

Government spending with small businesses continues to rise

- More than £15bn paid to small and medium sized businesses to help deliver vital public services in 2019/20
- Figure is at its highest rate since records began in 2013
- Increase reflects Government's continued support for the small business sector

New data published today shows that government spending with SMEs continues to rise.

The latest procurement figures for 2019/20 show that across government, £15.5bn was paid to small and medium sized businesses to help deliver vital public services.

The figure is an increase of £1.3bn on the previous year and the highest since records began in 2013.

Cabinet Office Minister, Lord Agnew, said:

Small and medium-sized businesses are the backbone of the UK economy, fuelling economic growth and providing employment for almost 17 million people.

That is why we are determined to make sure the power of government spending supports this vital sector and helps bring forward the delivery of top class public services.

Figures for government spending with small businesses are measured both in terms of direct spending, where money goes directly from the government to small businesses, and indirect spending, which goes through the supply-chains of larger companies.

For 2019/20, the total direct spend was £6.6bn, compared to £6.4bn in 2018/19, and the indirect spend was £9bn, compared to £7.8bn in 2018/19.

Overall, spending with small and medium sized businesses represented 26.7 per cent of the £58bn spent by the government in 2019/20 – an increase of 1.1 per cent on the previous year.

The boost in spending is a result of both a long-term government commitment and greater working with the sector.

It marks the government's commitment to obtaining value for money for taxpayers and supporting small businesses and start-ups through procurement.

Work includes talking directly with SME organisations to better understand the challenges and barriers facing smaller firms when bidding for and

contracting with government departments.

Details of all contracts awarded by the government are published on Contracts Finder.