



HERTFORDSHIRE CONSTABULARY
CASE STUDY

The Government
Procurement Card has
brought great savings
and efficiencies to
the Hertfordshire
Constabulary

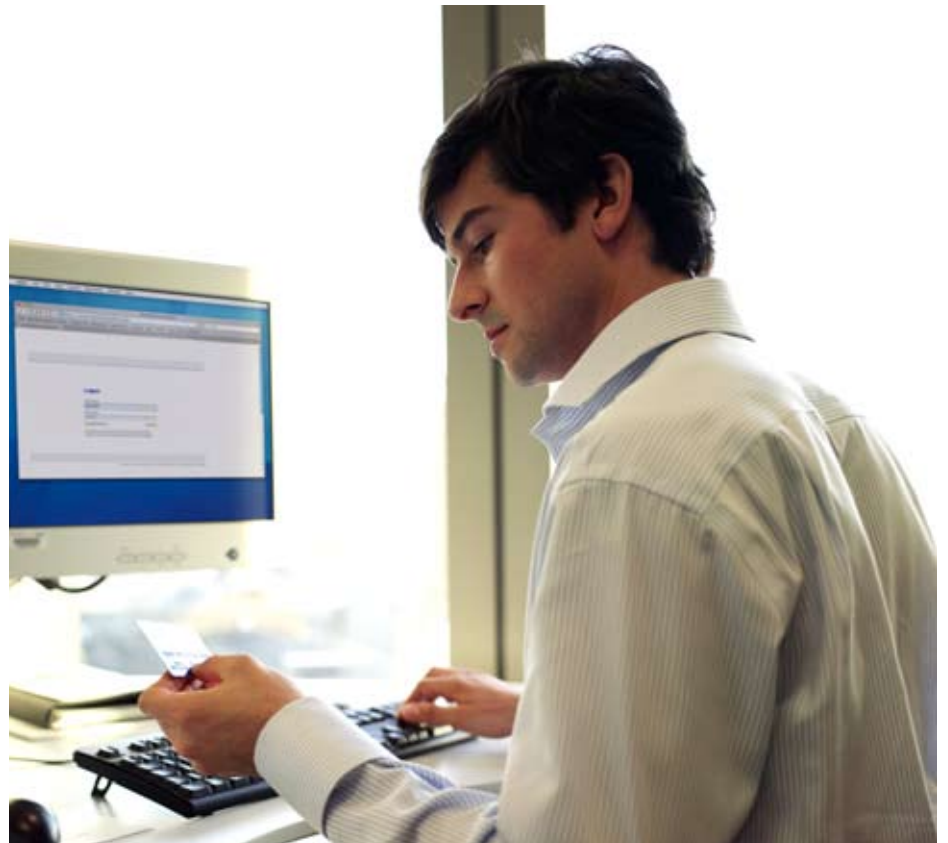
Hertfordshire Constabulary involves over 4,000 police officers, police community support officers, police staff and volunteer special constables who work round the clock for the safety, justice and reassurance of the people of the county.

Four years ago, following a successful pilot, the Constabulary started to issue the Government Procurement Card (GPC) to its staff in partnership with Barclaycard Commercial. Today, according to Sue Boustead, Procurement Manager at the Constabulary, the GPC is widely acknowledged to be a great success. GPC is efficient, flexible, makes prompt payment easier, and each transaction is estimated to save in the

region of £22 when compared to traditional payment processing costs.

Before the GPC was issued, the team involved in analysing the financial system discovered that more than 2,500 external suppliers produced over 22,000 invoices each year. Of these suppliers, 89 per cent of invoices were valued at less than £10,000 of annual expenditure and more than 50 per cent accounted for less than £500 of annual expenditure.

The aim of the GPC programme was to improve the management of a considerable amount of low value expenditure and to bring greater control to unstructured spending.



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Tailoring cards to individual needs

Currently there are about 80 cards issued across the Constabulary and most of these are in the hands of clerical and administrative staff that make most of the day-to-day purchases. The broad range of goods and services purchased by cards include furniture, uniforms, stationery, computer hardware and accessories and numerous travel services.

Individual cardholders have their own transaction limit per item and also a monthly limit. These limits vary considerably depending on the needs of the cardholder. For example, the transaction per item limit for the Head of Procurement is £30,000, while those involved in occasional very low value purchases may only need a limit of £25.

Sue Boustead explains that she has a good relationship with customer services at Barclaycard Commercial and her most frequent requirement is to change the transaction limit for an individual. "Sometimes a cardholder might need to make a more expensive one-off purchase," Sue explains. "Barclaycard Commercial make it very easy for us to call and temporarily raise the limit for an individual to cover this."



Online management information

Under a recently established system, Sue and one other colleague in the Constabulary have online access to up-to-the-minute information about all the transactions made by all 80 cardholders. They know what has been bought, when it was bought and who bought it. Each individual cardholder also has online access to their own account by means of a password which enables them to find out exactly how much they have spent of their limit at any point in the month. At the end of each month they receive individual statements which they have to review and send on to the finance department with VAT receipts.

High volumes of card spending

Analysis of data shows that each month cardholders at Hertfordshire Constabulary carry out between 450 and 500 transactions with a value of about £110,000. Reviewing one six-month period in 2008, Sue Boustead explains that expenditure by card amounted to 7.6 per cent of the value of all non-staff Constabulary costs. But looked at another way, of the 4,682 transactions carried out within the Constabulary in this period, 51 per cent were made using the purchase card.

Sue comments: "These statistics clearly show the importance of the cards for low value, high volume transactions. Just think of the efficiencies involved compared with the old system."

Fast and flexible

One of the efficiencies that Sue refers to is the speed with which cardholders can purchase goods compared with the often laborious process of sending a cheque and then awaiting goods to be sent. The fastest delivery recorded so far was made by one satisfied cardholder, a colleague, who ordered a mobile phone and accessories which were delivered to her desk within one and a half hours. A close runner to this occurred when a member of the legal department required a book which arrived just two hours after the order was made.

Another bonus is that there are no longer any complaints from relatively low paid clerical and administrative staff that, in the past, had to use their own credit cards or cash to make ad hoc purchases for the Constabulary and then wait for the money to be reimbursed. Constabulary drivers no longer have to fetch out their own cards or cash for parking meters because they now have a GPC for such purposes.

Sue Boustead acknowledges that card payments also support the Government's drive towards faster payment, particularly for small and medium size enterprises. She comments: "Card payment is definitely our preferred method of payment. We make this clear to all our suppliers who of course benefit from a rapid transfer of money into their accounts once their invoices are approved."