

JULY 2025

Public Sector Sales in 2025: How to Win in a Changing Market

Hollie Hodgson, Head of Account Management

8th July 2025

tussell^o GOVNET

Trusted Insight on Government Contracts
and Spend



The market's trusted data source

Sample Customers and Media Partners

Corporates



Government



Media



380+

Press citations in 2024

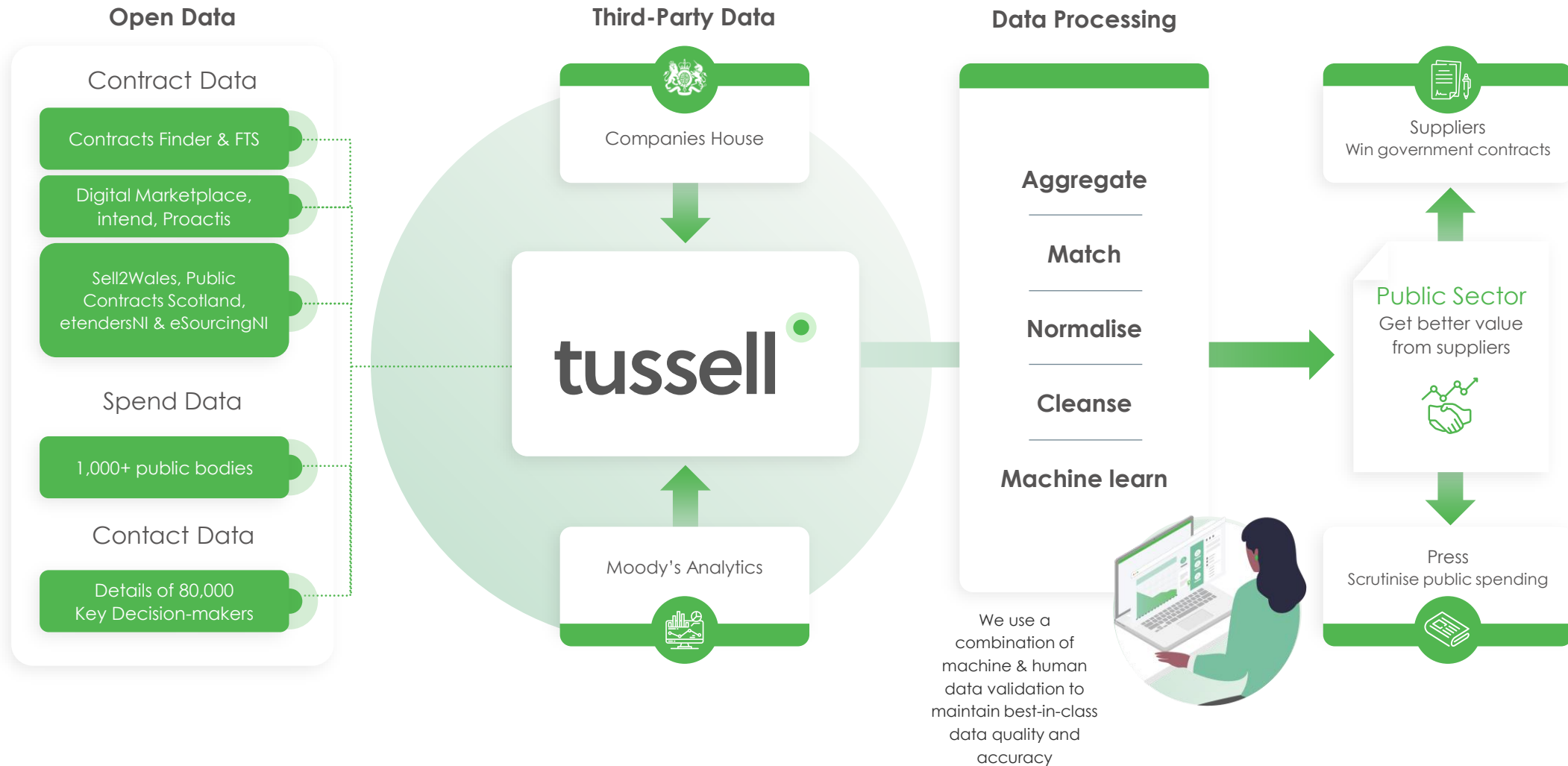


"Serious-minded
business data
provider Tussell"

