



Case Study

Cumbria County Council

The government has announced plans to cut public spending significantly, with local government being expected to shoulder the burden of a significant proportion of that reduction.

Therefore, balancing the budget for local authorities is more acute than ever before. Councils now need to develop new income channels which are both sustainable and supportive of the local economy.

With income generation in mind, linked to a savings target of £80 million by 2019, Cumbria County Council engaged with Oxygen Finance in 2014 to introduce a Premier Supply Service (PSS).

In exchange for improved supplier relationship management, invoicing efficiencies and payment of invoices ahead of contracted terms, the Council's suppliers can elect to join the PSS for a small discount to each invoice. To ensure fairness, the discount taken against each invoice is proportional to the number of days in advance of contracted terms that payment is made. Implementing the PSS was a collaborative exercise with Oxygen personnel working closely with Council staff. Once in place, suppliers were invited to join, and take up has now reached **£140m** of annual spend across more than **200 suppliers**. This has produced new income of **£2.5m** for the Council and with the programme going from strength to strength, Cumbria chose to renew with Oxygen for a further five years in 2019.

We've shared insights from both the Council and suppliers to provide more detail of the benefits the initiative has offered Cumbria County Council, their suppliers and the wider community.

"In delivering Premier Supply Service (PSS), Oxygen Finance has enabled us to generate much-needed new savings, whilst improving the efficiency of our processes. Our payment programmes deliver real financial benefits without impacting services, whilst supporting social value goals by injecting liquidity into the local economy.

We have a great partnership with Oxygen Finance, they have invested significant resource both at the start of the programme to get us up and running and it has continued during the ongoing service management phase to ensure ongoing success.

I am delighted to see the Premier Supply Service in operation – we view this as one of the major ways in which the County Council can support our suppliers, improving cashflow so they can invest in growing and developing their businesses."

Katherine Fairclough, Chief Executive



## Council testimonials

“We engaged with Oxygen Finance in 2014, as we were looking for innovative ideas to save money for the Council, due to being set very high savings targets that required our department to make efficiency savings.

Oxygen Finance brought to bear their expertise, experience and a suite of tools which have enabled us to get the programme up and running in a relatively short time. The programme is now embedded into our ways of working and is complementary to our other procurement and commissioning priorities.

I am happy to say we are above target and have achieved a total annual rebate of **£1.8m** within the last year, through the programme.”

**Conway Stewart**, Senior Manager, Commissioning, Procurement & Contract Management



“achieved a total annual rebate of **£1.8m** within the last year”

## Benefits for the Council’s Suppliers

The Premier Supply Service has been well-received by Cumbria Council Council’s supply chain, who benefit from access to free e-invoicing, support from dedicated contacts and enhanced cash flow as a result of earlier payment.

“Foster Care Associates is the UK’s largest independent fostering agency, we have been fostering Young People and supporting our Foster Carers for over 20 years. We have been working with Cumbria County Council for over 10 years and many Local Authorities choose FCA as a service provider.

We signed up to the Premier Supply Service in April 2014 and we really believe that the programme is very beneficial for both parties and we’re very pleased to be supporting the Council in these difficult economic times. We have seen added value for Foster Care Associates in receiving early payment to help with cash flow and we have experienced an enhanced working relationship with the accounts team at Cumbria County Council since we joined.

We have an accounts manager for Cumbria County Council who does not have to spend time chasing for payments as we are guaranteed early payment of our invoices. We wholly support this initiative and are delighted to support our customers in this respect.”

Sam Dodwell, Credit Manager, Foster Care Associates

Take up has now reached **£140m** of annual spend across more than 200 suppliers. This has produced new income of **£2.5m** for the Council



“Kiely Bros has been a key supplier to Cumbria County Council for 5 years. We are one of the primary surface treatment contractors in the UK with a nationwide reputation for quality, expertise, service and customer care.

Early payment of invoices reflects our own buying processes and policies at Kiely Brothers and we have experienced improved cashflow since we signed up to the Premier Supply Service in April 2015. It is an innovative programme that really is a win-win for suppliers and the Council, and encourages collaboration and early agreement of costs to support the early payment process. In a time when Councils have to demonstrate value to their members, implementation of a programme like this provides the most visible evidence of local authorities spending their money wisely, and understanding the importance of cash flow to supply chain partners.

Kiely Brothers now has a stronger relationship with the Council since joining the programme and we are pleased to be supporting the Council in difficult times so they can save much needed money. We are very happy with the programme and I’d recommend it to other suppliers and local authorities so that they can save money and become more efficient.”

Stephen Port, Commercial Director, Kiely Brothers

## About Oxygen Finance

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Oxygen Finance is a specialist provider of payment solutions and insight. Our early payment programmes and public sector spend analysis help public and private sector organisations to drive savings, improve operational effectiveness and deliver against social value objectives. We have offices in the UK and US and work with a range of technology partners. Oxygen Finance is a wholly owned subsidiary of TruFin PLC, a specialist fintech and lending business.

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