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Press release

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More savings can be made from better purchasing

The public sector in Scotland is improving its purchasing and estimates it has saved more than £300 million since 2006 as a result. It could now make further savings through increased collaboration and better management.

An Audit Scotland report published today, *Improving public sector purchasing*, says the foundations are in place for Scotland's public bodies to further improve their spending on goods and services, which is worth £8 billion a year. There has been progress in recent years but it has varied across the country and been slower than planned.

The report considers progress with a programme that was aimed at reforming public procurement and making savings of about three per cent a year. The public sector estimates it has saved a total of £327 million in the first two years of the programme, which has cost £61 million so far to implement.

The public sector should increase the use of collaborative contracts. These are a key feature of the programme, but are being developed more slowly than expected. The health sector has been the most successful in this, introducing 150 new contracts and saving £54 million in the two years to 2007/08.

Deputy Auditor General for Scotland Caroline Gardner said: "The current economic climate means that more than ever, the public sector needs to find cash savings without cutting services or quality.

"The public sector has estimated that more than £300 million of savings have been made since 2006 through buying goods and services better. The public sector is improving its purchasing, and has the foundations in place for further progress. But progress until now has been variable and slower than expected.

"Scottish public spending on goods and services is about £8 billion a year. Because of the public sector's size and combined purchasing power, there is potential for it to buy goods and services more efficiently and deliver more significant savings."

Accounts Commission chair John Baillie said: "Councils along with the rest of the public sector can make more savings. To do this they need to ensure that staff have the appropriate skills and that better information and management systems are in place."

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Notes to editors

1. Around 150 public bodies (including the Scottish Government, its agencies, NDPBs, councils, health bodies, universities and colleges) each spend more than £1 million each year on goods and services.
2. All Audit Scotland reports published since 2000 can be found on Audit Scotland's website www.audit-scotland.gov.uk
3. Audit Scotland is a statutory body set up in April 2000, under the Public Finance and Accountability (Scotland) Act, 2000. Audit Scotland has prepared this report jointly for the Auditor General for Scotland and the Accounts Commission for Scotland:
 - The Auditor General is responsible for securing the audit of the Scottish Government and most other public bodies in Scotland, except local authorities. He investigates whether spending bodies achieve the best possible value for money and adhere to the highest standards of financial management. The Auditor General is independent and is not subject to the control of the Scottish Government or the Scottish Parliament.

- The Accounts Commission for Scotland was set up in 1975 and is independent of both central and local government. The commission checks whether local authorities, fire and police boards spend £19 billion of public money properly and effectively.