Matthew Vincent

FT FINANCIAL
TIMES

Transforming open data into actionable data

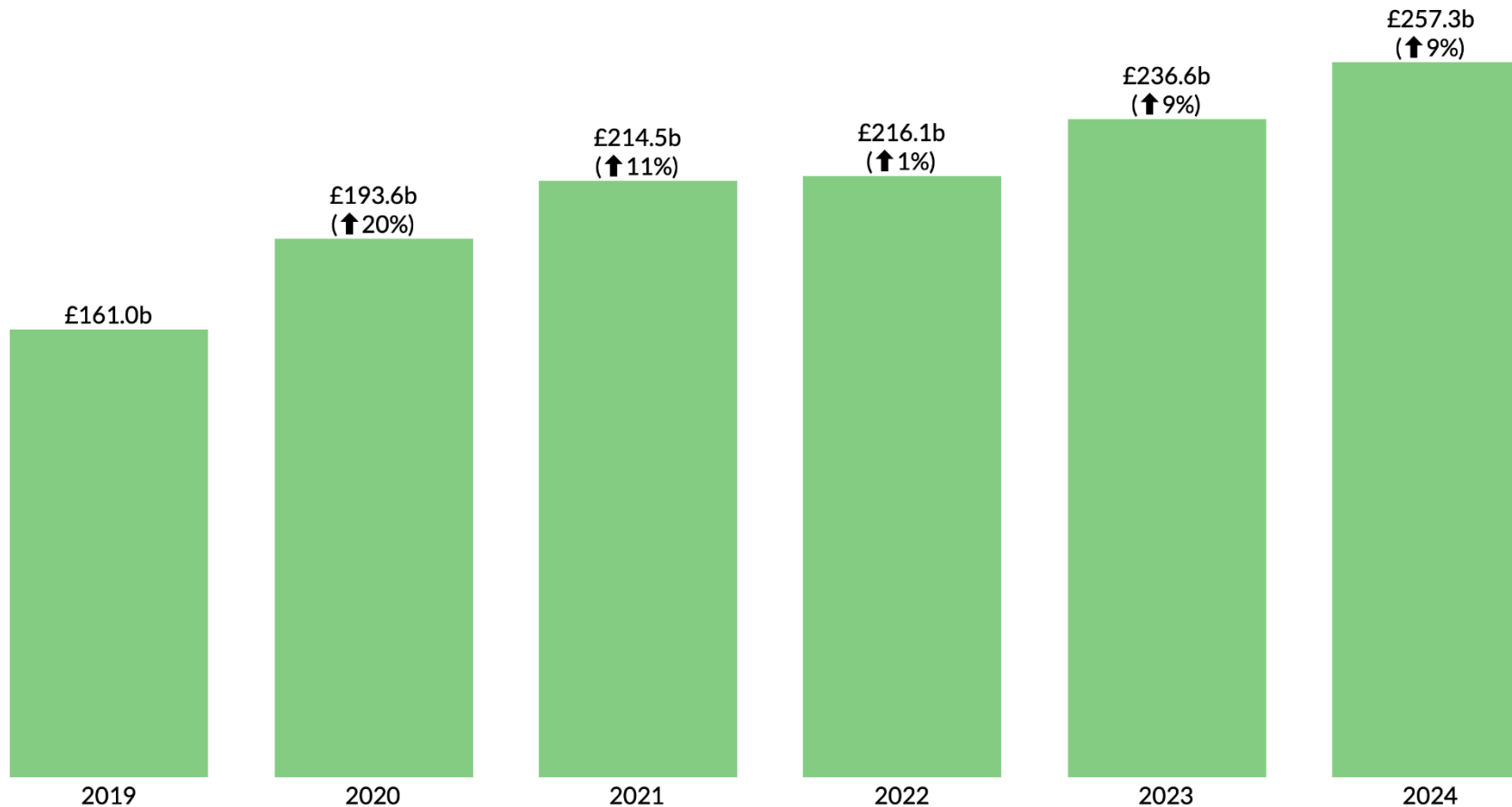


Agenda

1. The state of play today
2. The macro-factors disrupting public sector sales
3. What you can do to stay ahead

Public sector procurement reached almost £260bn in 2024

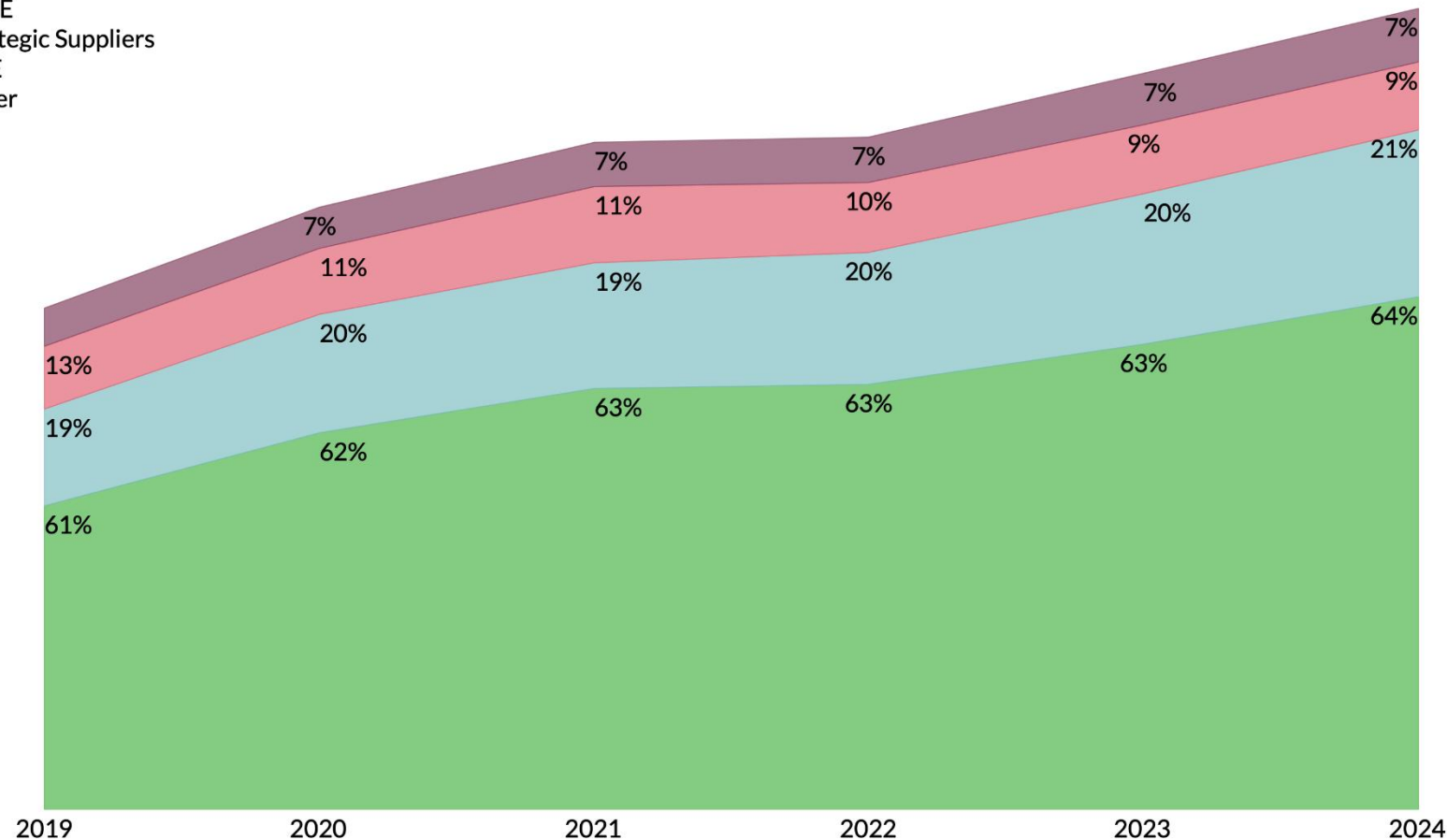
Total direct public procurement spend, by year



Direct procurement spend has ebbed from the 'Strategic Suppliers' to other suppliers

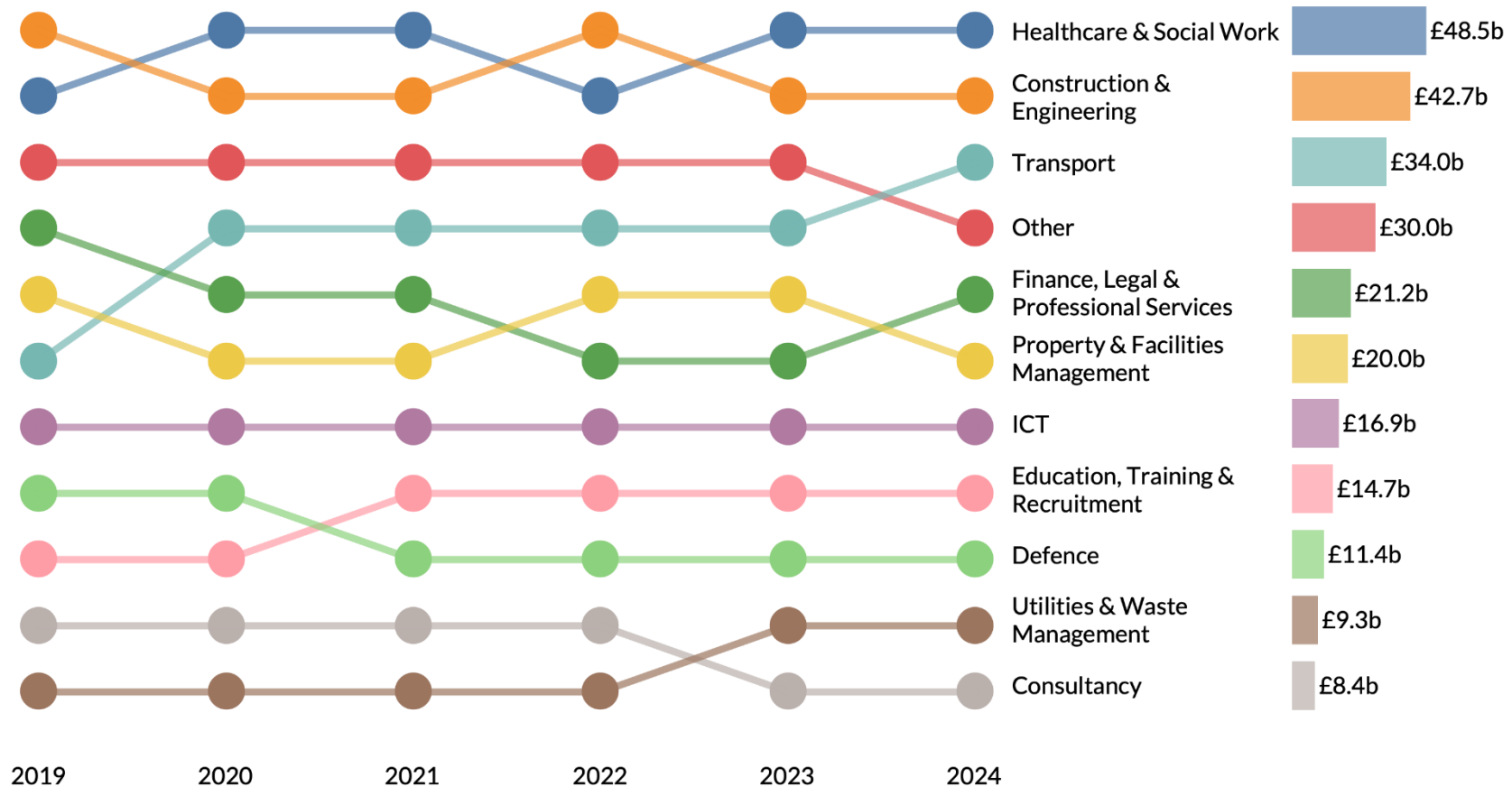
Proportion of total direct procurement spend, by supplier type and year

