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Trusted Insight on Government  
Contracts and Spend

MAY 2023

GMB

UNION

# Analysing Amazon's role in the UK public sector

2018-2023



# Objectives & Method

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This Tussell report, commissioned by the GMB, assesses how much the UK public sector is spending with Amazon and which authorities are turning to the company to run public services.

This report is based on open procurement and expenditure data from official sources aggregated, organised and augmented by Tussell. Contract award data is primarily from Contracts Finder and Find a Tender Service, as well as from more than 90 other local, regional or sector-specific public sector procurement portals. Procurement data uses contract awards data published from January 2018 to present.

Spend data refers to supplier invoices of £500 or more published by just under 900 contracting authorities for transparency purposes. Disclosure of this expenditure is a legal requirement for all Central Government departments in the UK (including most of their executive agencies and arm's length bodies), and for Local Government and NHS bodies in England (but not in the other UK nations). In total, Tussell collects spend data from over 1,000 live and historical sources. Due to a lag in publication, spend data for 2023 is not complete.

Data as of May 2023.

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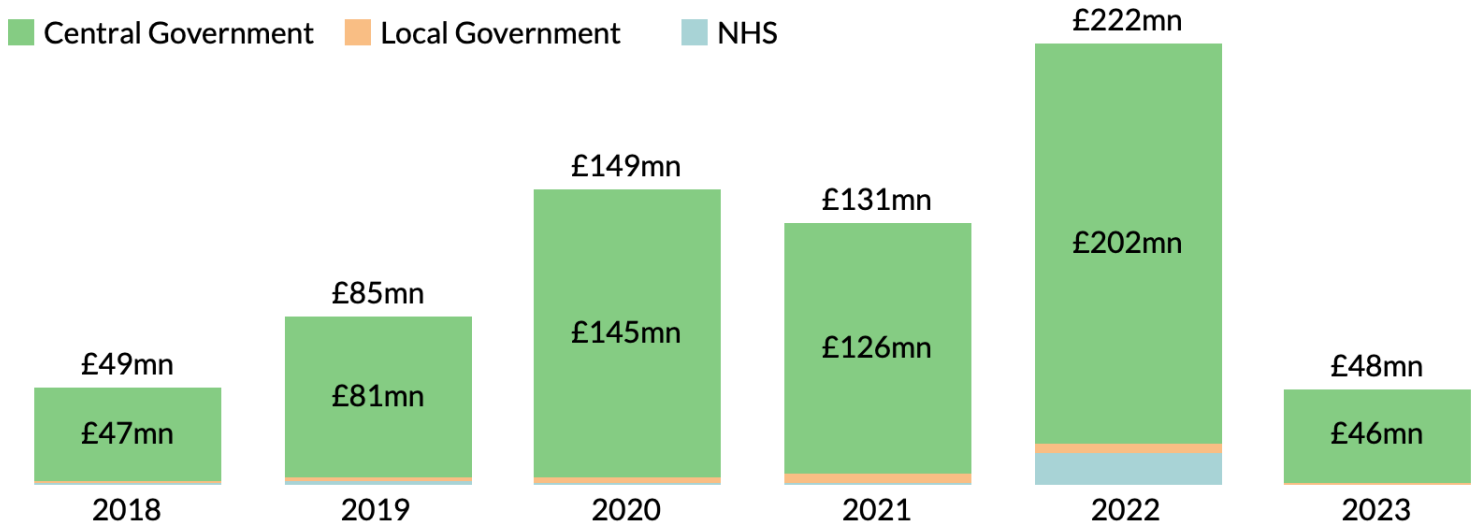
# How much does Amazon earn from the public sector?

Since 2018, Amazon has generated £684mn in revenue from Central Government, Local Government, and NHS, a new addition in this year's report that contributes £20mn towards Amazon's public sector revenue.

Amazon's earnings from the UK public sector reached a peak in 2022, with spending totaling £222mn, a significant increase of nearly 70% compared to 2021. This came mostly from increased spending by Central Government departments - while earnings from Local Government have been gradually increasing, they still remain low. NHS also greatly increased their spending in 2022, having spent £15.5mn. This amount accounts for 75% of their entire spending on Amazon since 2018.

