also governance, operational resilience and data practices that pass central scrutiny.

The market is also experiencing an uptick in partnership models: public bodies seek blended teams that combine departmental knowledge, product and service design capability and supplier engineering to run persistent services. This model has shifted risk and accountability structures, requiring clearer SLAs and joint delivery governance.

There is an increased demand for specialist cybersecurity and infrastructure vendors as departments accelerate remediation and seek managed security services to strengthen known gaps identified by central reviews, creating a near-term demand even where broader capital funding remains constrained.



Executive Summary

Finally, AI tooling and advisory providers are entering procurement pipelines cautiously: contracts reflect mandatory governance requirements, explainability deliverables and integration with internal assurance frameworks rather than unrestricted platform deployments.

Outlook

Regional implementation across England, Scotland, Wales and Northern Ireland and local government shows varied pacing and emphasis, reflecting devolved policy priorities and differential starting points in capabilities. England's central drive for common platforms and product teams has pushed rapid uptake among central departments and larger agencies, while local authorities and combined authorities prioritise the pragmatic consolidation of back-office systems, data sharing for social care and services integration at the place level. Scotland, Wales and Northern Ireland receive targeted digital inclusion and capacity-building funds to ensure the digital transformation and cyber strategy roadmap's benefits extend beyond central departments and to support locally-led integrations with national health and social care systems.

Delivery in the health sector continues to be a two-speed operation: national NHS programmes set standards and common services, while regional trusts and integrated care systems implement them at varying rates depending on local estates and procurement arrangements. Devolved administrations push their own digital priorities, such as regionally tailored patient portals, citizen engagement services and local talent initiatives, alongside the UK roadmap. However, they seek interoperability with central cross-government standards where services cross borders or require UK-wide data exchange.

Local resilience and cyber uplift remain priorities across regions, with central funding and capability-building offers targeted at smaller public bodies and non-departmental public bodies (NDPBs) to address the uneven maturity that central reviews have exposed. Overall, the outlook is one of convergence toward common standards and components, tempered by pragmatic local sequencing that reflects legacy estates, availability of local talent and immediate service pressures.

Some practical implications for IT and services providers include:

- **Demonstrate reuse:** Map central reusable components in proposals and show how solutions avoid bespoke reinvention.
- **Embed assurance:** Offer security and compliance evidence in proposals, including posture against GovAssure expectations.
- **Offer sustained delivery:** Demonstrate capability to participate in long-lived product teams with continuous funding models rather than one-off project handovers.
- **Be explainable on AI:** Offer explicit governance, auditability and alignment with government's AI guidance and standards for AI elements.
- **Support inclusion:** Offer accessibility and digital inclusion considerations for deliverables with practical plans for training and support.

The 2025-26 policy cycle has reframed digital work in the UK public sector from a mosaic of experiments to a more mature, assurance-led, platform-first approach that connects digital investment to service outcomes and risk reduction. For providers and public bodies, this shift points toward prioritising reuse, security, skills and clear metrics for value and inclusion as the baseline for future programmes.

Across health, education and local services, transformation in the UK now favours common systems, tighter cyber controls and practical AI governance while suppliers adapt to long-term product-led delivery models.





Provider Positioning

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	Strategy and Enablement Services (Consulting)	Managed IT Services	Business Process and Other Outsourcing Services	Services to Local and Devolved Governments	Digital Transformation and Modernization Services	AI and Innovation Services
6Point6	Not In	Not In	Not In	Not In	Contender	Not In
Accenture	Leader	Leader	Not In	Leader	Leader	Leader
Agilisys	Not In	Contender	Not In	Contender	Not In	Product Challenger
Aiimi	Not In	Not In	Not In	Not In	Not In	Contender
Allied Universal	Not In	Not In	Market Challenger	Not In	Not In	Not In
Altair	Not In	Not In	Not In	Not In	Not In	Market Challenger
Atos	Product Challenger	Leader	Product Challenger	Product Challenger	Leader	Not In
Baringa	Leader	Not In	Product Challenger	Not In	Not In	Not In
BearingPoint	Contender	Not In	Not In	Not In	Not In	Not In





Provider Positioning

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	Strategy and Enablement Services (Consulting)	Managed IT Services	Business Process and Other Outsourcing Services	Services to Local and Devolved Governments	Digital Transformation and Modernization Services	AI and Innovation Services
Bill Gosling Outsourcing	Not In	Not In	Contender	Not In	Not In	Not In
BT	Not In	Market Challenger	Not In	Contender	Contender	Product Challenger
CACI	Not In	Market Challenger	Not In	Not In	Not In	Not In
Capgemini	Leader	Leader	Leader	Leader	Leader	Leader
Capita	Contender	Not In	Leader	Product Challenger	Contender	Not In
CGI	Not In	Leader	Leader	Leader	Leader	Leader
Civica	Not In	Not In	Not In	Not In	Market Challenger	Not In
Cognizant	Product Challenger	Product Challenger	Product Challenger	Leader	Product Challenger	Product Challenger
Computacenter	Market Challenger	Leader	Leader	Leader	Market Challenger	Not In





Provider Positioning

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	Strategy and Enablement Services (Consulting)	Managed IT Services	Business Process and Other Outsourcing Services	Services to Local and Devolved Governments	Digital Transformation and Modernization Services	AI and Innovation Services
Conduent	Not In	Not In	Not In	Not In	Not In	Product Challenger
ConsenSys	Not In	Not In	Not In	Not In	Not In	Contender
Cura	Not In	Not In	Not In	Not In	Not In	Contender
DDC Outsourcing Solutions	Not In	Not In	Contender	Not In	Not In	Not In
Deloitte	Leader	Not In	Not In	Product Challenger	Product Challenger	Leader
Delphix	Not In	Not In	Not In	Not In	Not In	Contender
DXC	Market Challenger	Product Challenger	Product Challenger	Product Challenger	Product Challenger	Leader
Eclipse AI	Not In	Not In	Not In	Not In	Not In	Contender
EY	Product Challenger	Not In	Not In	Product Challenger	Product Challenger	Not In





Provider Positioning

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	Strategy and Enablement Services (Consulting)	Managed IT Services	Business Process and Other Outsourcing Services	Services to Local and Devolved Governments	Digital Transformation and Modernization Services	AI and Innovation Services
Fortrus	Not In	Not In	Not In	Not In	Not In	Contender
Foundever	Not In	Not In	Product Challenger	Not In	Not In	Not In
Fujitsu	Leader	Leader	Product Challenger	Product Challenger	Product Challenger	Product Challenger
HCLTech	Leader	Leader	Not In	Rising Star ★	Leader	Not In
IBM	Leader	Leader	Leader	Leader	Leader	Leader
ICS.AI	Not In	Not In	Not In	Not In	Not In	Contender
Infosys	Product Challenger	Rising Star ★	Leader	Leader	Leader	Leader
Iron Mountain	Not In	Not In	Contender	Not In	Not In	Not In
Kainos	Contender	Contender	Not In	Contender	Contender	Market Challenger





Provider Positioning

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	Strategy and Enablement Services (Consulting)	Managed IT Services	Business Process and Other Outsourcing Services	Services to Local and Devolved Governments	Digital Transformation and Modernization Services	AI and Innovation Services
Konecta UK	Not In	Not In	Contender	Not In	Not In	Not In
KPMG	Market Challenger	Not In	Not In	Market Challenger	Not In	Not In
Kyndryl	Product Challenger	Product Challenger	Not In	Product Challenger	Not In	Not In
Leidos	Not In	Contender	Market Challenger	Contender	Not In	Not In
Made Tech	Not In	Not In	Not In	Not In	Contender	Not In
Mastek	Not In	Leader	Not In	Leader	Leader	Leader
NCO Europe	Not In	Not In	Market Challenger	Not In	Not In	Not In
NEC	Not In	Market Challenger	Contender	Not In	Not In	Not In
Novacraft	Not In	Not In	Contender	Not In	Not In	Not In





Provider Positioning

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	Strategy and Enablement Services (Consulting)	Managed IT Services	Business Process and Other Outsourcing Services	Services to Local and Devolved Governments	Digital Transformation and Modernization Services	AI and Innovation Services
NTT DATA	Leader	Leader	Leader	Leader	Leader	Leader
PA Consulting	Product Challenger	Not In	Not In	Not In	Not In	Not In
Project One	Contender	Not In	Not In	Not In	Not In	Not In
PwC	Leader	Leader	Not In	Leader	Leader	Leader
Rackspace Technology	Contender	Product Challenger	Not In	Not In	Not In	Not In
SCC	Not In	Not In	Not In	Not In	Contender	Not In
Serco	Not In	Not In	Leader	Not In	Not In	Product Challenger
Softcat PLC	Not In	Market Challenger	Not In	Not In	Not In	Not In
Sopra Steria	Not In	Not In	Leader	Not In	Market Challenger	Market Challenger





Provider Positioning

Page 7 of 7

	Strategy and Enablement Services (Consulting)	Managed IT Services	Business Process and Other Outsourcing Services	Services to Local and Devolved Governments	Digital Transformation and Modernization Services	AI and Innovation Services
TCS	Product Challenger	Product Challenger	Product Challenger	Product Challenger	Product Challenger	Product Challenger
ThoughtWorks	Not In	Contender	Not In	Not In	Not In	Not In
TP	Not In	Not In	Product Challenger	Not In	Not In	Not In
Unisys	Not In	Leader	Not In	Rising Star ★	Not In	Product Challenger
Version 1	Leader	Leader	Not In	Leader	Leader	Leader
Virgin Media Business	Not In	Contender	Contender	Contender	Not In	Not In
Wavex	Not In	Contender	Not In	Not In	Not In	Not In
Wipro	Product Challenger	Product Challenger	Not In	Not In	Product Challenger	Product Challenger



Key focus areas of the Public Sector Services and Solutions 2026 study.

