



PRESS RELEASE

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A MAJOR switch in the way local authorities in the north west reimburse petty cash and expense claims of employees could save council taxpayers at least £12 million.

More than a third of the 46 councils in the region are about to start using procurement cards under a new scheme to pay for many of the small items and staff expenses that have traditionally been paid for via petty cash.

There are around three million local authority purchase transactions in the north west, of which 70% are for less than £500. If procurement cards were used for just a fifth of these, savings could be as much as £12million across the region.

The NWCE Barclays Procurement Scheme, championed by the North West Centre of Excellence, has been launched against a background of convincing evidence.

Research carried out on behalf of the NWCE has revealed that each petty cash or expenses claim costs an average £33 to process. The procurement card scheme will significantly reduce this figure for local authorities by around 84 per cent.

The NWCE's work to pioneer the scheme has also meant additional benefits for the smaller local authorities in the region. The banks usually apply a minimum credit balance to corporate users of the card that, in the case of many of the region's smaller councils, would be prohibitive. The NWCE has negotiated with Barclays who have agreed to aggregate the credit balance across all participating councils.

Sefton Borough Council on Merseyside and Wyre Borough Council in Lancashire are leading the way in implementing the scheme.

Currently, 53 per cent of local authorities in the region already have p-card schemes in place. Manchester City Council, is the largest user of card based purchasing in local government in the UK and spends a monthly average of £4.6 million with the card. Since it introduced the p-card scheme in 2000, cumulative process savings have exceeded £9.2 million.

The p-card scheme is one of a number of projects being driven by the NWCE that are producing significant savings for local authorities in the north west. This year alone, the centre has supported 14 e-auctions in the region saving more than £2.7 million, and current regional projects being supported by the NWCE have the potential to save more than £7,780,000.

NWCE regional director Colin Cram commented: “Total spend in the north west by local authorities amounts to £4.5 billion. It’s a significant sum and, wherever possible, local authorities should be working together to either deliver savings on that spend – or developing projects that will enable them to get more for their money.

“The p-card scheme is a great example of the centre working with local authorities to create a shared project that can benefit many – and deliver real results for the communities in the region.”

ENDS

Notes to Editors

The nine regional centres of excellence are the lead change agencies for local government efficiency. They are supporting councils to secure millions of pounds in efficiencies that are being reinvested in better front-line services. Uniquely placed to bring councils together, they are run by local government, bring additional capacity and are results focused.