



FINANCE

Oxygen Finance working with Warwickshire County Council

A better way of working at Warwickshire County Council

Warwickshire County Council introduced its **Premier Supplier Service**, in partnership with Oxygen Finance in 2015, with the objective of building stronger relationships with the key suppliers that support the council in delivering essential services to the people and businesses of Warwickshire.

The Premier Supplier Service offers its suppliers early settlement of their invoices in exchange for a discount directly related to how quickly the payment is made. Warwickshire though, was also the first council in the UK to pilot Oxygen's **Freepay** initiative, giving the smallest suppliers access to **early payment for free**.

The council chose to launch an early payment programme to deliver multiple benefits – suppliers benefit from improved cashflow and reduced time spent chasing payments and the council benefits from improved operational effectiveness, from digitising back-office functions and optimising P2P processes.

"We wanted to demonstrate our commitment to paying suppliers as we said we would. It's about the authority keeping its promise – that's integral to building effective relationships with our suppliers. That in turn meant getting a better insight into our current payment practices and raising the importance of this function across the authority as a whole." CFO, Warwickshire County Council.

Since implementation, the benefits for Warwickshire County Council have been substantial. To date, over **1000 suppliers** have signed up to the programme, representing an annual spend of **£67m**. Typically, payments on average are made on **day 8**, with **£285 million** of fast-tracked payments made to date.

Due to the success of the programme, in December 2020, Warwickshire extended their commercial agreement with Oxygen for another 5 years.

Rob Powell, Strategic Director of Resources said, *“As our initial 5-year contract was coming to an end, and with the council having secured net savings in excess £2.2m, we were very keen to continue the Early Payment Programme. Oxygen’s support was invaluable during the summer of 2020, supporting Warwickshire in our Covid response and quickly complying with the PPNs. This resulted in over £250m being paid to 1,000s of suppliers when they needed it most.”*

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