Simplified Illustration Source: ISG 2026



Definition

Public sector leaders are navigating a critical moment in 2026 globally, where fiscal pressures are meeting bold innovation demands. Governments balance tight budgets while responding to citizens' demands for seamless, equitable services amid ongoing economic uncertainties.

After years of disruption from pandemics and geopolitical shifts, agencies now prioritise resilience over reaction. Technology adoption is accelerating to achieve improved efficiency. Funding streams are tightening as taxpayers demand proof of impact, pushing public entities toward public-private partnerships.

The public sector's priorities centres on human-centred transformation. Agencies chase outcomes that matter: safer communities, healthier populations and sustainable infrastructure. Digital equity is rising as a core tenet, with interoperability becoming non-negotiable, linking siloed systems for fluid data sharing.

Service providers are adapting swiftly to these shifts. Traditional vendors are becoming strategic allies, offering modular solutions that scale with need. There is increasing competition among consultancies and tech firms vying for contracts that reward lifecycle value over upfront bids. Providers that master transparency and adaptability win trust, as procurement rules evolve to favour flexibility and proven social impact.

The market outlook points toward cautious optimism, anticipating accelerated modernisation waves, with AI and automation easing administrative loads to free staff for strategic work. Fiscal discipline is focusing on invest-to-save strategies, such as digitising legacy processes. By the end of 2026, the most adaptive governments are expected to emerge stronger, poised for a decade of purposeful re-invention.



Scope of the Report

This ISG Provider Lens® quadrant report covers the following six quadrants for services/solutions: Strategy and Enablement Services (Consulting), Managed IT Services, Business Process and Other Outsourcing Services, Service to Local and Devolved Governments, Digital Transformation and Modernization Services and AI and Innovation Services.

This ISG Provider Lens® study offers IT decision-makers:

- Transparency on the strengths and weaknesses of relevant providers
- A differentiated positioning of providers by segments on their competitive strengths and portfolio attractiveness
- Focus on the regional market

Our study serves as the basis for important decision-making by covering providers' positioning, key relationships and go-to-market considerations. ISG advisors and enterprise

clients also use information from these reports to evaluate their existing vendor relationships and potential engagements.

Provider Classifications

The provider position reflects the suitability of providers for a defined market segment (quadrant). Without further additions, the position always applies to all company sizes classes and industries. In case the service requirements from enterprise customers differ and the spectrum of providers operating in the local market is sufficiently wide, a further differentiation of the providers by performance is made according to the target group for products and services. In doing so, ISG either considers the industry requirements or the number of employees, as well as the corporate structures of customers and positions providers according to their focus area. As a result, ISG differentiates them, if necessary, into two client target groups that are defined as follows:

- **Midmarket:** Companies with 100 to 4,999 employees or revenues between \$20 million and \$999 million with central headquarters in the respective country, usually privately owned.
- **Large Accounts:** Multinational companies with more than 5,000 employees or revenue above \$1 billion, with activities worldwide and globally distributed decision-making structures.

The ISG Provider Lens® quadrants are created using an evaluation matrix containing four segments (Leader, Product & Market Challenger and Contender), and the providers are positioned accordingly. Each ISG Provider Lens® quadrant may include a service provider(s) which ISG believes has strong potential to move into the Leader quadrant. This type of provider can be classified as a Rising Star.

- **Number of providers in each quadrant:** ISG rates and positions the most relevant providers according to the scope of the report for each quadrant and limits the maximum of providers per quadrant to 25 (exceptions are possible).





Provider Classifications: Quadrant Key

Product Challengers offer a product and service portfolio that reflect excellent service and technology stacks. These providers and vendors deliver an unmatched broad and deep range of capabilities. They show evidence of investing to enhance their market presence and competitive strengths.

Contenders offer services and products meeting the evaluation criteria that qualifies them to be included in the IPL quadrant. These promising service providers or vendors show evidence of rapidly investing in products/ services and follow sensible market approach with a goal of becoming a Product or Market Challenger within 12 to 18 months.

Leaders have a comprehensive product and service offering, a strong market presence and established competitive position. The product portfolios and competitive strategies of Leaders are strongly positioned to win business in the markets covered by the study. The Leaders also represent innovative strength and competitive stability.

Market Challengers have a strong presence in the market and offer a significant edge over other vendors and providers based on competitive strength. Often, Market Challengers are the established and well-known vendors in the regions or vertical markets covered in the study.

★ **Rising Stars** have promising portfolios or the market experience to become a Leader, including the required roadmap and adequate focus on key market trends and customer requirements. Rising Stars also have excellent management and understanding of the local market in the studied region. These vendors and service providers give evidence of significant progress toward their goals in the last 12 months. ISG expects Rising Stars to reach the Leader quadrant within the next 12 to 24 months if they continue their delivery of above-average market impact and strength of innovation.

Not in means the service provider or vendor was not included in this quadrant. Among the possible reasons for this designation: ISG could not obtain enough information to position the company; the company does not provide the relevant service or solution as defined for each quadrant of a study; or the company did not meet the eligibility criteria for the study quadrant. Omission from the quadrant does not imply that the service provider or vendor does not offer or plan to offer this service or solution.





Strategy and Enablement Services (Consulting)

Who Should Read This Section

This report is valuable for providers offering **strategy and enablement services (consulting)** in the **U.K** to understand their market position and for enterprises looking to evaluate these providers. In this quadrant, ISG highlights the current market positioning of these providers based on the depth of their service offerings and market presence.

Contracting officer's technical representatives (COTRs)

Should read this report to evaluate the technical capabilities and compliance of IT providers. The report will help ensure that contracts meet agency requirements, expected outcomes are delivered, and oversight and accountability are strengthened, ultimately enhancing the success and integrity of public sector projects.

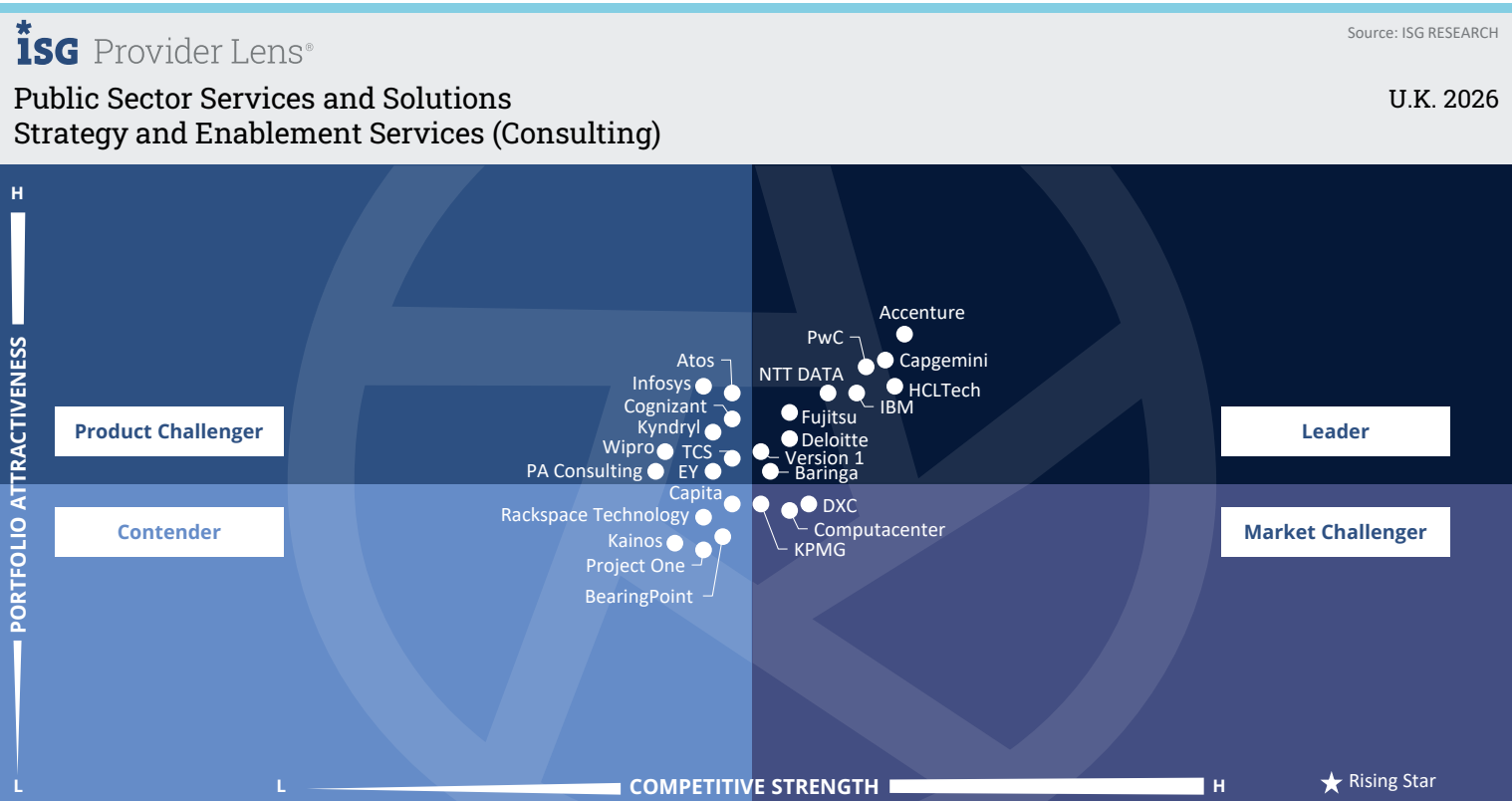
Chief procurement officers (CPOs)

Should read this report to gain actionable market insights and supplier benchmarks. This information will help them drive strategic sourcing, negotiate stronger contracts and align procurement with evolving technology trends. By adopting this approach, CPOs can achieve cost savings, improve supplier value and advance the agency's strategic objectives.