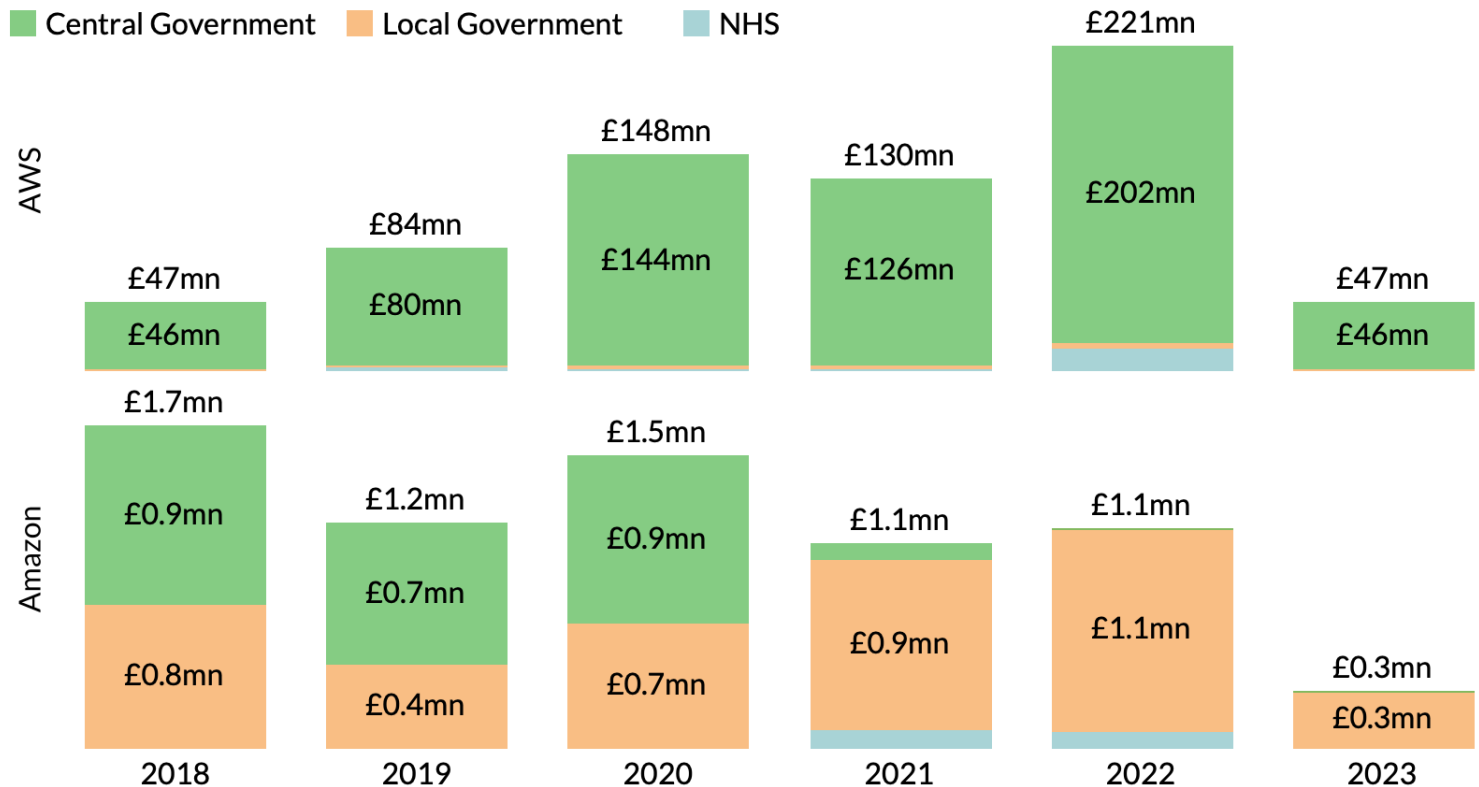
As of now in 2023, Amazon has earned at least £48mn from both Central and Local Government, but due to a lag in data reporting, this figure is expected to rise.

Amazon direct public sector revenue, 2018-2023



Since 2018, Amazon's revenue from the public sector has been primarily driven by spending on AWS, with 99% of the total revenue coming from this service. As of 2019, Local Government has been increasing its spending on Amazon's marketplace services while Central Government's spending on the same has been gradually declining.

