

Co-operative Bank Purchasing Cards Case Study Wakefield Council

Summary and Project Background

Wakefield Council has a range of e-procurement systems. These include a marketplace for catalogue purchasing; e-tendering; and a Visa purchasing card programme with the Co-operative Bank (The Co-op). The Council sees the improvement of the purchase-to-pay processes as a critical part of their drive for efficiency. The Co-op's Government Procurement Card (GPC) programme is a crucial part of that strategy and works alongside their marketplace to deliver a streamlined process from requisition to payment that is integrated with the Council's Agresso financial system.

To reduce the cost of purchasing, Wakefield Council has adopted a strategy that ensures transactions are routed through to the most appropriate technology to secure compliance and efficiency, while at the same time improving relationships with suppliers. The Co-operative Bank's Visa purchasing cards are used to purchase a range of goods needed by Council staff.

An integrated purchase-to-pay process using Visa purchasing cards across the Council is delivering real savings.

The Challenge

Like all councils, Wakefield is facing having to make significant financial savings. A recent Council budget update suggested that as a result of the Government's Comprehensive Spending Review in October 2010 and cuts in Government funding over the next four years, Wakefield will have to find ways of reducing its budget by £65m by 2014/15.

The key goals of procurement and finance teams within local government, Wakefield included, are to take out costs for the organisation, deliver transactional efficiencies, increase self-service and remove petty cash from council departments wherever possible. This is where The Co-operative Bank's Visa purchasing cards and supporting d.Cal system are a key enabler for Wakefield.



“Our e-procurement operations have taken a significant step forward by using The Co-operative Bank’s Visa purchasing cards and are now an essential part of the payment mix for Wakefield.”

Allen Murray, Assistant Group Finance Manager – Payments and Controls, Wakefield Council

The Approach

Using a Visa purchasing card allows organisations to move away from traditional paper based purchasing systems, whilst retaining internal controls and meeting central government targets on payment timescales.

The Co-operative Bank’s GPC Visa cards, adopted by Wakefield, enables the Council to benefit from cost and process efficiency savings in its purchase of high volume goods and services. The benefits in brief are:

- Greater efficiency – speeded up payments and VAT reclaim, alongside reduced paperwork and administration costs;
- Greater simplicity – all payments are made by an easy to manage card transaction, with one repayment bill, not hundreds;
- Control – allows restricted spending of nominated internal departments and spending categories (e.g. stationery suppliers);
- Transparency – gives access to comprehensive reports, with on-line management information available through d.Cal’s core solution.

Typical spend categories for Visa purchasing cards include travel and subsistence, maintenance, facilities management and providing support for catering within school kitchens.

The benefit to the Council is reduced costs on order processing and payment matching because electronic bank files, including line item details on some transactions, can be fully matched against the original order and the supplier invoice. This ensures that the Council has paid for what was originally ordered.

Wakefield already has significant usage for its Co-operative Visa purchasing cards. It now has 650 cards in use, accounting for annual turnover of £1.6m.

Financial and Process Benefits

Wakefield has seen significant spend using Visa purchasing in key areas, notably maintenance, catering; and travel and subsistence.

What Wakefield needed was effective systems to help support procurement control. The d.Cal card management platform provides that management and control cost-effectively, enabling Wakefield to benefit from real-time visibility of its card-based expenditure and allow it to perform cost allocation, tax management and spend analysis on all card purchases.

The Outcome

Wakefield’s Co-operative Visa purchasing cards programme is one of several technologies used to improve payment processes within the Council. The move has led to improved process control across a range of segments.

As a result of its work with The Co-operative Bank in implementing a Visa purchasing card programme supported by d.Cal commercial card management software, Wakefield has in place effective accounting controls, and an effective means of monitoring and reporting of spend and procurement practices.

Conclusion

What local authorities like Wakefield understand is that encouraging effective purchasing necessarily requires flexible, intuitive, on-demand access to information to support a stronger understanding of spend patterns, control over spending and greater insights that help save time and money. This need for such visibility and control over procurement and travel expenses must be available in an easy-to-use, integrated format that enables users to see and act on critical spend information.

Wakefield’s adoption of an integrated purchase-to-pay process using Visa purchasing cards supported by d.Cal commercial card management software has ably demonstrated real savings and improved management information that is now being delivered across the Council.

More information

For more information on Visa’s range of business and public sector payment solutions visit www.visaeurope.com/business or email vepublicsector@visa.com