Category acquisition managers (CAMs)

Should read this report to identify top-performing IT service providers, track evolving market conditions and develop data-driven sourcing strategies. This report helps optimize spending, fosters innovation and reduces category-specific risks, directly supporting effective IT procurement and value creation for their organization.





The quadrant assesses providers that offer services and solutions to help public sector entities **navigate complex challenges** and **enhance performance, security and operational efficiency**, leveraging strategic planning and a systems approach.

Harish B



Definition

Strategy and enablement services in the public sector are vital for governments and entities serving the public sector to navigate complex challenges. These services include specialised expertise, innovative strategies and actionable insights to improve governance, optimise operations and enhance service delivery. Using digital technologies, strategic planning and a systems approach, consultants help governments streamline processes, reduce inefficiencies and respond effectively to evolving citizen demands and global disruptions such as climate change and economic instability.

Consultants offering strategic management services in the public sector help organisations set measurable goals, analyse internal and external factors and adopt frameworks that align with long-term objectives. This structured approach enables firms to improve decision-making and resource allocation, while enabling accountability and transparency. Consultants also support organisations in adopting emerging technologies such as AI and blockchain to build agile organisations.

Eligibility Criteria

1. Have **experience providing strategy and enablement services to public sector clients** in the relevant region covered in the study
2. Have successfully **engaged or are engaging with at least three public sector entities** on strategy and enablement services
3. Have at least three of the following capabilities related to public sector strategy and enablement:
 - * Experience in **advising the region's central or provincial/ devolved governments**
 - * Proven **track record of delivering government digital strategies**
 - * Familiarity with **public sector regulations and frameworks**, such as G-Cloud and Digital Marketplace
 - * Ability to **integrate digital solutions with legacy systems**
 - * Expertise in **cost optimisation and efficiency planning**
 - * Capability to **provide vendor-agnostic recommendations**
 - * Strong **data governance and security advisory services**
 - * Experience in **designing AI and automation roadmaps**
 - * Capacity for **enterprise architecture and IT service redesign**
4. Demonstrate **strong partnerships** with industry associations, regulatory bodies, technology firms and startups specialising in the public sector
5. Offer **referenceable public sector use cases** across the value chain



Strategy and Enablement Services (Consulting)

Observations

The UK public sector is pushing consulting work towards service redesign, AI readiness and stronger digital governance. Short-term official government plans point to a better operating model, where strategy and enablement services are expected to translate policy into delivery rather than just conceptualisation.

A key trend is the shift from broad transformation advice to practical delivery architecture. The government's blueprint for modern digital government sets a long-term vision for public services and a six-point reform plan, creating demand for consulting that can shape operating models, product teams, funding approaches and implementation roadmaps. This plan will lead buyers to value advisers who can connect ministerial priorities with service design, data and platform choices. Another clear trend is AI enablement with guardrails. The roadmap for modern digital government highlights AI adoption, stronger digital infrastructure and greater transparency, demonstrating how public bodies want productivity gains without losing trust.

Consulting demand will grow around AI use case selection, policy framing, assurance, data readiness and workforce adoption.

Provider competition is moving towards credibility in execution. Government and public service buyers are likely to favour consultants who can show direct experience in service reform, not just strategy decks, as the agenda is increasingly about implementation at speed. As the government's digital centre pushes for integrated platforms and smarter funding, providers will need multi-disciplinary teams that combine public policy fluency, user-centric design, data, cyber and cloud advisory.

From the 172 companies assessed for this study, 26 qualified for this quadrant, with 10 being Leaders.

accenture

Accenture brings extensive public sector experience to help UK organisations modernise services, combining strategic insight, cloud capabilities, cybersecurity expertise and digital delivery to turn complex transformation goals into measurable outcomes.

Baringa

Baringa works with public sector leaders to navigate complex change through practical strategy, operating model improvements and implementation support, with particular strength in regulated environments, sustainability and risk-led transformation.

Capgemini

Capgemini helps public sector organisations embrace digital transformation by blending technology expertise, architecture, data insights and change management to accelerate cloud adoption, AI innovation and better citizen-focused services.

Deloitte.

Deloitte partners with government organisations to shape and deliver transformation through deep sector knowledge, strategic advisory, governance expertise and organisational change capabilities that drive lasting improvements.

FUJITSU

Fujitsu supports public sector teams in improving services through digital strategy, programme leadership and technology delivery, helping organisations adopt cloud, automation and AI while building more resilient operating models.

HCLTech

HCLTech helps public sector organisations connect business priorities with technology solutions, using enterprise architecture, AI, cloud and automation expertise to improve operational efficiency and enhance service delivery.

IBM

IBM enables public sector transformation through trusted consulting, advanced technology and AI capabilities, helping organisations modernise operations, use data effectively and create smarter, more responsive services.



Strategy and Enablement Services (Consulting)



NTT DATA guides public sector organisations through technology-led change by aligning digital investments, business strategy and operating models to improve decision-making, service quality and long-term sustainability.



PwC helps public sector organisations translate strategy into action through policy-aware advisory, organisational design, governance and performance improvement, creating sustainable value for communities.

Version 1

Version 1 supports organisations in bridging business and technology goals through agile transformation, enterprise architecture and governance expertise, enabling scalable solutions and more effective ways of working.





Managed IT Services

Who Should Read This Section

This report is valuable for providers offering **managed IT services** in the **U.K** to understand their market position and for enterprises looking to evaluate these providers. In this quadrant, ISG highlights the current market positioning of these providers based on the depth of their service offerings and market presence.

Buyer/Senior buyers

Should read this report to evaluate IT providers' capabilities, pricing and performance, enabling informed sourcing decisions and effective risk management. This approach ensures cost-efficient procurement, promotes supplier accountability and aligns purchases with the agency's technology and service objectives.

Chief procurement officers (CPOs)

Should read this report to gain actionable market insights and supplier benchmarks. This information will help them drive strategic sourcing, negotiate stronger contracts and align procurement with evolving technology trends. By adopting this approach, CPOs can achieve cost savings, improve supplier value and advance the agency's strategic objectives.

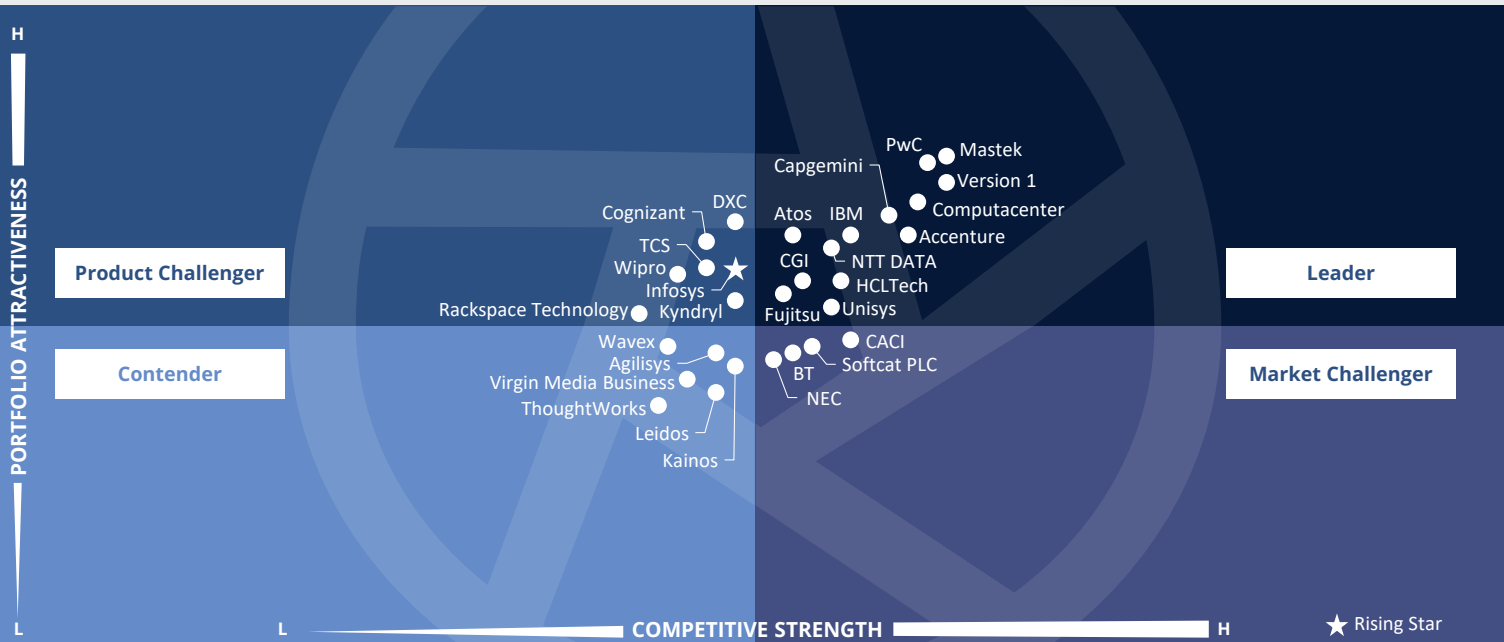
Category acquisition managers (CAMs)

Should read this report to identify top-performing IT service providers, track evolving market conditions and develop data-driven sourcing strategies. This report helps optimize spending, fosters innovation and reduces category-specific risks, directly supporting effective IT procurement and value creation for their organization.