- VCSE
- Strategic Suppliers
- SME
- Other



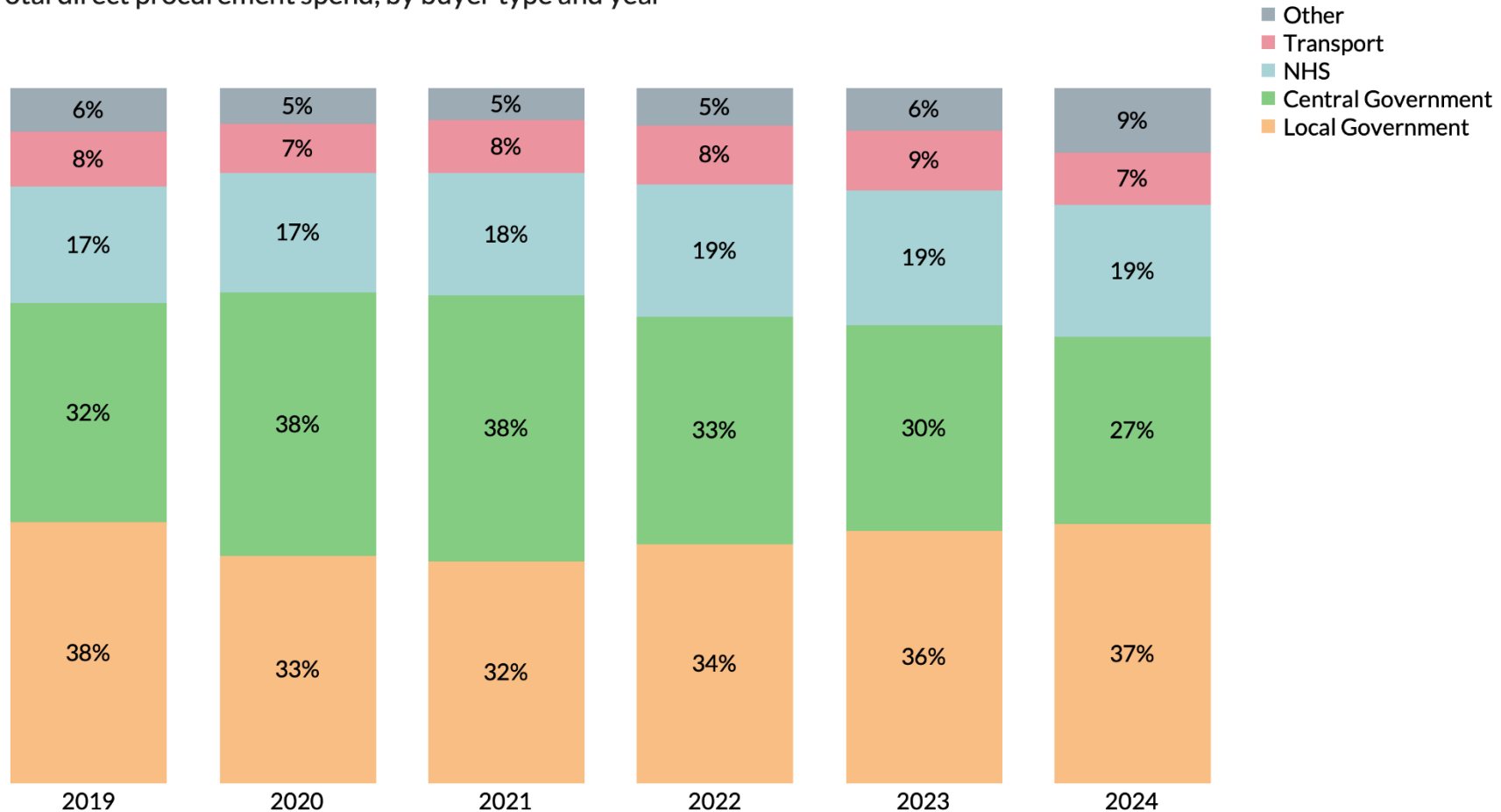
Health & Social Work and Construction & Engineering are consistently the largest sectors

Proportion of total direct procurement spend, by sector and year, and sector spend in 2024



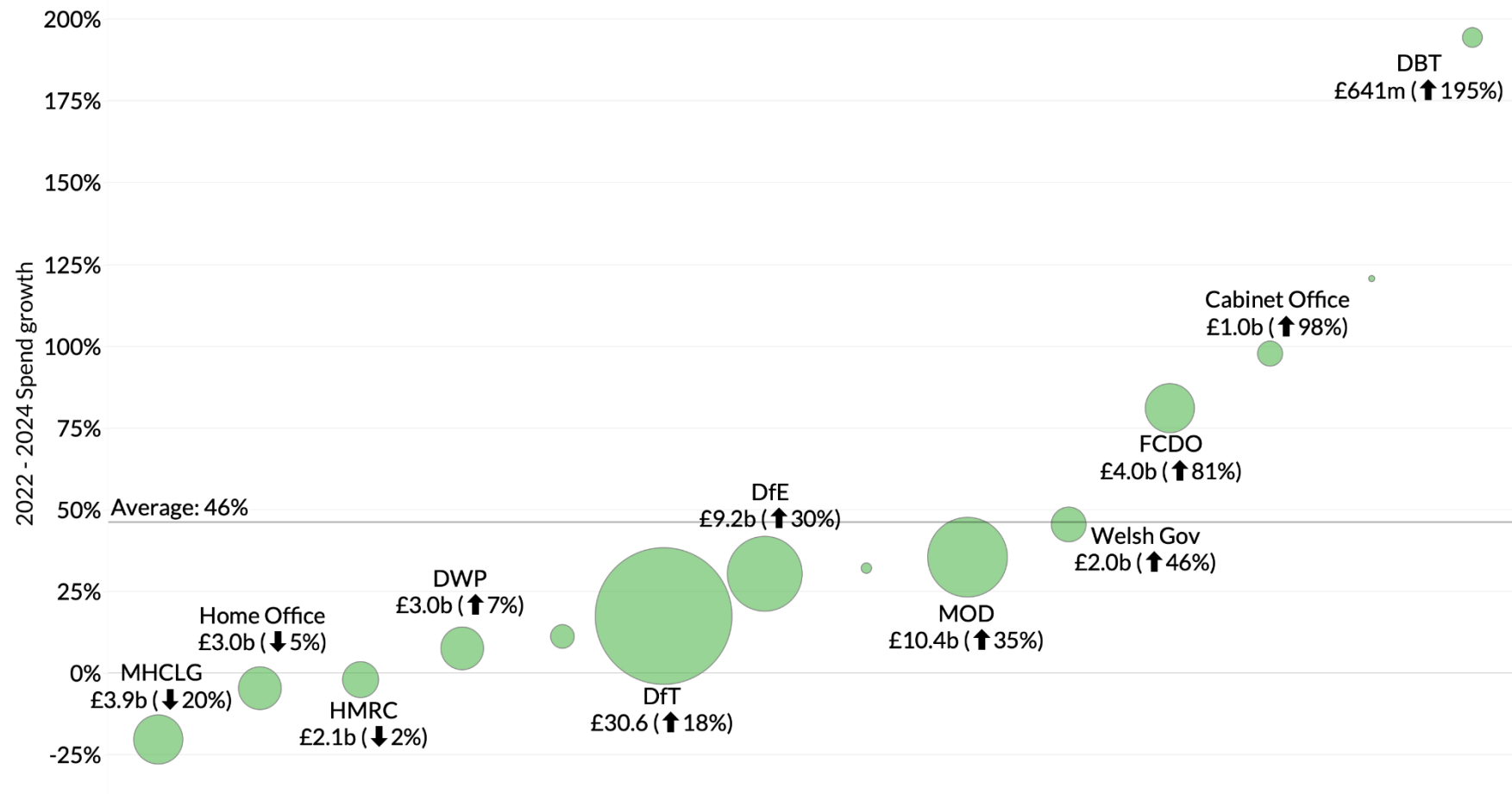
Local Gov't is the largest contributor to procurement spend in the UK

Total direct procurement spend, by buyer type and year



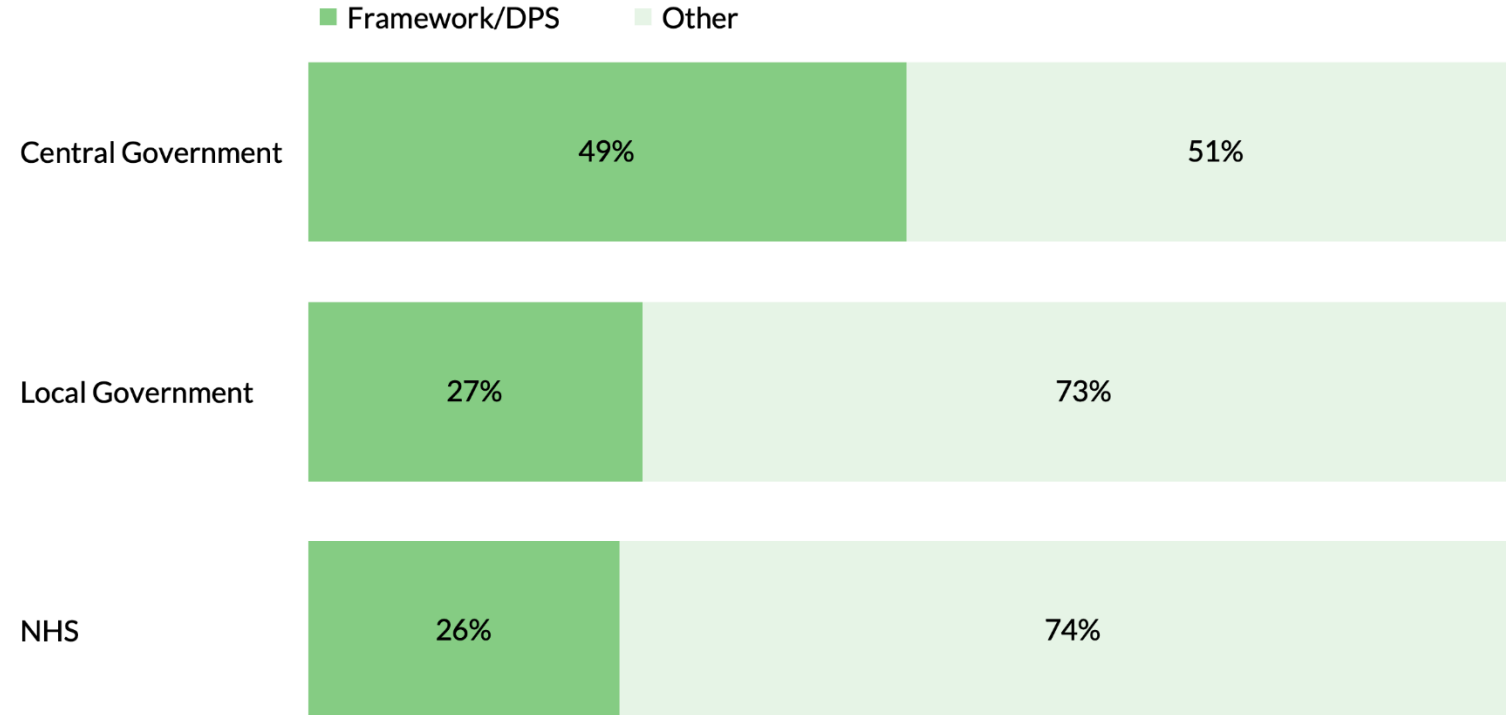
On average, procurement spend by ministerial departments grew by 46% from 2022 to 2024, and DfT is larger than is commonly understood

