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Convener, Economy and Fair Work Committee
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Dear Convener,

I am writing to advise that the Scottish Government published its 'Annual Report on Procurement Activity in Scotland 2022 – 2023' on 4 April 2025. A copy has been laid before Parliament (SG/2025/71) and is also published [online](#).

This is the sixth annual procurement report under the [Procurement Reform \(Scotland\) Act 2014](#) ("the 2014 Act"). It is informed by the findings from the analysis of individual annual procurement reports for financial year 2022 - 2023 published by 133 public bodies in Scotland, together with analysis on the impact of procurement on the economy using data that we have taken from both our Scottish Procurement Information Hub and Public Contracts Scotland website.

As a follow up to the Economy and Fair Work Committee's post-legislative scrutiny of the 2014 Act, I thought it helpful to share (in Annex A) the key highlights extracted from the report. This shows how our ambitious programme of work is maximising the impact of public procurement in Scotland and demonstrates how procurement is ensuring the efficient delivery of public services, creating opportunities and driving inclusive economic growth.

I trust that the Committee will find this update helpful.

Yours sincerely,

IVAN MCKEE

Scottish Ministers, special advisers and the Permanent Secretary are covered by the terms of the Lobbying (Scotland) Act 2016. See www.lobbying.scot



Key highlights from the Annual Report on Procurement Activity in Scotland 2022-2023

An overview of procurement activity 2022-2023

This report provides an overview of the Scottish public sector's procurement activity for the financial year 2022 to 2023. A summary of the key findings is provided below, noting caveats on data limitations.*

Overview

7,025

According to information provided by **129 public bodies** in their annual procurement reports, a combined total of **7,025 regulated contracts** were awarded by these public bodies.



£16.6bn

Known **Scottish public sector procurement spend** totalled **£16.6 billion**, of which **£8.9 billion** was spent in **Scotland** alone.



18,079

The Public Contracts Scotland platform recorded that **18,079 suppliers** were **awarded contracts**. Scottish-based suppliers received 72%, and **small or medium-sized enterprises (SMEs)** received **77%** of these contracts.



Impact on the economy

£13.7bn

Around **£13.7 billion** of economic activity, **120,000 full-time equivalent jobs** and **£7.5 billion** to **Scottish GDP** were generated from the £16.6 billion in known public procurement spend.



Good for businesses and their employees

61p



According to data reported to the Hub, **public procurement spend in Scotland totalled £7.7 billion** where business size was known. Of that, **61 pence in every pound** (or £4.7 billion) went to a SME.

£1.2bn

Third sector organisations received an estimated **£1.2 billion** (or 13.3%) of known **public procurement spend in Scotland** during the reporting year.



2,889



According to information provided by **106 public bodies** in their annual procurement reports, a combined total of **2,889 contracts** with a scored Fair Work criterion were awarded by these public bodies.

£22.8m



According to information provided by **107 public bodies** in their annual procurement reports, a combined total of **£22.8 million** of public procurement spend in Scotland went to supported businesses from these public bodies.

£7.1bn



According to data reported to the Hub, Scottish public sector **procurement spend was £15.0 billion** where the business size was known. Of that, SMEs received **47.5% (or £7.1 billion)**.

Good for places and communities

£4.8bn



The level of deprivation in suppliers' local areas was known for £8.7 billion of public procurement spend in Scotland. Analysis showed that **54.6% (or £4.8 billion)** of that spend went to suppliers based in the **60% most deprived areas**.

£3.3bn



According to data from the Hub, **£3.3 billion** (or 37.5% of £8.9 billion total) of known public sector procurement spend in Scotland was with suppliers based within the **local authority area** of the purchasing body.

Good for society

According to information provided by **107 public bodies** in their annual procurement reports, examples of the ways in which **environmental wellbeing and climate change were addressed** through procurement included: environmental criteria in procurement exercises, using climate action plan templates, and **encouraging staff to complete climate literacy eLearning**.



Examples of the ways in which public bodies' **met their duties of equal treatment and non-discrimination** included: completing **Equality and Human Rights Impact Assessments** for regulated procurements, and ensuring that corporate policy and procurement manuals were aligned with equal treatment and non-discrimination duties.



Open and connected

133

133 public bodies submitted annual procurement reports for this analysis, detailing their procurement activity for financial year 2022 to 2023 and **providing evidence** of how they have complied with the Sustainable Procurement Duty.



43

43 public bodies elected to produce an annual procurement report despite not reaching the £5 million threshold of regulated procurements which would require them to do so.



*Please note that percentage figures may not always sum to the exact totals due to rounding. There are a number of limitations in relation to the data for this report, further detail on this is available in the body of the report. Please consider these limitations when interpreting the findings.