Public Sector Services and Solutions Managed IT Services

U.K. 2026



The quadrant assesses providers that offer services and solutions to help public sector entities **focus** on their **core responsibilities**, ensuring **efficient and secure IT operations** through managed IT services.

Harish B



Definition

Managed IT services play a crucial role in the public sector, offering numerous benefits to government agencies and organisations. These services enable public institutions to focus on their core responsibilities by ensuring efficient and secure IT operations. Public sector entities can control costs, improve service delivery and enhance cybersecurity by outsourcing IT service management.

By offering managed IT services, service providers help public sector organisations adapt to the rapidly evolving digital landscape. These services ensure access to advanced technologies, expertise and resources that could be challenging to maintain in-house due to budget constraints. Providers enable the modernisation of IT infrastructure, supporting digital transformation initiatives and smart city development. They offer services such as proactive monitoring, maintenance and support to improve organisations' operational efficiency and productivity, while reducing downtime and ensuring critical systems' stability.

Eligibility Criteria

1. Have **experience providing managed IT services** to public sector clients in the relevant region covered in the study
2. Have successfully **engaged or are engaging with at least three public sector entities** on managed IT services
3. Have at least three of the following capabilities related to public sector managed IT services:
 - * Ability to **provide end-to-end IT infrastructure** management
 - * Region-specific **service delivery capabilities** for government security requirements
 - * **Compliance with government security standards**, such as Cyber Essentials and ISO 27001
 - * Experience in **managing cloud and hybrid IT environments**
 - * Offer **around-the-clock service desk** and support capabilities
 - * Proven ability to **handle secure data hosting** for government services
 - * **Expertise in network and connectivity** for government operations
 - * Expertise in **identity and access management**
 - * Experience in **disaster recovery and resilience planning**
 - * Proven capability in **handling large-scale IT operations**
4. **Demonstrate strong partnerships** with industry associations, regulatory bodies, technology firms and startups specialising in the public sector
5. Offer referenceable public sector use cases across the value chain



Managed IT Services

Observations

The clearest short-term UK public sector managed IT services trend is the shift from outsourced support to platform-led, reusable service operations. Government is pushing common systems, stronger digital standards and a more disciplined digital centre, which means providers are being asked to simplify estates, improve resilience and support shared services rather than run isolated contracts. Managed services are increasingly judged on how well they reduce fragmentation. The government's modern digital blueprint sets out a long-term reform agenda, while the 2026 roadmap update points to reused platforms and common systems across the government. This change is pushing departments, health bodies, educational organisations and frontline agencies to favour partners that can rationalise legacy stacks, standardise support and improve UX without disrupting operations.

The next wave of demand is centred on secure cloud operations, identity management, data integration and automation with guardrails. The government has linked digital reform to secure, efficient and sustainable technology,

which raises expectations for managed service providers to deliver ticket resolution and, more importantly, measurable control. AI adoption is scaling across the government, with a focus on governance, service quality and practical productivity gains rather than experimentation for its own sake. Providers are being pushed toward outcome-based partnerships, stronger assurance and closer alignment with public value. In practice, the market is rewarding firms that can combine technical depth with change support, as agencies want smoother citizen journeys and lower administrative burden, not only lower-cost contracts.

From the 172 companies assessed for this study, 30 qualified for this quadrant, with 13 being Leaders and one a Rising Star.

accenture

Accenture combines deep government delivery experience with cloud, cybersecurity and large-scale technology programmes to help UK public sector organisations build secure, resilient digital services that improve outcomes for citizens.

Atos

Atos has a long track record of supporting government IT estates, helping organisations strengthen critical infrastructure, manage hybrid cloud environments and maintain secure, compliant services citizens can rely on.

Capgemini

Capgemini brings together business insight and end-to-end technology expertise, helping public sector organisations modernise enterprise applications, adopt cloud platforms and deliver reliable digital experiences at scale.

CGI

CGI focuses on keeping essential public services running smoothly through managed services, application renewal, cloud infrastructure and security expertise that improve operational resilience and day-to-day service quality.

Computacenter

Computacenter helps public sector teams simplify technology operations by improving workplace services, integrating complex infrastructure and ensuring staff have secure, dependable tools to work productively.

FUJITSU

Fujitsu works alongside public sector organisations to modernise IT through AI, automation and application renewal, combining long-term partnerships with practical solutions that improve efficiency and support sustainable service delivery.

HCLTech

HCLTech specialises in transforming legacy technology into modern, secure platforms, using digital engineering, cloud and AI-driven operations to help public sector organisations deliver more agile and scalable IT services.



Managed IT Services



IBM brings decades of innovation to government organisations, combining hybrid cloud, AI and cybersecurity capabilities to modernise mission-critical systems while strengthening resilience, trust and operational performance.

Mastek

Mastek helps public sector organisations refresh ageing applications, embrace cloud technologies and improve service reliability through agile delivery, practical consulting and a strong focus on measurable business outcomes.



NTT DATA provides end-to-end operational support across infrastructure, applications, cloud and cybersecurity, enabling public sector organisations to simplify IT management and build resilient digital services for the future.



PwC helps public sector organisations make smarter technology decisions by combining strategic advisory, governance and digital transformation expertise to deliver managed services that support accountability and long-term value.



Unisys strengthens public sector IT environments through secure managed services, digital workplace support and advanced cybersecurity, helping organisations increase reliability, protect critical systems and improve UX.

Version 1

Version 1 helps government organisations modernise applications and cloud environments using Agile and DevOps practices, enabling faster delivery, greater resilience and technology services that evolve with changing public needs.



Infosys (Rising Star) combines consulting, engineering and managed services to help public sector organisations modernise applications, strengthen cloud capabilities and create more resilient, high-performing digital services.



Unisys



"Unisys provides managed service operations designed to improve incident management, user support and operational efficiency."

Harish B

Overview

Unisys is headquartered in Pennsylvania, US. It has more than 15,000 employees across 20 countries. In FY25, the company generated \$2.0 billion in revenue. Unisys supports organisations with hybrid infrastructure, cloud adoption and technology modernisation initiatives. These capabilities help public sector clients improve operational flexibility while maintaining security, governance and service continuity. Its structured approach helps public sector organisations maintain dependable IT services for employees and service users.

Strengths

Strong heritage in secure enterprise technology services:

Unisys has a long history of providing secure technology solutions to organisations with complex operational requirements. Its experience supporting government and regulated environments enables it to deliver managed IT services focused on reliability, security and operational resilience. The company applies automation, analytics and intelligent operations practices to improve service delivery.

Digital workplace and end-user services capabilities:

Unisys has established expertise in digital workplace services, including service desk operations, endpoint management, collaboration support and EX solutions. These capabilities help UK public

sector organisations improve workforce productivity and provide consistent technology support. Unisys has experience managing technology environments where availability, performance and security are essential.

Advanced security-focused service delivery:

Unisys has a strong security heritage, with capabilities spanning identity management, endpoint security, threat protection and secure infrastructure operations. These strengths support public sector organisations managing sensitive data and requiring robust cyber protection.

Caution

Compared to its strengths in workplace, infrastructure and security services, Unisys should further expand its application management and modernisation capabilities to provide more comprehensive end-to-end managed IT services.





Business Process and Other Outsourcing Services

Who Should Read This Section

This report is valuable for providers offering **business process and other outsourcing services** in the **U.K** to understand their market position and for enterprises looking to evaluate these providers. In this quadrant, ISG highlights the current market positioning of these providers based on the depth of their service offerings and market presence.

Buyer/Senior buyers

Should read this report to evaluate IT providers' capabilities, pricing and performance, enabling informed sourcing decisions and effective risk management. This approach ensures cost-efficient procurement, promotes supplier accountability and aligns purchases with the agency's technology and service objectives.

Chief procurement officers (CPOs)

Should read this report to gain actionable market insights and supplier benchmarks. This information will help them drive strategic sourcing, negotiate stronger contracts and align procurement with evolving technology trends. By adopting this approach, CPOs can achieve cost savings, improve supplier value and advance the agency's strategic objectives.

Category acquisition managers (CAMs)

Should read this report to identify top-performing IT service providers, track evolving market conditions and develop data-driven sourcing strategies. This report helps optimize spending, fosters innovation and reduces category-specific risks, directly supporting effective IT procurement and value creation for their organization.



