



National Outsourcing Association applauds the government's VAT relief policy for outsourcing

The NOA approves of new VAT exemptions announced in the 2015 Budget, having previously campaigned on VAT relief for outsourcing suppliers, but also warns that the government will have to do more to make their outsourcing arrangements work effectively.

In yesterday's Budget, George Osborne removed VAT charges for private sector bidders on many public contracts.

The changes come into effect on 1st April, and the government is expected to increase the scope of its outsourcing as a result.

Kerry Hallard, CEO of the National Outsourcing Association, praised these changes. She said: "We applaud this common sense initiative from the government. The coalition has already invested £88 billion into outsourcing; they have done so because they know it works. The government clearly wishes to expand the scope of its outsourcing in the future.

"The introduction of VAT refunds for suppliers will enable much more of the public sector to take advantage of the cost savings and service improvements that outsourcing can provide. As a result, we expect this change to bring significant growth to the outsourcing industry."

However, Kerry Hallard also warned: "Now that this barrier has been taken away from private suppliers, we expect the public sector will soon be dusting off its business cases.

"The government still needs to change its attitude towards outsourcing. Just because the business case makes sense does not mean that the government can simply outsource services and then reap the benefits.

"Effective outsourcing is about more than just numbers and the public sector needs to get a lot better at managing outsourcing arrangements long-term, in order to drive real value for the public purse."

Note to editors:

About the NOA

The National Outsourcing Association (NOA) is the leading association serving both the outsourcing professional and the global outsourcing industry. Our vision is to grow the size and positive reputation of the outsourcing industry. Our mission is to be both the home and global ambassador of world class outsourcing. www.noa.co.uk

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