Total direct procurement spend with Amazon or AWS, by buyer type, 2018-2023



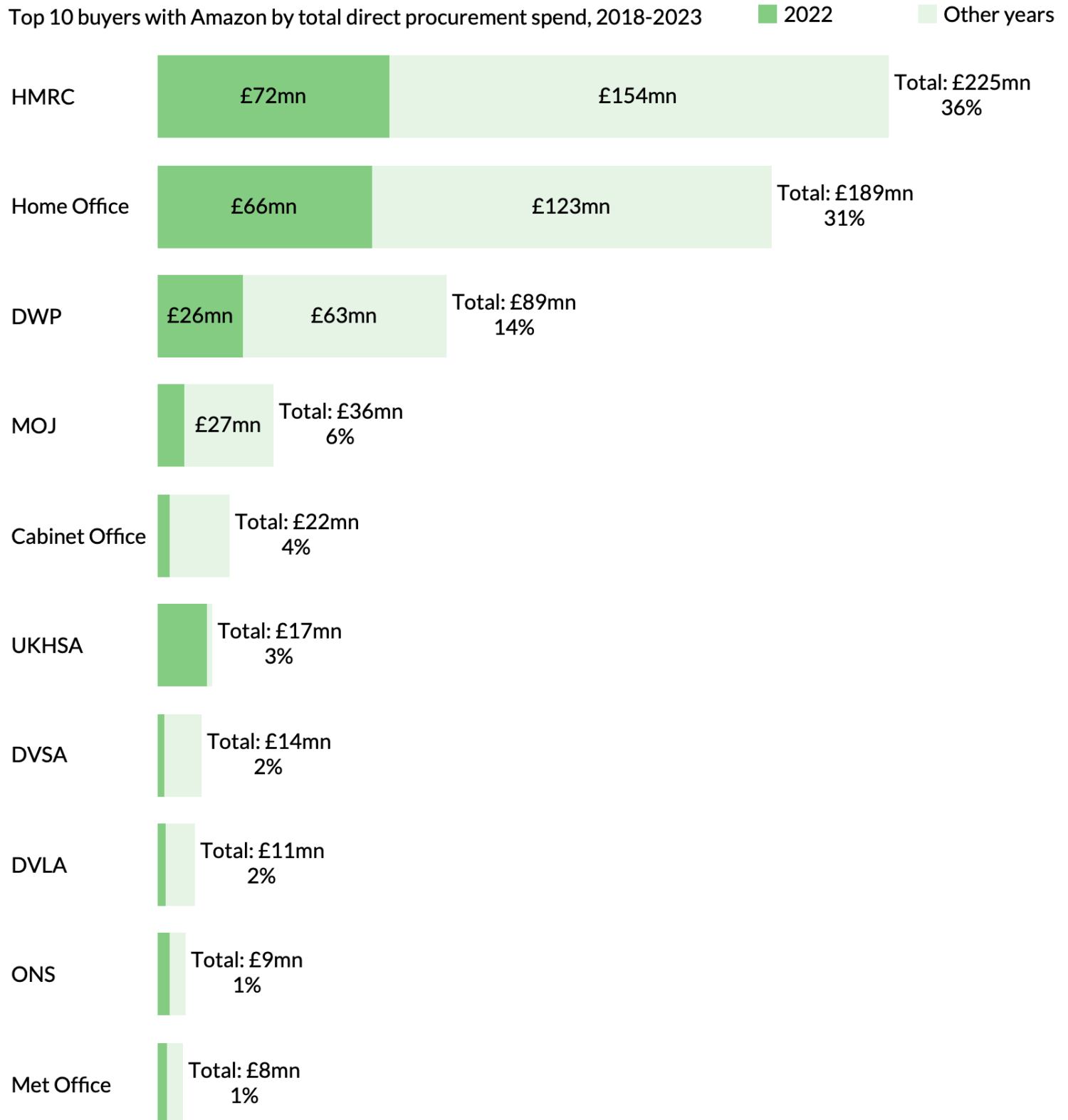
## Who are Amazon's biggest Public Sector customers?

Amazon's top buyers are well-embedded, with 8 of the 10 retaining their presence from last year's report. UKHSA, the only non-Central Government buyer of this list, is a new entry in the top buyers with a £17mn total spend since 2018, 90% of which was in 2022 alone.

2022 saw greater spending from the top 10 buyers, notably Home Office with a £50mn spend increase from 2021 and HMRC, with a 33% spend increase from 2021.

Amazon's biggest buyer in the public sector is HMRC, who has spent a total of £225mn with the company since 2018. Just under a third of this total figure was spent last year with AWS alone. This expenditure also makes up more than 30% of Amazon's total public sector revenue in 2022. Amazon's two largest customers, HMRC and Home Office, made up over two thirds of its total public sector revenue since 2018.