Public Sector Services and Solutions Business Process and Other Outsourcing Services

U.K. 2026



The quadrant assesses providers that offer services and solutions to help public sector entities **enhance efficiency**, reduce costs and **access specialised expertise** by **outsourcing noncore functions**.

Harish B



Definition

The public sector increasingly relies on BPO and other outsourcing services to enhance efficiency, reduce costs and access specialised expertise. Public sector firms can focus on their primary objectives using advanced technologies such as AI and cloud computing and by delegating non-core functions such as IT services, payroll and customer support to external providers. This approach optimises resource allocation and addresses challenges in recruiting highly skilled professionals, especially in areas such as data management and cybersecurity.

Providers offer outsourcing services, fostering competition and innovation among them, resulting in improved service delivery quality. However, careful management is required to mitigate risks such as contracting failures or reduced service quality in critical areas such as healthcare and education. By assisting public sector firms in establishing robust SLAs, providers enable successful outsourcing while ensuring accountability and performance.

Eligibility Criteria

1. Have experience **providing business process and other outsourcing services** to public sector clients in the relevant region covered in the study
2. Have **successfully engaged or are engaging with at least three public sector entities** on BPO and outsourced services
3. Have at least three of the following capabilities related to public sector BPO and outsourced services:
 - * Experience in **delivering outsourced services** to the region's government organisations
 - * Strong **compliance with data protection and security** regulations
 - * Proven **expertise in handling high-volume citizen services**
 - * **Cost-effective service delivery** with proven efficiency gains
 - * **Robust business continuity** and risk management processes
 - * Secure **handling of sensitive government data**
 - * Experience with **AI and RPA for process automation**
 - * Strong track record in **benefits, welfare and HR services**
 - * Offer **multi-channel citizen engagement** solutions (phone, web and mobile)
 - * Capability to **provide scalable workforce solutions**
4. Demonstrate **strong partnerships with industry associations**, regulatory bodies, technology firms and startups specialising in the public sector
5. Offer **referenceable public sector use cases** across the value chain



Business Process and Other Outsourcing Services

Observations

The UK public sector outsourcing situation in the short term is less about cost-cutting and more about rebuilding service capacity. Government priorities are centred on joined-up services, AI for the public good, stronger digital infrastructure and a more capable digital centre, which is reshaping how BPO and managed services are bought and governed. Departments are pushing outsourcing partners to support end-to-end service journeys rather than isolated back-office tasks. The strongest shift is towards outcome-led delivery rather than volume-based processing.

AI is moving into service operations, but with tighter public accountability. The government roadmap places AI alongside service joining, digital infrastructure and talent, showing that automation must now improve productivity without weakening trust. For providers, the opportunity is in assisted triage, knowledge management and task orchestration rather than chatbots. The UK is also moving towards reusable platforms and common systems across government. Providers that can adapt

to common standards and deliver across multiple bodies will have an edge. Cyber resilience, compliance and accessibility are becoming non-negotiable in outsourcing deals. The digital standards agenda reinforces that public sector buyers want services that are secure, consistent and usable at scale. Provider competition is shifting towards transformation-led partnerships. Public bodies want fewer fragmented suppliers and more integrated support across process, technology and operations, especially where legacy systems still dominate.

From the 172 companies assessed for this study, 27 qualified for this quadrant, with nine being Leaders.



Capgemini helps UK public sector organisations transform and optimise business processes through outsourcing, AI and automation, broad operational expertise and citizen-focused service delivery that improves efficiency, accountability and UX.

Capita

Capita enables public sector organisations to improve citizen services through high-volume contact centre operations, BPO and digital modernisation, enhancing service accessibility, efficiency, responsiveness and operational performance.



CGI supports public sector organisations to enhance mission-critical service delivery through integrated business process and technology services, strong governance and compliance expertise and citizen-focused operations that enhance efficiency, reliability and accessibility.

Computacenter

Computacenter helps public sector organisations drive workforce productivity through digital workplace and end-user support services, technology lifecycle management and integrated service coordination across complex multi-supplier environments.



IBM enables UK public sector organisations to enhance operations through data-driven insights, enterprise application expertise, and integrated business, technology and managed services, enabling secure, compliant and citizen-focused service delivery.



Infosys enables UK public sector organisations to modernise business processes through digital operations, outsourcing, AI and automation, enhancing efficiency, service delivery, compliance and operational resilience across complex, highly regulated environments.



NTT DATA helps UK public sector organisations reinvent business processes through consulting, digital transformation, AI and automation, strengthening operational efficiency, service quality, compliance and performance in complex, regulated environments.



Business Process and Other Outsourcing Services

Serco

Serco delivers large-scale public sector outsourcing through deep government experience, operational expertise and citizen service management, helping agencies improve service continuity, efficiency, accessibility and outcomes using digital and data-driven approaches.

Sopra Steria

Sopra Steria helps UK public sector organisations modernise operations through strong outsourcing and public service expertise, business process transformation, and structured service management that improve efficiency, compliance, reliability and service outcomes.





Services to Local and Devolved Governments

Who Should Read This Section

This report is valuable for service providers offering **services to local and devolved governments** in the **U.K** to understand their market position and for enterprises looking to evaluate these providers. In this quadrant, ISG highlights the current market positioning of these providers based on the depth of their service offerings and market presence.

Contracting officer's technical representatives (COTRs)

Should read this report to evaluate the technical capabilities and compliance of IT providers. The report will help ensure that contracts meet agency requirements, expected outcomes are delivered, and oversight and accountability are strengthened, ultimately enhancing the success and integrity of public sector projects.

Chief procurement officers (CPOs)

Should read this report to gain actionable market insights and supplier benchmarks. This information will help them drive strategic sourcing, negotiate stronger contracts and align procurement with evolving technology trends. By adopting this approach, CPOs can achieve cost savings, improve supplier value and advance the agency's strategic objectives.

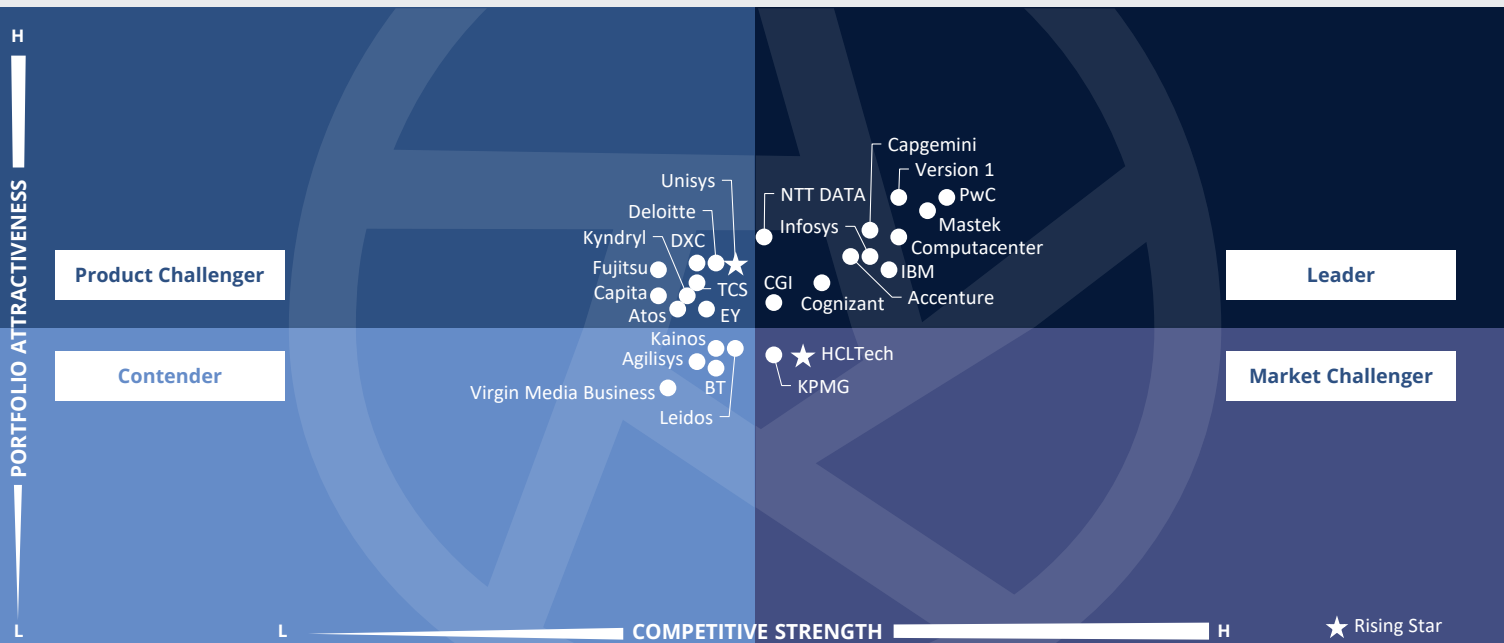
Category acquisition managers (CAMs)

Should read this report to identify top-performing IT service providers, track evolving market conditions and develop data-driven sourcing strategies. This report helps optimize spending, fosters innovation and reduces category-specific risks, directly supporting effective IT procurement and value creation for their organization.



Public Sector Services and Solutions Services to Local and Devolved Governments

U.K. 2026



This quadrant assesses providers that offer services and solutions to help public sector entities **enhance efficiency, accountability and responsiveness**, directly impacting community well-being and economic development.