Total direct procurement spend by ministerial department in 2024, and growth from 2022



Central Govt is harnessing frameworks more than other areas of the public sector

Proportion of total contract volume awarded via frameworks, by buyer type, 2024



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#1 - The Procurement Act

The biggest shake-up to procurement law in over a decade

(Very) briefly, the 2023 Procurement Act ...



Simplifies
**procurement
procedures**



Promotes
**pre-market
engagement**



Encourages a more
holistic approach
(i.e. MEAT vs. MAT)

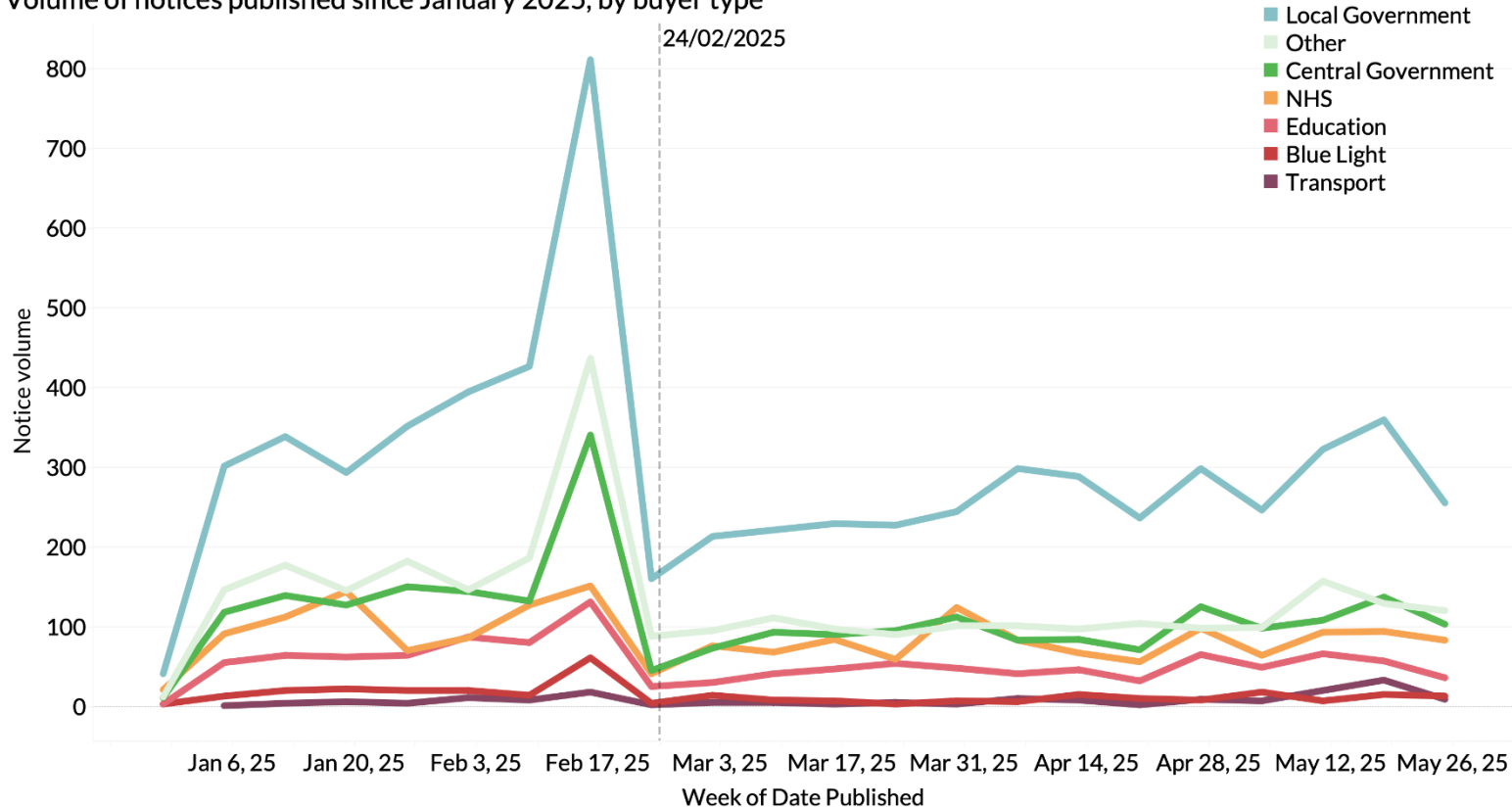


Introduces new
routes-to-market

In theory: more access to SMEs & new entrants, greater flexibility & more accountability

What does the data tell us so far?

Volume of notices published since January 2025, by buyer type



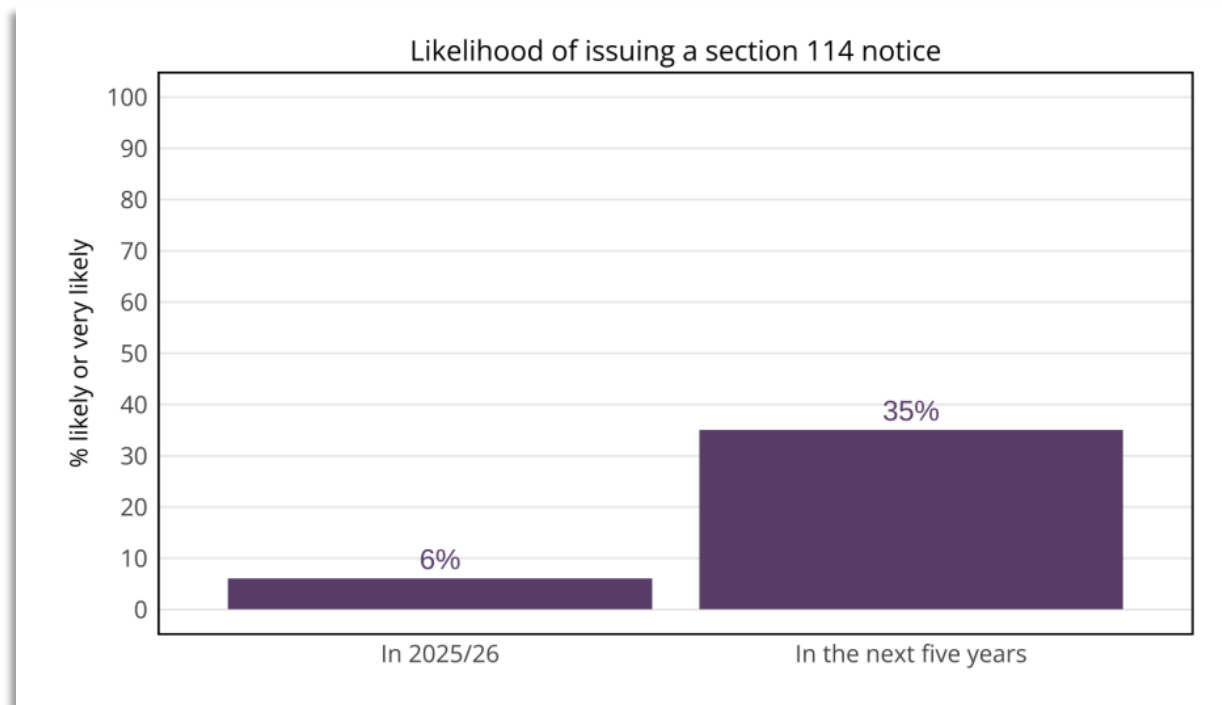
Volume of new notices **still below pre-Procurement Act levels ...**

but

.... signs of buyers reserving contracts for **SMEs & by location, and strong use of early-market engagement**

