



## Barclaycard Business and Lancashire County Council join forces to save the taxpayer money

Lancashire County Council was established in 1889 and is a full service local authority serving a population of 1.1 million people in the North West of England. The council employs 45,000 people in a variety of roles and spends in the region of £600 million on the procurement of goods, services and works, in order to carry out its duties and responsibilities for the people of Lancashire. The Council holds “Four Star” status, which is the highest possible classification awarded to a Local Authority by the Audit Commission for provision of quality services, effective use of resources and for demonstrating continuous improvement.

To manage the purchasing of products and services and to make sure it is getting the best value for money, the council uses a combination of procurement methods and processes, which have historically been paper based or processed through a variety of unconnected management systems. To streamline its ‘procure to pay’ process the council is replacing legacy systems with a single financial management system, capable of supporting commitment accounting, and facilitating both electronic payments and automated payment reconciliation.

### Finding a tailored solution

The council use Oracle as their financial management system so they required a new payment solution which could be integrated into this system. It was decided after a tendering process and formal evaluation that Barclaycard Business, as well as offering the lowest cost option, could meet the council’s complex technical requirements. Barclaycard Business was able to tailor its established Government Procurement Card to the council’s requirements, enabling the council to continue operating with the chosen financial management system, reducing bureaucracy and promoting financial accountability.

Ingrid Bidle, e-Procurement Manager, says:

*“We wanted a solution which would allow us to track our employees’ spend on procurement goods; the new system allows us to see what they are spending and with whom. This cuts costs, promotes transparency and allows us to monitor and control expenditure. We use a financial system called Oracle to manage all our financial accounts and to hold relevant employee data. Barclaycard Business worked closely with us to ensure that their payments solution met our technical requirements, which included the ability to automatically reconcile Oracle orders and receipts with purchase card statements, meaning card users are only responsible for managing order exceptions if discrepancies occur.”*



## How it works

Lancashire County Council uploads procurement contracts and suppliers centrally onto the Oracle system. Employees then simply log in from any location to Oracle using their individual system ID, scroll through the electronic procurement catalogues on screen, and choose which products they wish to purchase. These can be anything from stationery to travel tickets. The products are purchased using a 'virtual' Government Procurement Card (GPC), of which there are 58 in use at the council, and each employee belongs to one of the different operational groups to which these cards are assigned, each group comprising of a pre-agreed spend approval hierarchy. These group card details are embedded into the Oracle system and Ingrid Bidle explains the advantages of using this system:

*“All card transactions are processed through the Oracle system, which contains all relevant card details, and the appropriate approval for purchases is obtained before the order can be despatched to the supplier. In effect, the cards are invisible to the purchasers. This reduces any security risk and the chances of fraud, as employees are not physically handling the cards and therefore do not know the card numbers or security codes. This system improves efficiency and cuts costs, because it means there is no manual order processing, invoice payment or reconciliation required by the purchaser for card orders.”*

There are also 11 individual Government Procurement Cards in use at the council. These physical cards allow employees to buy goods which cannot be purchased using the Oracle system and can be used on the internet or in retail stores, where authorised. All employees are entitled to use the cards; however, they must be able to prove a legitimate need, and a regular requirement, for the product in question, and demonstrate that there is no contracted supplier for the required goods on the Oracle system. A central procurement service is also available to employees with the occasional need to purchase goods outside the system. The Procurement Team will order products on a central purchase card for delivery direct to the end user. On receipt, costs will be allocated automatically to the relevant team cost centre through the Oracle system.

## The Barclaycard Business advantage

Since installing the Government Procurement Cards, Lancashire County Council has experienced numerous benefits including a reduction in administration and associated costs, increased efficiency and greater payments transparency. As the system was implemented so seamlessly, staff experienced no disruption to their everyday work and now enjoy a procurement solution that is easy and simple to use. Ingrid Bidle concludes:

*“The major advantage of installing the Government Procurement Card solution is that it has allowed us to develop more efficient processes. It has reduced paper invoices and the manual processing required to support them, which helps the environment and allows resource to be redirected to other important tasks. The system we now have in place means an increasing number of our products are purchased and invoiced electronically. Purchase cards represent just one element of our wider e-Procurement strategy; there is still a lot of scope for improvement in procurement and we are constantly exploring new opportunities for creating efficiencies in all areas of service provision for the benefit of Lancashire residents. Barclaycard Business is supportive of what we are trying to achieve. They are flexible and always receptive to new ideas, which is why I enjoy working with them.”*

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