

Embedded card solution delivers efficiencies for Moray Council.

Local authority gains greater visibility and control of its spend using embedded card.

Customer:



Moray Council

Location:



North East
Scotland

Our service:



Embedded
Card Solution

An embedded purchasing card solution with a key supplier is driving efficiencies for Moray Council.

Based in the North East of Scotland, the area covered by Moray Council lies between Aberdeen and Inverness. In common with most local authorities, delivering quality services in the most cost-efficient way possible is a priority.

Identifying efficiencies

In September 2017, the Council reviewed its purchasing card solutions, moving these to Bank of Scotland* as part of a re-tendering process. At the time, the purchasing card solution was fairly standard, covering mainly expenses and ad hoc invoices.

"However," says Payments Manager at Moray Council, Diane Beattie, "as part of the process, myself and the Bank's Card team identified other areas where we could benefit from efficiencies."

One of these areas was the Council's school catering provision, provided by Brakes. "We have 54 locations placing orders every day, which created monthly statements that had to be reconciled manually," explains Diane. "It was very admin intensive."

Richard Humphries, Client Development Manager at Bank of Scotland, says: "Using an embedded

card solution effectively strips out all invoices. By understanding how Moray Council operates, we could clearly see an opportunity to improve efficiencies by creating a bespoke solution. Not only does it streamline the ordering process, but it also means that Moray Council can download a report that's HMRC-compliant and which makes reconciliation much easier."

Benefits for supplier and customer

Building the embedded card solution involved liaising closely with the schools' caterer, Brakes, to ensure the system was put in place correctly to deliver the benefits available. Kevin Williamson, National Account Manager, Public Sector Scotland at Brakes, says: "As one of the largest commercial catering organisations in the UK, we were familiar with the use of embedded card solutions through working with other clients. That meant that we were able to work closely with Moray Council and with Lloyds Bank to build the solution. Both Brakes and Moray Council are seeing the benefits of a more efficient ordering and payment process."

The implementation process was made more difficult because, as a small local authority, Moray Council's Finance department had no separate



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Diane Beattie, Payments Manager, Moray Council



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development team. "Everything had to be done by us on top of our day to day job," explains Diane, "so the process took longer than it perhaps should have done, but that was entirely from our side. For Brakes, their familiarity with the solution meant it was business as usual, whilst the Lloyds Bank team couldn't do enough for us."

Improved visibility and control

Initially launched for the Council's secondary schools, the solution has since been rolled out across the Authority's primary schools. Orders are placed through Brakes' electronic portal with information, including line item detail, available through the Lloyds Bank online data management portal. "When a school places an order, we can see straightaway what it is and whether it's compliant," says Diane. "Each order number also relates directly to a specific cost centre, so can be reconciled quickly and easily. The MI efficiencies are significant. Having all of the data available in one place is a great benefit. The electronic system improves visibility and control and makes it easier to carry out spot checks, which helps with compliance and, from an internal audit perspective, helps us to achieve targets around reducing fraud."

As well as greater visibility, the embedded card solution provides Moray Council with greater control says Diane: "We have a centralised

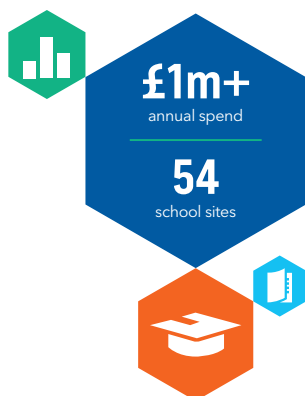
catering manager who authorises the transactions. The electronic system allows her to flag anything she doesn't like, so this gives much more control over authorisations."

Financial benefits

In addition to providing working capital efficiencies, there have been other financial benefits for Moray Council. "The embedded card solution was delivered under the ePCS framework, which provides a rebate on card spend for Moray Council," says Richard. Under the terms of the contracts between Moray Council and Bank of Scotland, as expenditure through the solution increases, so too does the rebate. "When we launched the embedded card solution in October 2018, monthly spend was around £40-60k. In 2018/19, it's already around £150,000, so annually we're looking at upwards of £1m. That offers us a significant rebate on top of all the general efficiencies embedded cards provide," says Diane.

With the solution rolling out across the Council's primary schools, Diane is considering other areas where embedded cards could make a difference. "We're so pleased with the solution in terms of ease of use, greater visibility and control and both time and cost-efficiency, that we're already actively looking for other areas to use embedded cards," she says.

*Purchasing Card solution provided by Lloyds Bank.



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