#2 – Tightening budgets & investment

Procurement teams need to do more, with less



LGiU

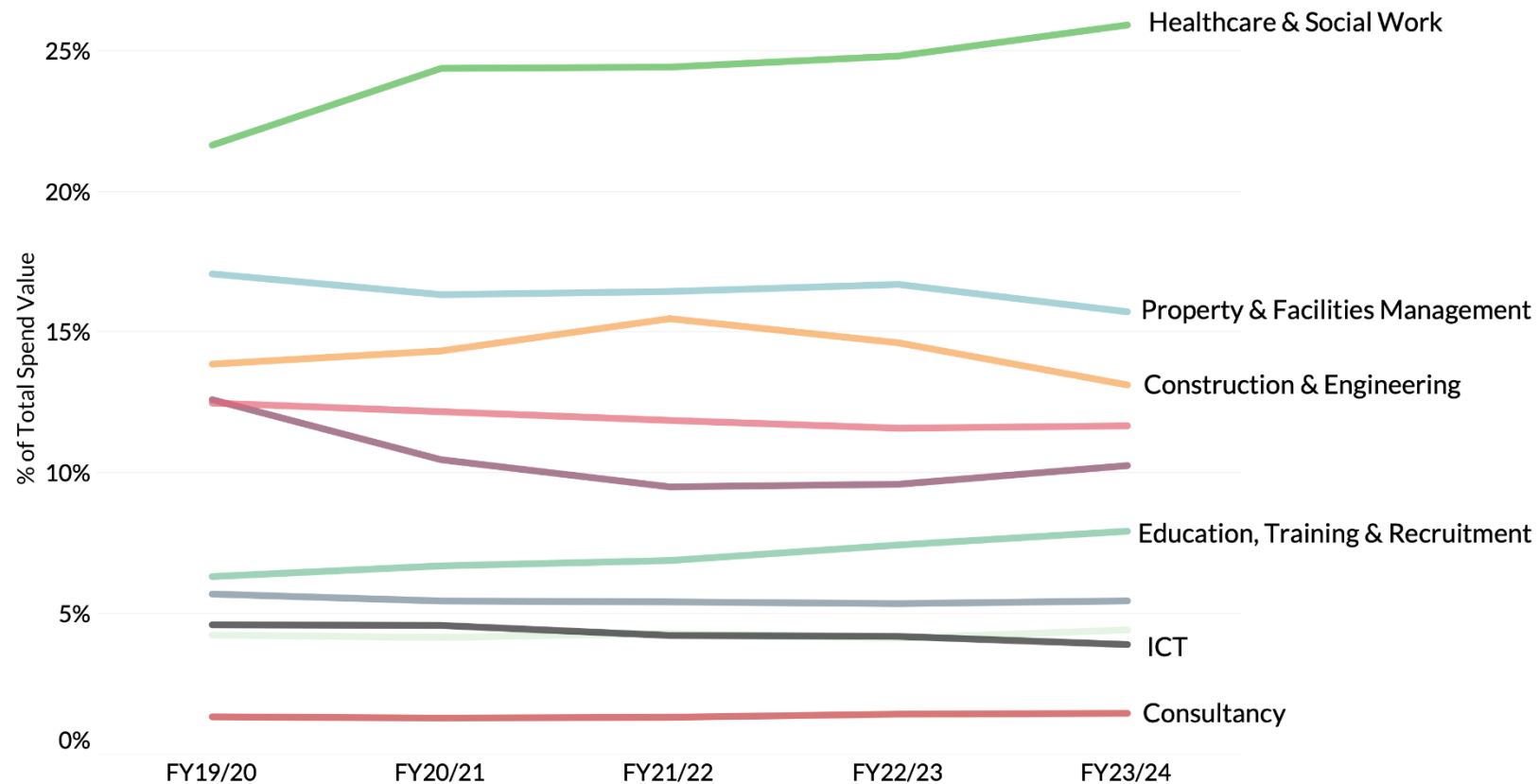
(2025 State of Local Government Finance in England)



Departments
expected to cut
admin costs **16%**
by FY29/30

What does the data tell us?

Proportion of Local Government direct procurement spend, by supplier category (FY19/20 - FY23/24)



Case study:

Procurement in Local Government.

Ballooning spend on Healthcare & Social Work ; declining or stagnating investment elsewhere.

Less money to spend on 'non-essential' services.

#3 - The Labour Government's agenda

The push for in-sourcing, buying British, and the re-birth of social value(?)

Press release

New controls across government to curb consultancy spend and save over £1.2 billion by 2026

New controls on the use of consultancies across government are being brought in to cut unnecessary spending and save £1.2 billion by 2026, as set out in the Autumn Statement – with departments already expected to save the £550 million committed to this financial year.

From: [Cabinet Office](#), [Crown Commercial Service](#) and [Georgia Gould MP](#)
Published 14 November 2024



Cabinet Office

Public Procurement: Growing British industry, jobs and skills

Consultation on further reforms to public procurement



Cabinet Office

Procurement Policy Note

Taking account of social value in the award of central government contracts

Action Note: 002

Updated: February 2025

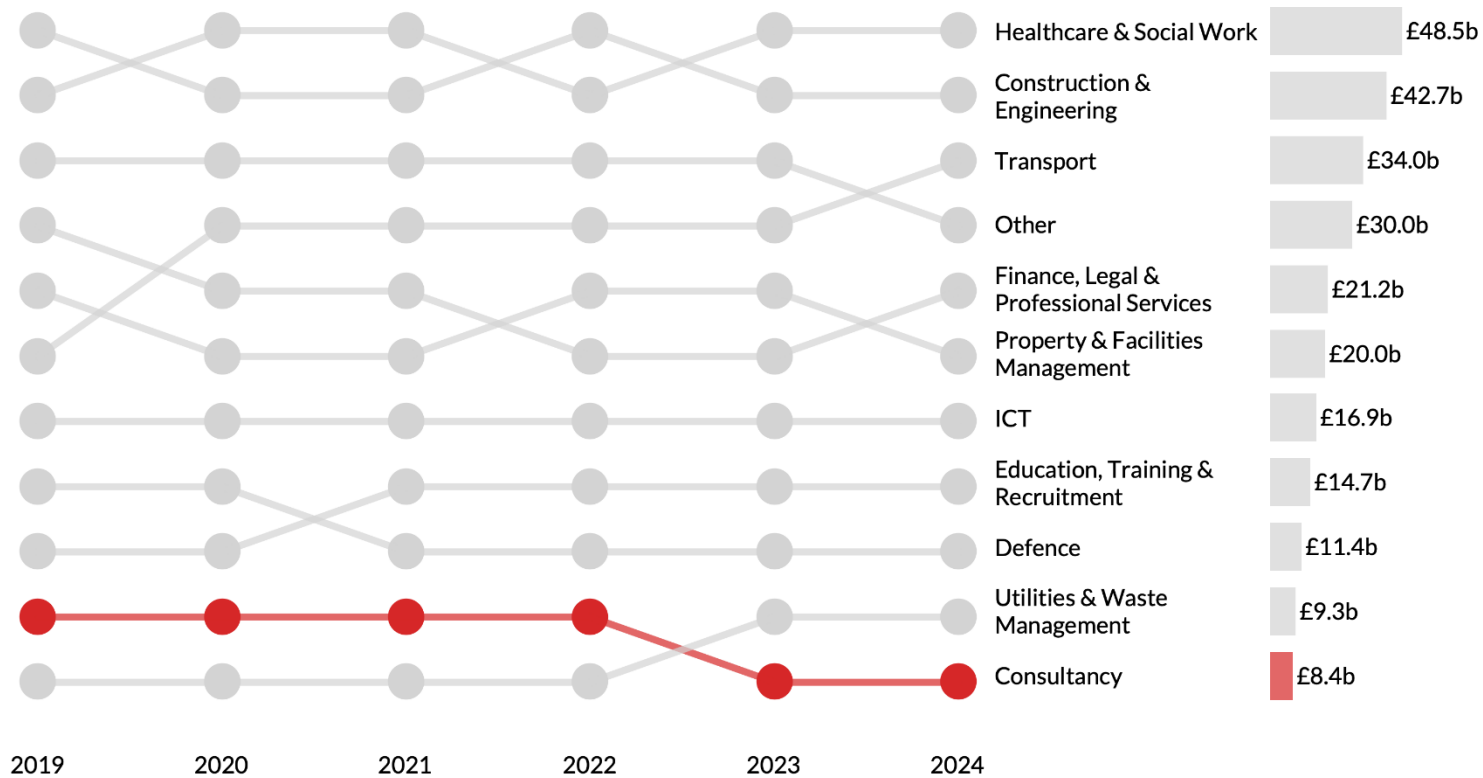
ued: September 2020

Supporting national capability

- Requiring contracting authorities to make a standard assessment before procuring a major contract (+£5m) in order to test whether service delivery should be inhouse or outsourced.

