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Councils' procurement improves but room for better value from £5.4 billion spend

Councils have improved how they manage procurement but they can achieve further benefits and savings, says the Accounts Commission.

Every year Scotland's councils spend £5.4 billion (around £1010 for every person) on procurement - buying goods and services they need, ranging from construction materials to IT and social care. Procurement savings of £71 million were reported in 2012/13.

In a report published today, the Commission says councils have made progress since the Scottish Government launched new initiatives in 2006 and councils established Scotland Excel, a body which pools purchasing power to buy more services collaboratively.

Councils' use of collaborative contracts has increased by 80 per cent over the last three years and total annual spending on such contracts is now £503 million. According to the report, however, councils could achieve more savings while maintaining or improving service quality. Moving from paper to electronic payment systems, for example, could yield £9 million alone.

Councils also use procurement spending to support local economic development and some have begun to use it to deliver other local benefits such as apprenticeships and environmental improvements.

Progress has been slow in some councils. Better performers have invested in qualified staff and systems to improve service quality and achieve savings.

Accounts Commission chair Douglas Sinclair said:

"Councils need to secure maximum value for the money they spend as budgets continue to tighten. Better use of procurement can improve quality and bring benefits to their local communities

"Some councils have done well by looking at all the options, investing in the right skills and systems and learning from each other. But there is scope to do a lot more and the pace of improvement needs to increase."

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Notes to editors

1. Audit Scotland has prepared this report for the Accounts Commission for Scotland. All Audit Scotland reports published since 2000 are available at www.audit-scotland.gov.uk

- The Accounts Commission is the public spending watchdog for local government. It holds councils and various joint boards and committees in Scotland to account and help them improve.

It operates impartially and independently of councils and of the Scottish Government, and meets and reports in public

- Audit Scotland is a statutory body set up in April 2000, under the Public Finance and Accountability (Scotland) Act, 2000. It provides services to the Auditor General for Scotland and the Accounts Commission for Scotland.