

T: 0300 244 4000
E: scottish.ministers@gov.scot

Daniel Johnson MSP
Convener, Economy and Fair Work Committee
Scottish Parliament
Edinburgh
EH99 1SP
economyandfairwork.committee@parliament.scot
(sent by e-mail)

11 March 2026

Dear Convener,

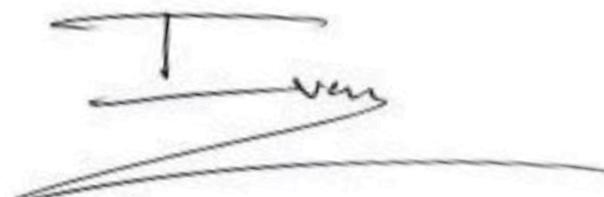
I am writing to advise that the Scottish Government published its 'Annual Report on Procurement Activity in Scotland 2023 – 2024' on 11 March 2026. A copy has been laid before Parliament (SG/2026/55) and is also published [online](#).

This is the seventh 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 2023 - 2024 published by 125 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 2023-2024

*This report provides an overview of the Scottish public sector's procurement activity for the 2023 to 2024 financial year. A total of 125 public bodies provided their 2023 to 2024 annual procurement reports by the cutoff for inclusion in this report, with 107 public bodies making their procurement spend data available through the Scottish Procurement Information Hub ("the Hub"). A summary of the key findings is provided below, noting caveats on data limitations.**

Summary of procurement activity

The first Public Procurement Strategy for Scotland (PPSfS) was published in April 2023, providing a future high-level vision and roadmap for Scottish public procurement.

£17.5 billion

The total public procurement spend reported to the Hub was £17.5 billion for the 2023 to 2024 financial year. Of that, £9.5 billion was with suppliers with a Scottish registered address.

17,310

According to the Public Contracts Scotland platform, 17,310 suppliers were awarded public sector contracts in the 2023 to 2024 financial year. Of these, 71.5% were Scottish-based, 78.2% were small or medium-sized enterprises (SMEs), and 60.7% were Scottish SMEs.

5,819

124 public bodies' annual procurement reports contained information on the total number of regulated procurements awarded during the financial year. A combined total of 5,819 regulated contracts were awarded by these public bodies.

Impact on the economy

£14.7 billion

An estimated £14.7 billion of economic activity, 120,000 full-time equivalent jobs and £7.8 billion to Scottish GDP were generated from the £17.5 billion in public procurement spend reported to the Hub.

Good for businesses and their employees

£7.6 billion

A total of £7.6 billion in public procurement spend with SMEs was reported to the Hub for the 2023 to 2024 financial year, where supplier size was known.

62 pence

According to procurement spend data reported to the Hub, approximately 62 pence in every pound spent with suppliers based in Scotland went to an SME, where supplier size and location was known.

£1.2 billion

An estimated £1.2 billion (or 13.1%) of public procurement spend in Scotland reported to the Hub went to third sector organisations during the reporting year.

3,116

111 public bodies' annual procurement reports contained information on the number of regulated contracts they had awarded which included a scored Fair Work First criterion. This constituted a combined total of 3,116 regulated contracts awarded by these public bodies with such a criterion.

£22.1 million

122 public bodies' annual procurement reports contained information on the value of contracts awarded to supported businesses. A combined total of £22.1 million (from both regulated and unregulated contracts) was reported as awarded to supported businesses by these public bodies.

Good for places and communities

£3.5 billion

Of the procurement spend in Scotland reported to the Hub that could be matched to data on local deprivation, £3.5 billion (or 36.9% of £9.4 billion total) went to suppliers in the 40% most deprived areas.

£3.6 billion

Suppliers' registered address was known for £9.5 billion of the procurement spend in Scotland reported to the Hub. Of that, £3.6 billion (or 38.0%) was procurement spend where the supplier and the buying public body were located in the same local authority.

Good for society

Examples of the ways in which public bodies reported meeting their duties of addressing the environmental and climate change impacts of their procurement activities included: monitoring contract delivery compliance on climate change duties, and procuring from environmentally conscious suppliers.

Open and connected

31

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

86%

In total, 108 annual procurement reports (86%, n=125) provided information on promoting innovation in public bodies' procurement practices.

**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.*