What does the data tell us so far?

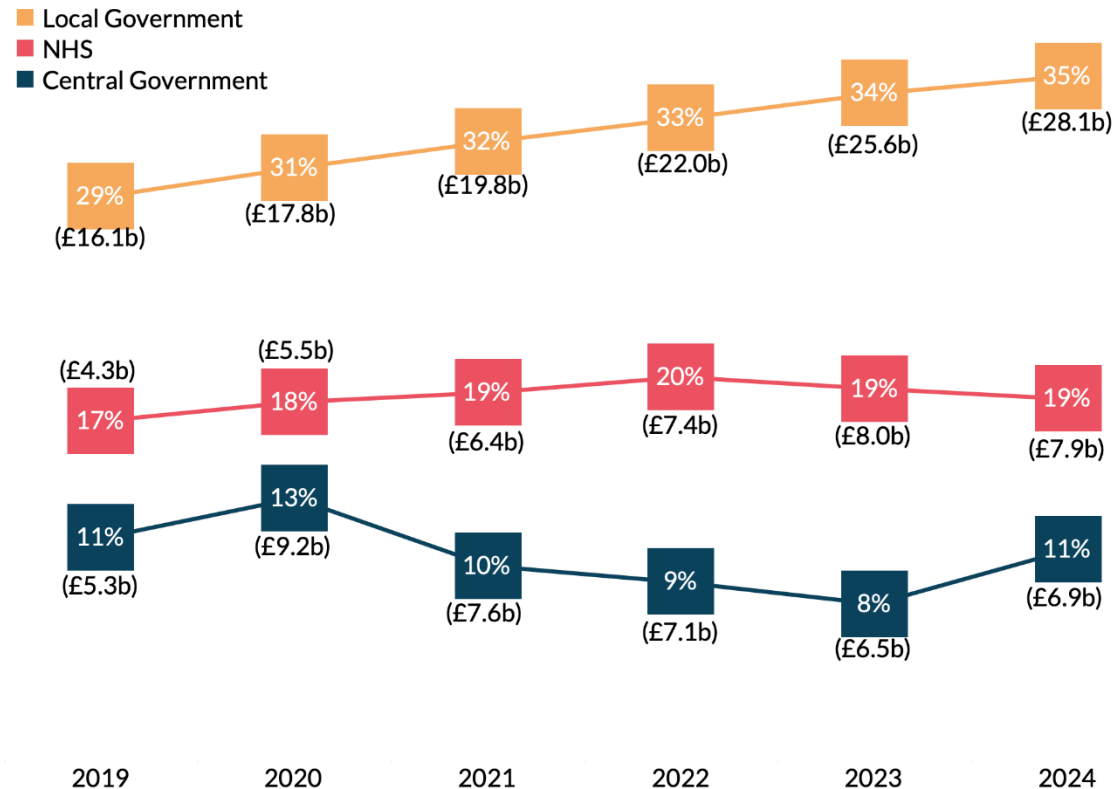
Proportion of total direct procurement spend, by sector and year, and sector spend in 2024



Is insourcing just a headline grabber?

What does the data tell us so far?

SME spend as a proportion of total spend and absolute SME spend, by buyer type

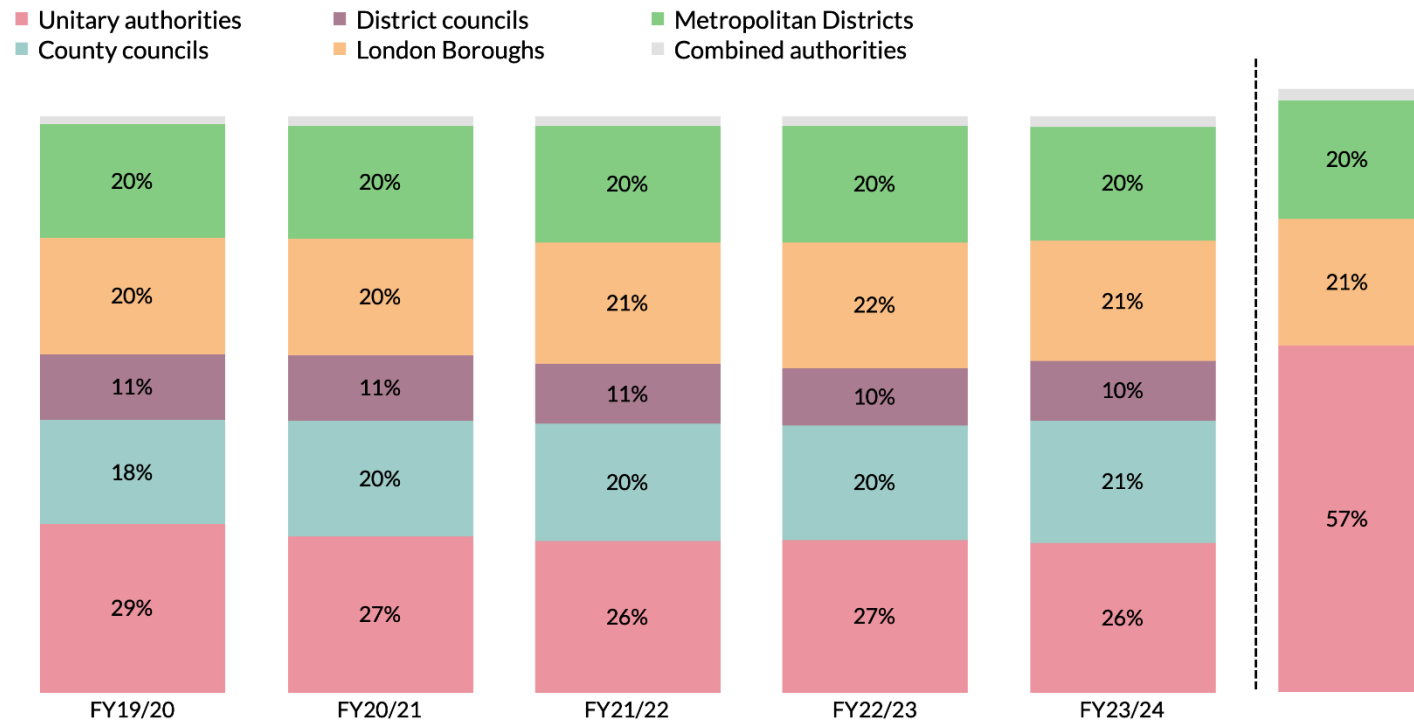


Work remains to be done on procuring from smaller, local businesses

#4 – The push for English Devolution

A re-drawing of the Local Government map?

Public sector procurement spending in England, by Local Gov't buyer type (FY19/20 - FY23/24)



Impact #1: Unitary Authorities may soon account for 57% of Local Gov't procurement spending