Harish B



Services to Local and Devolved Governments

Definition

Public sector industries support local and devolved governments by providing essential services that directly impact community well-being and economic development. Local governments are responsible for infrastructure such as roads, water supply, waste management and information and communications technology (ICT) systems, which are prerequisites for economic activities. Devolving responsibilities to local authorities enhances accountability and responsiveness, aligning services with community needs.

Providers offer innovation within the public sector by addressing unique community challenges. By adopting creative solutions, leveraging technology and fostering partnerships with private entities, they help local governments improve service delivery and meet rising public expectations. They aim to support local governments in decentralising decision-making, integrating cross-sector policies, promoting entrepreneurship and adopting digital tools to streamline operations.

Eligibility Criteria

1. Have **experience providing services to local and devolved governments** in the relevant region covered in the study
2. Have successfully **engaged or are engaging with at least three public sector entities** on services for local and devolved governments
3. Have at least three of the following capabilities related to services for local and devolved governments:
 - * **Experience working with the region's provincial authorities** and devolved governments
 - * **Ability to support regional digital transformation initiatives**
 - * **Compliance with local government IT standards** and regulations
 - * Experience in **deploying digital citizen services**
 - * Experience in **integrating with the existing local government's IT infrastructure**
 - * Proven track record in **public safety and emergency response IT**
 - * Scalable solutions for **multi-agency collaboration**
 - * Expertise in **smart city** and IoT
 - * Offer **AI-driven automation** for local government services
 - * Offer **secure cloud** and data management solutions
4. Demonstrate **strong partnerships** with industry associations, regulatory bodies, technology firms and startups specialising in the public sector
5. Offer **referenceable public sector use cases** across the value chain



Services to Local and Devolved Governments

Observations

The UK public sector is moving towards a more joined-up delivery model, with local and devolved government services increasingly shaped by shared platforms, AI-assisted operations, stronger cyber resilience and digital inclusion. The key focus is not technology for its own sake, but using it to deliver more consistent, accessible and human-centric services across councils, health, education and social services. Government digital leadership is prioritising common systems and reusable platforms across the public sector, marking a shift away from fragmented local builds towards shared foundations. This approach should improve consistency, reduce duplication and enable service change to be scaled more effectively across local and devolved bodies.

AI is moving from pilots into everyday service support, but the emphasis is on responsible use, transparency and augmentation of human judgment. Data is equally central, with stronger attention on breaking silos, improving quality and supporting better policy and case decisions. Cybersecurity has become a board-

level issue, especially as local services handle sensitive citizen data and essential operations. At the same time, digital inclusion is being treated as a core service requirement, not an afterthought, because access, confidence and accessibility now shape whether the transformation actually works for the public. The result is a market that values secure-by-design delivery, accessible user journeys and support models that reduce exclusion rather than reinforce it.

From the 172 companies assessed for this study, 27 qualified for this quadrant, with 11 being Leaders and two Rising Stars.

accenture

Accenture helps UK local and devolved governments modernise services through deep public sector expertise, citizen-centric digital design, and end-to-end consulting, technology and managed services that improve outcomes and operational efficiency.

Capgemini

Capgemini enables local and devolved governments to modernise securely through strong cybersecurity, cloud and platform transformation expertise, a broad partner ecosystem, and a focus on sustainability, resilience and community outcomes.

CGI

CGI supports UK local and devolved governments to modernise services through deep public sector expertise, digital transformation, cybersecurity and operational capabilities that improve efficiency, resilience, service continuity and citizen outcomes.

cognizant

Cognizant helps local and devolved governments modernise through AI, analytics and automation, cloud and application transformation, and expertise in managing complex multi-stakeholder environments to improve efficiency, resilience and citizen services.

Computacenter

Computacenter supports UK local governments through strong workplace and infrastructure services, end-to-end technology lifecycle management and service integration expertise that improve reliability, governance, security and operational efficiency.

IBM

IBM enables local and devolved governments to modernise through deep public sector expertise, AI and analytics and integrated digital platforms that improve decision-making, service accessibility, efficiency and connected government outcomes.

Infosys

Infosys empowers UK local and devolved governments to modernise through large-scale digital transformation, cloud, AI, analytics, automation and cybersecurity expertise, enabling efficient, citizen-centric services and successful delivery across complex multi-stakeholder environments.



Services to Local and Devolved Governments

Mastek

Mastek delivers end-to-end digital transformation for local and devolved governments through cloud and infrastructure modernisation, user-centred service design and technology-enabled operational improvement that strengthens resilience, efficiency and citizen outcomes.



NTT DATA supports local and devolved governments to deliver mission-critical services through end-to-end digital transformation, cloud and infrastructure modernisation, and user-focused service design that improves resilience, scalability and operational continuity.



PwC helps UK local and devolved governments deliver end-to-end transformation through deep public sector expertise, business and technology modernisation, service design, and financial and operational improvement focused on sustainable public value.

Version 1

Version 1 enables public sector organisations to modernise through deep government expertise, cloud adoption, DevOps and automation capabilities and engineering-led application development that improves service quality, resilience, compliance and citizen outcomes.

HCLTech

HCLTech (Rising Star) empowers local and devolved governments to modernise through engineering-led transformation, large-scale government delivery experience, application modernisation and cloud expertise, improving resilience, agility, service reliability and long-term platform sustainability.



Unisys (Rising Star) helps local and devolved governments deliver secure, reliable digital services through deep public sector expertise, strong cybersecurity and identity capabilities, workplace modernisation and managed services that improve productivity, resilience and governance.



Unisys

★
Rising Star

"Unisys manages technology environments where availability and reliability are essential. This strength supports local and devolved government organisations responsible for delivering critical services that require consistent performance."

Harish B

Overview

Unisys is headquartered in Pennsylvania, US. It has more than 15,000 employees across 20 countries. In FY25, the company generated \$2.0 billion in revenue. Unisys provides security solutions that support public sector objectives around cyber resilience, threat management and regulatory compliance. Its security expertise helps government organisations protect essential services and maintain citizen trust. Unisys helps organisations modernise employee and service support experiences through technology improvements, automation and enhanced service processes.

Strengths

Strong public sector technology heritage:

Unisys has long-standing experience in supporting government and regulated organisations with secure, reliable technology solutions. This experience enables it to understand the operational priorities of local authorities and devolved administrations, including service continuity, compliance and resilience. The company is experienced in integrating and managing diverse technology landscapes, including legacy systems and modern platforms.

Expertise in secure digital service delivery:

Unisys has strong capabilities for delivering secure digital environments that meet public sector requirements for identity and access management (IAM), cybersecurity and the protection of sensitive citizen information.

These capabilities are increasingly important as government services become more digitally connected. Unisys provides managed services designed to improve operational performance, service consistency and technology governance.

Strong end-user computing: Unisys supports organisations in improving employee productivity through modern workplace solutions, service management and digital support models. This support can help public sector teams operate efficiently while adapting to hybrid working environments.

Caution

Unisys should continue to expand its role beyond technology operations by providing more strategic guidance on digital transformation roadmaps, operating model improvements and long-term public service modernisation.





Digital Transformation and Modernization Services

Who Should Read This Section

This report is valuable for providers offering **digital transformation and modernization services** in the **U.K** to understand their market position and for enterprises looking to evaluate these providers. In this quadrant, ISG highlights the current market positioning of these providers based on the depth of their service offerings and market presence.

Contracting officer's technical representatives (COTRs)

Should read this report to evaluate the technical capabilities and compliance of IT providers. The report will help ensure that contracts meet agency requirements, expected outcomes are delivered, and oversight and accountability are strengthened, ultimately enhancing the success and integrity of public sector projects.