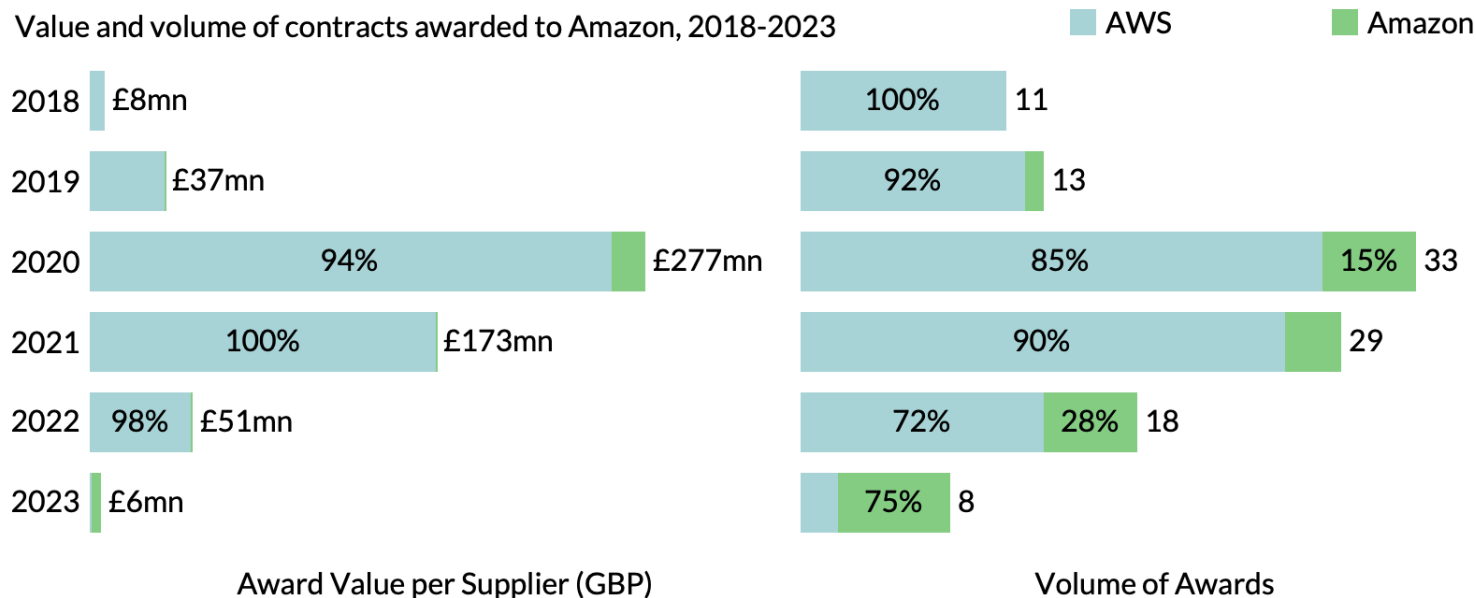
Top 10 buyers with Amazon by total direct procurement spend, 2018-2023



## What new contracts has Amazon won recently?

Amazon's new contract wins reached their highest point in 2020, both in terms of value and volume. This surge was largely driven by the Home Office awarding a £120mn contract to AWS for Cloud Hosting Services. Although the value and volume of AWS contracts have been declining since then, other Amazon services have been experiencing growth.

Amazon's largest contract in 2022/23 was also for AWS VMware and EC2, valued at £21mn. Of the 10 largest contracts won by Amazon in 2022/23, 6 were awarded via the G-Cloud framework, a decrease in comparison with the 9 G-Cloud call-offs in last year's report.



### Amazon's top 10 public sector contracts by value, 2022-2023

Contract Title	Contracting Authority	Date Awarded	Year of Contract End Date	Framework Used	Value
AWS VMware and EC2	Defra	23/12/22	2025	G-Cloud 13	£21mn
Cloud Services & Storage Renewal	Genomics England Limited	29/06/22	2025	Cloud Solutions	£15mn
Cloud Hosting Services	Social Security Scotland	29/03/22	2022	G-Cloud 12	£6mn
Amazon Business	Calderdale & Huddersfield NHS Fo..	10/02/23	2028	001142 - Digital Market Place	£4mn
Cloud Platform Services - AWS Envir..	Scottish Government	29/09/22	2022	G-Cloud 12	£3mn
Clous Hosting Services - AWS	Disclosure Scotland	01/04/22	2022	G-Cloud 12	£2mn
Cloud Hosting Infrastructure Provid..	London Royal Borough of Greenwich	23/09/22	2025	G-Cloud 13	£2mn
CFM0169 - Digital Marketplace	Fife Council	03/04/23	2023	001142 - Digital Market Place	£1mn
Emarketplace to facilitate tail end spe..	University of Derby	30/03/22	2026	eMarketplace to Facilitate Tailend..	£600k
Provision of Application Hosting S..	Scottish Fire and Rescue Service	15/03/23	2023	G-Cloud 13	£467k