Impact #2: Contracts may consolidate

Impact #3: Key procurement categories will undergo big changes

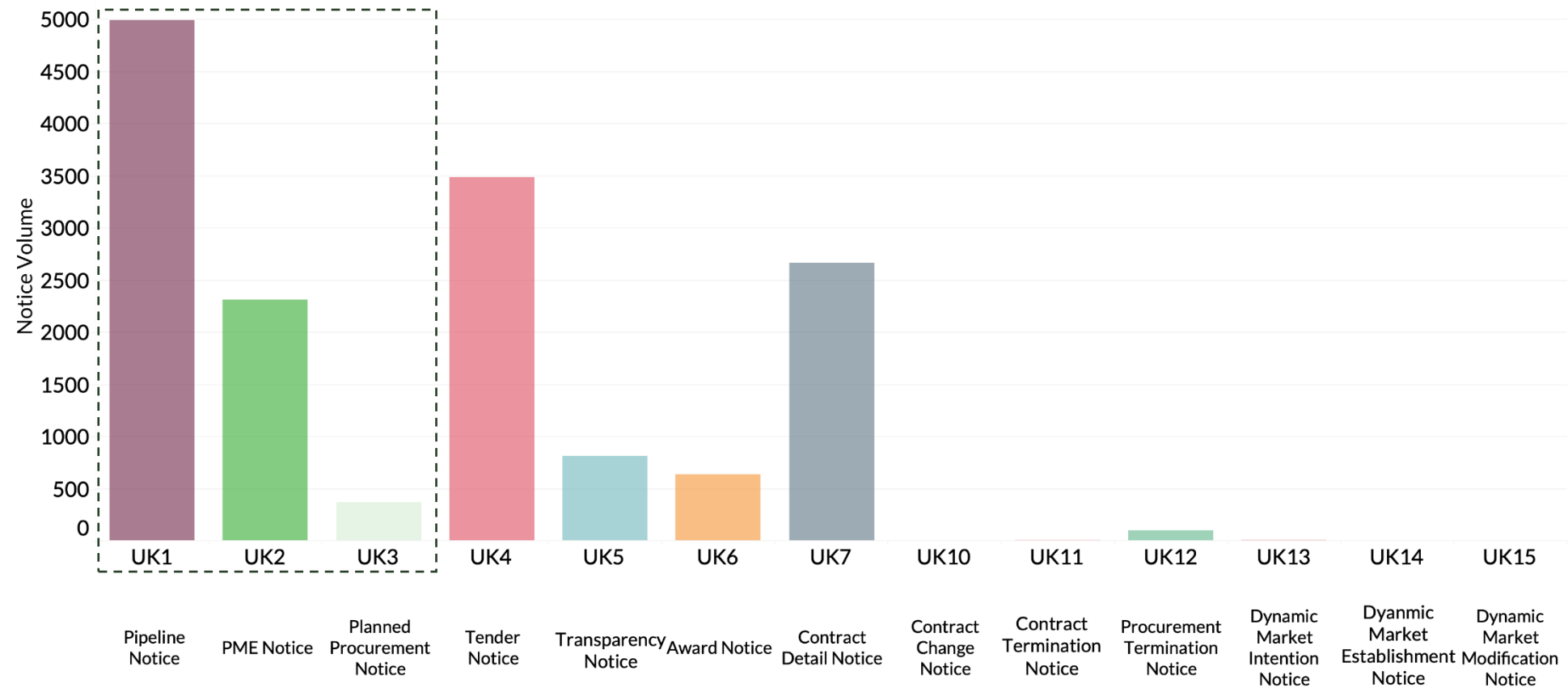
Impact #4: Framework usage will follow suite

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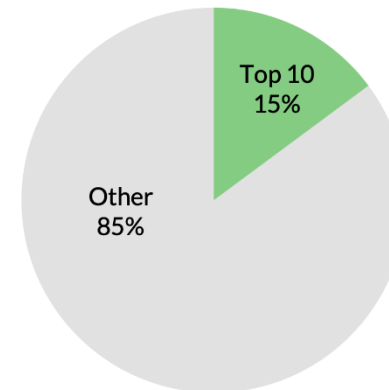
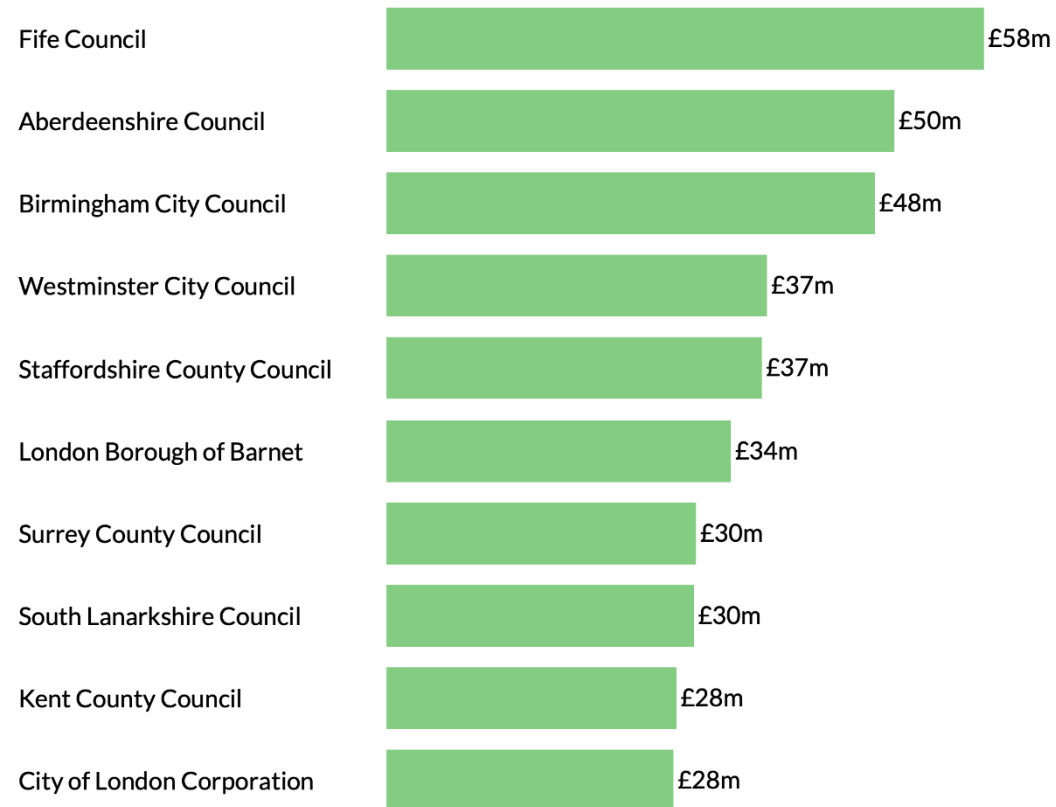
Action #1: Leverage the surge in pre-procurement activity

Volume of FTS notices published under the Procurement Act 2023, by UK notice type



Action #2: in tough times, following the money is more important

Top 10 IT buyers in Local Government, and their proportion of the Local Government IT market, FY23/24



Case study:

Procurement in Local Government.

Who is *actually* investing in digital transformation?

Who is *yet* to?

Action #3: aligning your offering with the national agenda



Are you baking clear, measurable **social value commitments** in your bids?



How can you prove your offering will drive **cost-savings & efficiency**?

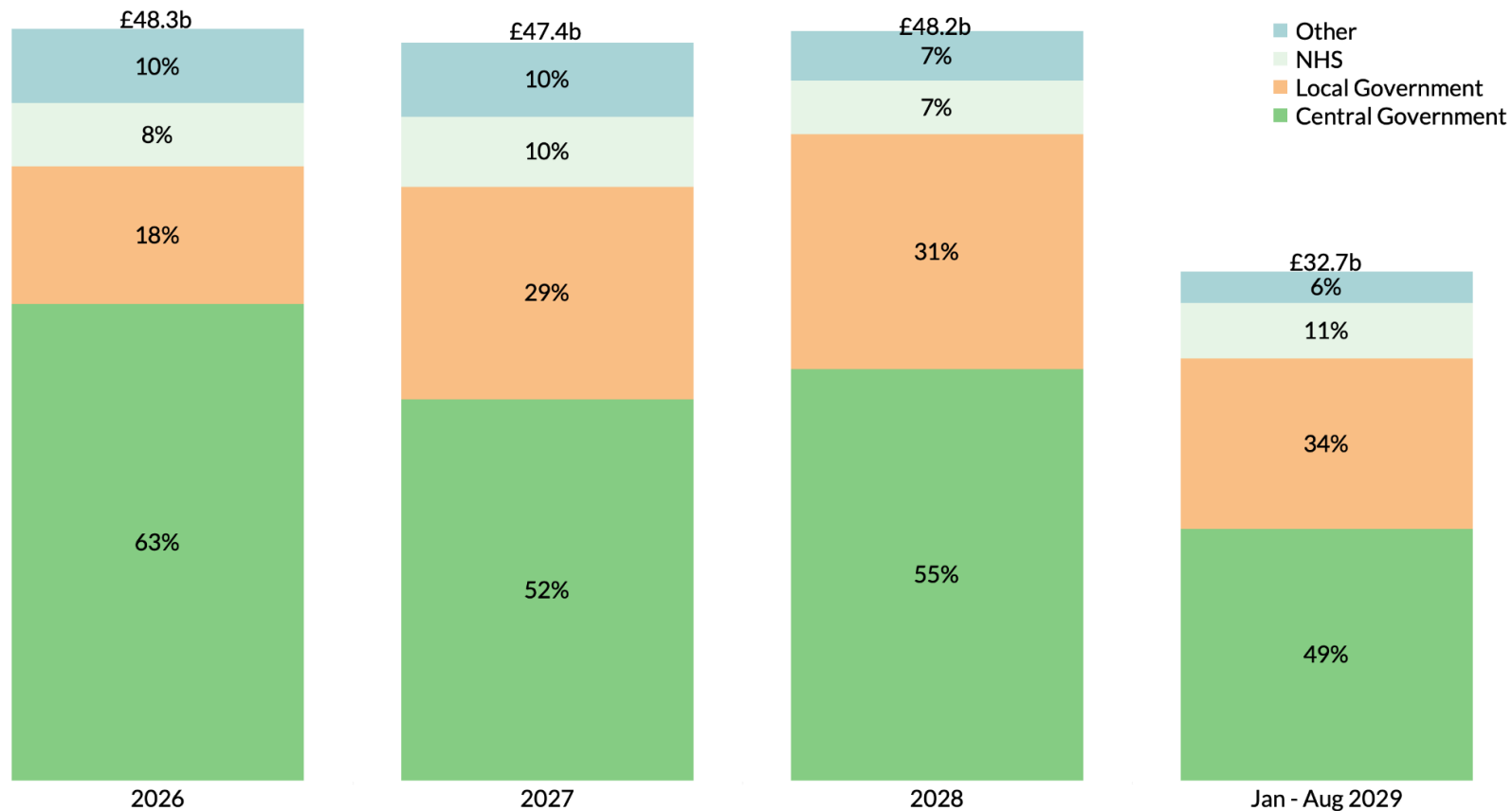


How can your offering promote the missions of the **National Procurement Policy Statement**?