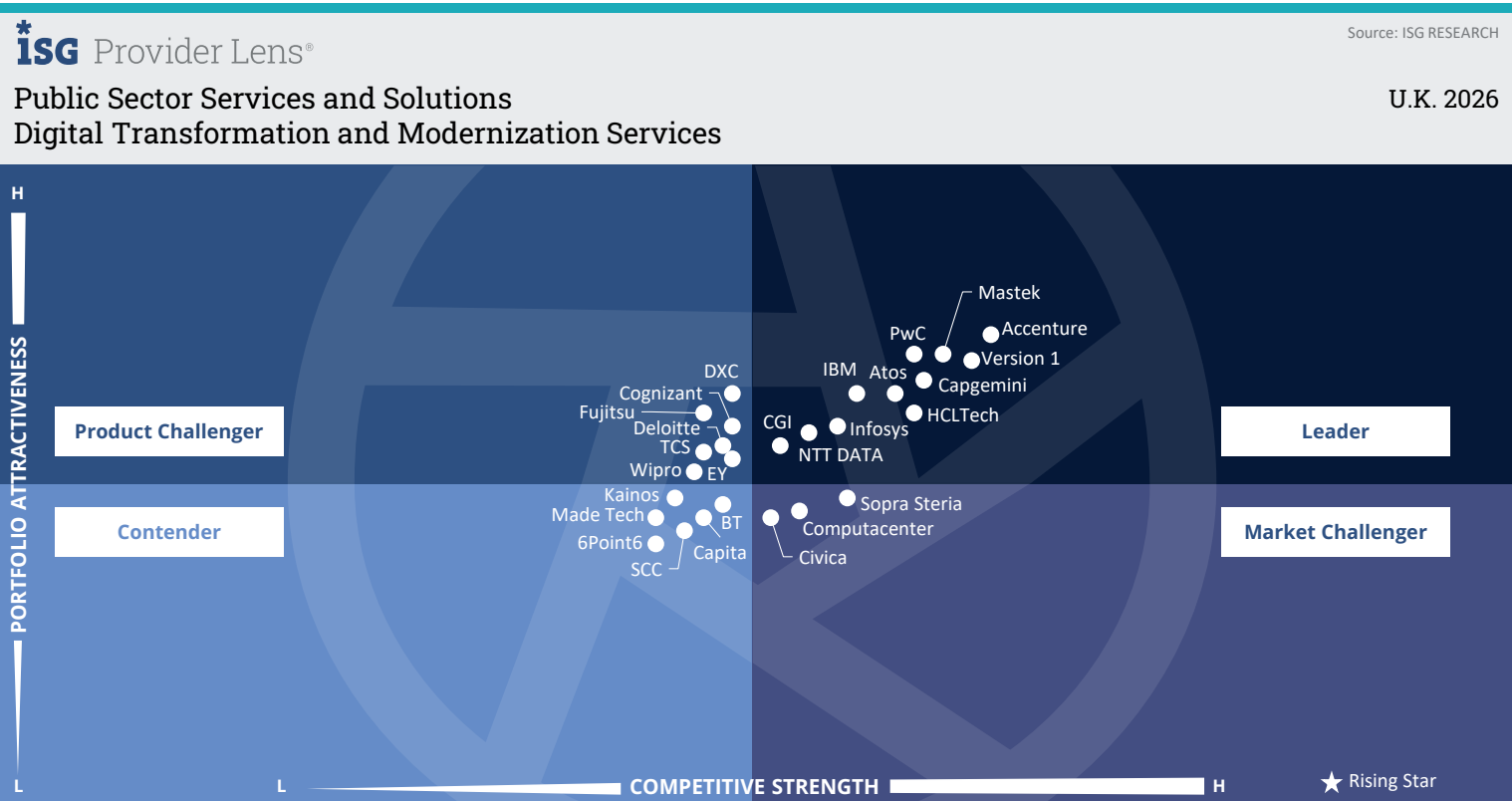
Chief procurement officers (CPOs)

Should read this report to gain actionable market insights and supplier benchmarks. This information will help them drive strategic sourcing, negotiate stronger contracts and align procurement with evolving technology trends. By adopting this approach, CPOs can achieve cost savings, improve supplier value and advance the agency's strategic objectives.

Category acquisition managers (CAMs)

Should read this report to identify top-performing IT service providers, track evolving market conditions and develop data-driven sourcing strategies. This report helps optimize spending, fosters innovation and reduces category-specific risks, directly supporting effective IT procurement and value creation for their organization.





The quadrant assesses providers focussed on **modernising** government **operations** and enhancing citizen service delivery through **digital technologies**. This approach allows public sector employees to provide responsive services to constituents.

Harish B



Definition

Digital transformation and modernisation in the public sector are crucial for modernizing government operations and enhancing service delivery to citizens. By leveraging digital technologies, governments can streamline processes, reduce operational costs and improve efficiency across various departments. This transformation enables the automation of manual tasks, allowing public sector employees to focus on high-priority work and deliver fast, responsive services to constituents.

Providers implement digital solutions such as self-service e-portals, electronic document management and open data platforms to help governments empower citizens to access government services and information easily. These innovations foster transparency, increase public trust and promote citizen engagement in governance. Providers facilitate data-driven decision-making enabled by digital transformation to help governments allocate resources effectively and develop innovative policies that address societal challenges.

Eligibility Criteria

1. Have experience **providing digital transformation and modernisation services** to public sector clients in the relevant region covered in the study
2. Have successfully **engaged or are engaging with at least three public sector entities** on digital transformation and modernisation services
3. Have at least three of the following capabilities related to public sector digital transformation and innovation services:
 - * Proven experience **delivering digital transformation** for government organisations
 - * **Expertise in emerging technologies** such as blockchain and IoT
 - * **Capability to integrate legacy systems** with modern digital solutions
 - * Have adopted a **cloud-native** and API-first approach
 - * Expertise in **cybersecurity** for digital government services
 - * Experience in **data-driven decision-making** and analytics
 - * Adoption of **Agile and DevOps methodologies**
 - * **Experience in citizen-centric service design**
 - * **Expertise in workforce upskilling** and digital technology adoption
 - * Ability to **scale innovation** across government departments
4. **Demonstrate strong partnerships** with industry associations, regulatory bodies, technology firms and startups specializing in the public sector
5. Offer **referenceable public sector use cases** across the value chain



Digital Transformation and Modernization Services

Observations

The UK public sector is entering a more disciplined phase of digital change, where modernisation is assessed by visible service improvement rather than merely ambitious goals. Public organisations are prioritising simpler journeys, fewer handoffs and more consistent digital experiences. The Government Digital Service roadmap indicates a shift towards modern digital government built around common systems and reusable platforms. This approach aims to reduce duplication across departments, health, education, social services and local public bodies. It favours providers capable of end-to-end service redesign rather than simply automating isolated steps.

Legacy reduction remains central, especially where ageing systems slow down service delivery or increase operating costs. Official guidance continues to emphasise user needs, open standards, security and sustainable technology choices, which directs agencies towards modular architectures and cloud-enabled platforms. The provider mix is likely

to favour integrators and managed service firms that can stabilise core environments while modernising them in phases. The UK is also reshaping how it buys and runs transformation. The blueprint for modern digital government sets out a stronger central role for digital reform, which should bring more consistency in standards, spend control and delivery expectations. This approach creates opportunities for service providers that can support cross-government programmes, but it also raises the bar for proof of compliance, delivery discipline and measurable outcomes.

From the 172 companies assessed for this study, 27 qualified for this quadrant, with 11 being Leaders.



Accenture helps public sector organisations modernise through strategy-led transformation, cloud, AI and automation. The company combines large-scale government delivery experience with strong governance to build resilient, efficient and future-ready public services.



Atos supports public sector modernisation through integrated consulting, cloud, applications and infrastructure expertise, helping government organisations strengthen resilience, improve efficiency and deliver reliable digital services at scale.



Capgemini enables public sector organisations to create secure, user-focused digital services by combining cloud, data, applications and transformation expertise with deep government knowledge to improve agility, resilience and long-term value.



CGI partners with public sector organisations to deliver secure, outcome-focused transformation through consulting, cloud, applications and managed services, helping governments modernise with transparency, resilience and lasting operational improvements.



HCLTech helps public sector organisations strengthen digital foundations through cloud, cybersecurity, AI, data modernisation and digital workplace solutions, improving resilience, security, operational agility and citizen service delivery.



IBM helps public sector organisations modernise mission-critical systems with AI, cybersecurity and trusted data governance, enabling secure, compliant and insight-driven digital services that improve resilience and public trust.



Infosys helps public sector organisations modernise through digital engineering, cloud transformation, application modernisation and advanced analytics, enabling data-driven decisions, stronger governance and resilient public services.



Digital Transformation and Modernization Services

Mastek

Mastek helps government organisations deliver modern, citizen-focused services through cloud-native transformation, application modernisation and agile delivery, improving scalability, accessibility, resilience and long-term service performance.



NTT DATA helps public sector organisations modernise workplaces and cloud environments through collaborative transformation, service integration and sustainable delivery, improving productivity, resilience and long-term digital service outcomes.



PwC helps public sector organisations connect technology with policy goals through business-led transformation, operating model redesign and cloud strategies that improve agility, resilience and sustainable outcomes for citizens.

Version 1

Version 1 helps public sector organisations accelerate modernisation through cloud-first architectures, application transformation and engineering-led delivery, creating scalable, resilient digital services that maximise long-term technology value.





AI and Innovation Services

Who Should Read This Section

This report is valuable for providers offering **AI and innovation services** in the **U.K** to understand their market position and for enterprises looking to evaluate these providers. In this quadrant, ISG highlights the current market positioning of these providers based on the depth of their service offerings and market presence.

Chief information officers (CIOs) and chief technology officers (CTOs)

Should read this section to evaluate providers' AI capabilities, innovation maturity and ability to support modernization agendas. This report will help them identify providers that can enable automation, smarter decision-making and scalable digital services.

Heads of digital transformation

Should read this report to compare providers that can help redesign public services using AI, analytics and generative technologies. These insights enable them to select providers that improve citizen engagement, streamline operations and accelerate modernization.

Chief procurement officers (CPOs)

Should read this report to gain structured insight into AI and innovation service providers' capabilities, risk posture and value propositions. These insights will enable them to design smarter sourcing strategies, negotiate stronger AI-focused contracts and ensure supplier choices support long-term digital and fiscal objectives.



Public Sector Services and Solutions AI and Innovation Services

U.K. 2026



The quadrant assesses providers focused on **delivering AI and innovation services** that help government agencies **improve decision-making**, streamline operations and **accelerate** the adoption of emerging technologies.

Harish B



Definition

AI and innovation services are reshaping the public sector in 2026, driving smarter governance and responsive citizen experiences. Governments harness AI to automate routine operations, predict and personalise interactions at scale. These advancements cut delays, optimise resource use to tackle complex issues such as urban planning and disaster response with precision.

