

HOME OFFICE - GPC CASE STUDY

The Government Procurement Visa Card (GPC) programme, originally developed by OGC.Buying Solutions and Visa, was implemented by the Home Office in 2003 as an important part of the Adelphi programme to modernise and improve the efficiency of the organisation's low-value procurement process.

Experience from other government departments indicated that achieving a successful roll-out depended upon overcoming a natural conservatism about the empowerment of individuals with methods of procurement and financial commitment which had not traditionally been available. In view of this, a trial was undertaken using the then Police Scientific Development Branch. The pilot was a great success and the lessons learnt were invaluable in the subsequent office-wide roll-out and in validating the policy and procedures around the card.

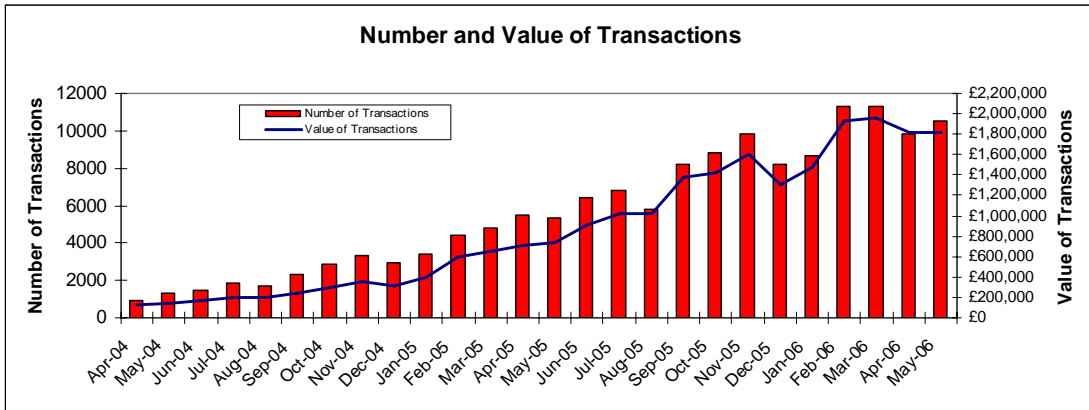
Important lessons learnt were that close cooperation and involvement of all stakeholders at an early stage was key to obtaining visibility and acceptance of the scheme and that early buy-in from senior management was vital in facilitating the roll-out of the GPC across the Home Office. Stakeholders needed assurance that empowering individuals with the GPC did not lead to any loss of financial control or additional administrative overheads. In the light of the trial these assurances could be confidently provided. A consistent level of training to all new cardholders was, and remains, an integral part of the GPC scheme, ensuring all users are familiar with card policy and confident in use of the card.

Internal marketing campaigns and word-of-mouth quickly communicated the benefits of the GPC to other business units across the Home Office driving the project forward. As more units adopted cards, use grew steadily with the initial GPC project targets met and exceeded. By May 2006 the Home Office had more than 1850 cards in circulation and was processing nearly 12,000 transactions per month. As a direct result of low value purchases being directed through GPC's, there has been a significant reduction in the processing activity, and volume of invoices handled in the Home Office, leading to notable efficiency savings.

The Home Office programme operates with initial individual card limits of £500 per transaction and £5,000 per month, with all merchant categories open (except cash). An analysis of management information (MI) indicates this is satisfactory for the majority of users. However, business units are able to adjust these limits to enable their cardholders to use their cards more effectively depending on the type of work in which they are involved. Regular MI reports ensure 100% transparency and accountability and facilitate easy identification of key suppliers and major spend areas.

Cardholders in the Home Office range from senior managers to administrative staff. It is up to individual business units to determine who should hold cards with the GPC team advising as necessary. The GPC is not just a procurement tool for office based requisition; it is available to front line employees such as Prison Inspectors and Immigration Officers empowering them to fulfil their role more effectively.

The OGC and National Audit Office have benchmarked a £28 average saving per transaction by using GPC Visa cards over existing processes. By May 2006 the Home Office GPC had processed approximately 133,000 transactions, delivering £3.4m in efficiency gains for the Home Office since the project began. The cards now handle one third of all payments made to third party suppliers and accounts for nearly £2 million a month in spend.



With widespread adoption of the card and a user base of nearly 1850 active cardholders future development of the project will concentrate on incorporating cards into commodity and service contracts and increasing the opportunities for card use as the cardholder number approaches optimum take-up. The card process is constantly being improved to integrate it more closely with Home Office Oracle applications and accounting requirements, reducing or removing secondary accounting activity where possible, and producing further efficiencies.

Throughout the process the Home Office Commercial Directorate has been closely supported by Barclaycard who have provided resource and adapted their systems to assist in the continuous improvement of the service provided to the Home Office Business Units.

As a result of the successful GPC implementation a separate T&E Card project has been initiated across the Home Office with a target of issuing 1,500-2,000 cards over the next 12 months.

Tom Dorman
Purchasing Cards Manager, Home Office Commercial Directorate
July 2006