Action #4: Remember the fundamentals:

Get ahead of opportunities before they go to tender

Value of live service contracts expiring in this parliament, by buyer type and expiry year



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All the data in this report came directly from Tussell's **online market intelligence platform.**

Contract Awards

- Contract**
Contains any of these keywords
 - ☒ Human Resources
 - ☒ HR

Frameworks

- By Framework**
Contract Framework
 - ☒ G-Cloud 12
 - ☒ Technology Services 2 - RM3804

Key Decision-Makers

- Job Title**
Job Title
 - ☒ Commercial Director

By Contact Information

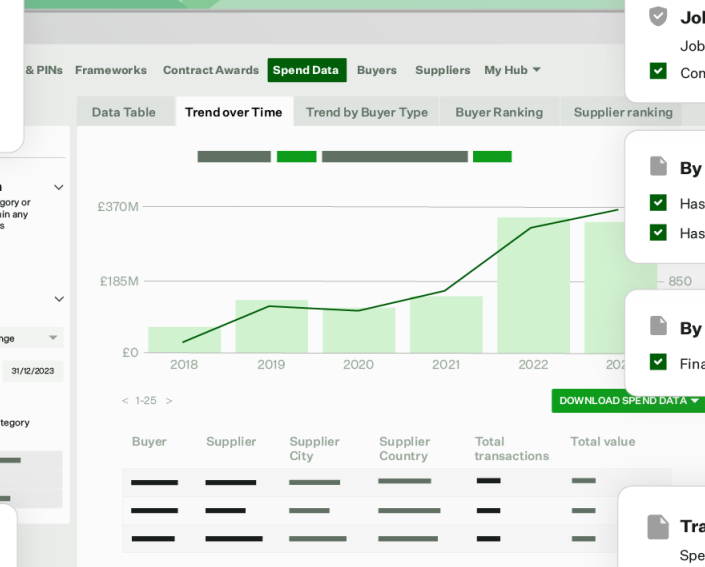
- ☒ Has email
- ☒ Has phone number

By Function

- ☒ Finance

Spend Data

- Transaction**
Spend type, category or description contain any of these keywords
 - ☒ Facilities Manager
 - ☒ FM



To learn more and see it in action visit tussell.com

A cluster of colorful geometric shapes, including triangles and squares in shades of red, orange, yellow, blue, and purple, located in the top-left corner.

GOVNET

A cluster of colorful geometric shapes, including triangles and squares in shades of orange, yellow, blue, purple, and red, located in the bottom-right corner.

GOVNET



Healthcare

Offers opportunity for growth by uniting Health Tech and Digital Health providers with leaders from across the NHS.

HETT



Technology

Uniting tech, fraud and justice providers with key public sector budget holders from Central and Local Government, Healthcare, and the wider public sector.

DiGi
GOV EXPO

MODERNISING
CRIMINAL
JUSTICE
CONFERENCE

COUNTER
FRAUD



Education

Connecting education suppliers with buyers from Universities, Schools, Academies, MATs and the wider education Sector.



We help suppliers connect with buyers across healthcare, technology and education sectors.



GovNet's Insights on Public Sector Sales & Events: 2025 Outlook

Key challenges for companies working with public sector

Being on the Relevant Frameworks

Building Relationships with Key Stakeholders

Demonstrating a Proven Track Record of Public Sector Delivery

Sector uncertainty / lengthy procurement process

Money saving & a push for efficiency across all department

Integration barriers

More people than ever now involved in the decision-making process

What Public Sector Leaders Think

- **Get on the right frameworks & market insight platforms such as Tussell can help with this**
- **Attend the right events**
 - 70% of public sector delegates said it is important/very important to attend the right events to meet with new and current suppliers
 - 85% of public sector delegates stated it important/very important for them to attend the right events to see new products and services
 - 65% of public sector delegates surveyed said they gathered information of potential solutions that they will look to procure from events they attended
- **Demonstrate how you can make their department more efficient and save them money**
- **Perfect Your Tender Responses - Suppliers need to pay close attention to the criteria stipulated in the tenders - failure to do so could result in failure to secure the contract.**

Boost Your Event ROI: 5 Essential Tips



How to Influence Stop vs. Walk Past



Visual Hierarchy



Human Engagement



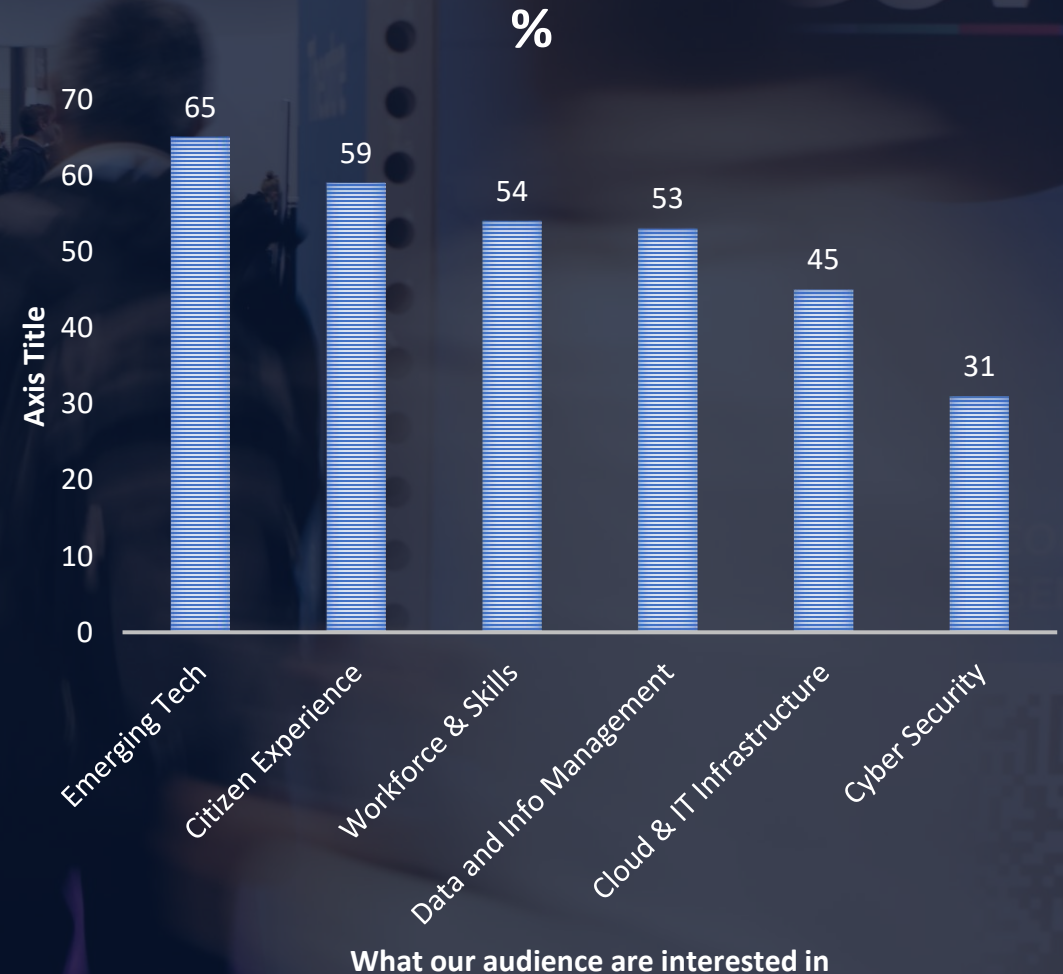
Smart Sustainable Giveaway Ideas (No Gimmicks, Just Useful)



Pre- and Post-Event Strategy

Unlock Opportunities: Transform Public Services at DigiGov EXPO | 24-25 Sept, ExCeL London

- Join 3000+ public sector peers to build valuable connections, collaborate, and share knowledge.
- Tackle key challenges in government transformation and engage directly with decision-makers, buyers, and influencers driving citizen-centric services.



GOVNET



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The UK's Leading Provider of Public Sector Events