Providers deploy AI solutions, including intelligent chatbots, predictive analytics platforms and generative tools, to enable seamless self-service for citizens. Virtual assistants handle inquiries 24x7, while AI-driven dashboards offer real-time insights into public needs.

Providers prioritise ethical AI frameworks to ensure fairness, transparency and compliance with evolving regulations. Workforce re-skilling programmes build AI literacy, transitioning staff from manual to strategic oversight-driven roles. By delivering equitable, proactive services that evolve with community expectations, AI innovation rebuilds trust.

Eligibility Criteria

1. Have experience **providing AI and innovation services** to public sector clients in the relevant region covered in the study
2. Have successfully **engaged or are engaging with at least three public sector entities** on digital transformation and modernisation services
 - * Proven track record in **AI-powered public service automation** for government entities
3. Have at least three of the following capabilities related to public sector digital transformation and innovation services:
 - * Deep **expertise in GenAI**, ML models and **ethical AI governance**
 - * Offer **AI-first design with microservices**, APIs and serverless architectures for rapid deployment
 - * Offer **human-centered AI design** focused on equitable, accessible citizen experiences
 - * Provide scalable **AI innovation frameworks** adaptable across agencies and jurisdictions
 - * Experience **deploying low-code AI platforms** for non-technical government users
 - * Offer **robust AI ethics frameworks** ensuring transparency, fairness and regulatory compliance
4. **Demonstrate strong partnerships** with industry associations, regulatory bodies, technology firms and startups specializing in the public sector
5. Offer **referenceable public sector use cases** across the value chain



Observations

The UK public sector AI and innovation agenda in the short term is shifting from pilots to practical delivery, with an increased emphasis on integrated services, trusted data use and timely citizen outcomes. Across central government, health, education, local services and infrastructure, the expectation is that AI must reduce friction, improve decisions and operate within responsible governance. The strongest trend is the move towards AI that enhances front-line service journeys rather than employing technology for its intrinsic value. Government policy promotes joined up platforms, streamlined workflows and digital services delivered as managed services.

Data is becoming the core enabler of public sector innovation, but only where governance is strong enough to support confidence and reuse. The government's AI action plan and subsequent progress reporting show a clear push to unlock public sector data assets while expanding assurance, skills and sector-specific innovation. This agenda creates opportunities for providers in data engineering, master

data management, privacy controls and AI governance. The UK is also moving towards a more operational model of innovation, where AI is expected to be embedded in daily work rather than isolated as a lab experiment. Public organisations are seeking open-source tools, reusable assets and AI assistants that can support staff productivity and improved decision-making. In practical terms, buyers are now looking for delivery partners that can combine consulting, implementation, managed services and change adoption in one model.

From the 172 companies assessed for this study, 30 qualified for this quadrant, with 11 being Leaders.



Accenture helps public sector organisations unlock AI's potential responsibly through enterprise-scale solutions, ethical governance, advanced data engineering and human-centred innovation that build trust, improve decision-making and deliver smarter public services.



Capgemini supports public sector AI adoption by combining strategic guidance, trusted data foundations and innovation expertise, helping organisations implement responsible AI solutions that deliver measurable improvements and evidence-based outcomes.



CGI helps public sector organisations apply AI in practical ways through secure digital platforms, analytics and outcome-driven solutions that enhance decision-making, strengthen compliance and create more responsive citizen services.



Deloitte helps public sector organisations transform with AI by bringing together responsible governance, data expertise and process innovation, enabling smarter operations, improved productivity and greater value for citizens.



DXC Technology helps public sector organisations adopt AI across complex technology environments through intelligent automation, enterprise integration and modernisation, supporting secure innovation while maintaining reliable and resilient services.



IBM helps public sector organisations scale trusted AI through GenAI, enterprise platforms, strong governance and responsible innovation, turning data into actionable insights that improve efficiency, decision-making and service delivery.



Infosys helps public sector organisations embed AI into operations through digital transformation, automation and modern data capabilities, enabling responsible adoption, smarter decisions and more efficient services for citizens and communities.



AI and Innovation Services

Mastek

Mastek helps public sector organisations use AI to modernise services through practical automation, digital engineering and government expertise, enabling better decisions, streamlined operations and improved experiences for citizens.



NTT DATA helps public sector organisations move AI from experimentation to real-world impact through strategy, implementation and managed services, combining governance, analytics and automation to improve efficiency and decision-making.



PwC helps public sector organisations navigate AI adoption with business-led strategies, responsible governance and operating model expertise, enabling scalable innovation that delivers trusted outcomes and long-term public value.

Version 1

Version 1 helps public sector organisations operationalise AI through engineering expertise, cloud-native platforms and application modernisation, enabling faster adoption, adaptable services and sustainable value from technology investments.





Appendix

The ISG Provider Lens® 2026 – Public Sector Services and Solutions study analyze the relevant software vendors/service providers in the UK market, based on a multi-phased research and analysis process, and positions these providers based on the ISG Research methodology.

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The research and analysis presented in this report includes research from the ISG Provider Lens® program, ongoing ISG Research programs, interviews with ISG advisors, briefings with service providers and analysis of publicly available market information from multiple sources. The data collected for this report represent information that ISG believes to be current as of August 2026 for providers that actively participated and for providers that did not. ISG recognizes that many mergers and acquisitions may have occurred since then, but this report does not reflect these changes.

All revenue references are in U.S. dollars (\$US) unless noted otherwise.

The study was conducted in the following steps:

1. Definition of Public Sector Services and Solutions market
2. Use of questionnaire-based surveys of service providers/ vendor across all trend topics
3. Interactive discussions with service providers/vendors on capabilities and use cases
4. Leverage ISG's internal databases and advisor knowledge & experience (wherever applicable)
5. Detailed analysis and evaluation of services and service documentation based on the facts & figures received from providers and other sources.
6. Use of the following key evaluation criteria:
 - * Strategy and vision
 - * Innovation
 - * Brand awareness and presence in the market
 - * Sales and partner landscape
 - * Breadth and depth of portfolio of services offered
 - * Technology advancements



Author and Editor Biographies



Lead Analyst

Harish B
Senior Manager and Principal Analyst

Harish brings more than two decades of technology, business and market research experience and expertise to ISG clients. He has rich experience in executing MI/CI and strategy/management consulting projects for Asset Intensive industries (Aerospace & Defense, Oil & Gas, Energy & Utilities, Automotive, Public Sector, Semiconductor, and Manufacturing). Prior to ISG, Harish has worked with leading market research/analytics and consulting firms including Frost & Sullivan and Genpact. At ISG, He is focused on ISG Provider Lens®.

His research and analysis for ISG clients is focused on asset-intensive markets development, disruption and change. He currently contributes to ISG's Provider Lens global research studies as a principal analyst.



Research Analyst

Varsha Sengar
Research Specialist

Varsha Sengar is a Research Specialist at ISG, responsible for supporting and coauthoring ISG Provider Lens™ studies on Retail and CPG, Manufacturing, Chemicals, and Public Sector. She has over 8 years of experience in technology research and consulting. At ISG, she is responsible for delivering the enterprise perspective for IPL and collaborates with analysts, advisors, and enterprise clients on various research requests, which include primary and secondary research. She supports the lead analysts across multiple regions in the research process and

authors the global summary report. Prior to this role, she has carried out multiple ad-hoc projects, including competitive benchmarking reports, market sizing and forecasting, vendor profiles and newsletters delivering industry-level actionable insights and recommendations.



Author and Editor Biographies



Study Sponsor

Iain Fisher
Director and Principal Analyst

Iain Fisher is ISG's head of industry research and market trends. With over 20 years in consulting and strategic advisory, Iain now focuses on cross industry research with an eye on technology led digital innovation, creating new strategies, products, services, and experiences by analysing end-to-end operations and measuring efficiencies focused on redefining customer experiences. Fisher is published, known in the market and advises on how to achieve strategic advantage. A thought leader on Future of Work, Customer Experience, ESG, Aviation and cross industry solutioning.

He provides major market insights leading to changes to business models and operating models to drive out new ways of working. Fisher works with enterprise organizations and technology providers to champion the change in customer focused delivery of services and solutions in challenging situations. Fisher is also a regular Keynote speaker and online presenter, having authored several eBooks on these subjects.



IPL Product Owner

Jan Erik Aase
Partner and Global Head – ISG Provider Lens®

Mr. Aase brings extensive experience in the implementation and research of service integration and management of both IT and business processes. With over 35 years of experience, he is highly skilled at analyzing vendor governance trends and methodologies, identifying inefficiencies in current processes, and advising the industry. Jan Erik has experience on all four sides of the sourcing and vendor governance lifecycle - as a client, an industry analyst, a service provider and an advisor.

Now as a research director, principal analyst and global head of ISG Provider Lens®, he is very well positioned to assess and report on the state of the industry and make recommendations for both enterprises and service provider clients.



Provider Lens®

The ISG Provider Lens® Quadrant research series is the only service provider evaluation of its kind to combine empirical, data-driven research and market analysis with the real-world experience and observations of ISG's global advisory team. Enterprises will find a wealth of detailed data and market analysis to help guide their selection of appropriate sourcing partners. ISG advisors use the reports to validate their own market knowledge and make recommendations to ISG's enterprise clients. The research currently covers providers offering their services across multiple geographies globally.

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REPORT: PUBLIC SECTOR SERVICES AND SOLUTIONS