



# Middlesbrough Council

August 2021



# About Oxygen Finance

---



Oxygen's Payment and Insight Solutions help public sector organisations improve their supply chain management, creating and delivering economic and social value to the local economies and communities they serve.

Expertise in P2P, technology and finance

Approaching 100 clients, including NHS Wales & FTSE 100 Corporate

- **Early Payment for Local Government**

- > £22bn of Procurement spend
- 9 London Boroughs
- County Councils – Cumbria, West Sussex, Warwickshire, Lancashire, Essex, Flintshire, Worcestershire
- City Councils – Aberdeen, Cardiff, Sheffield, Wakefield, Coventry, Bristol, Newcastle
- 100% renewal record
- National Framework via NEPO
- Winner of Public Finance 2019 Award

- **Insight solutions**

- A database of over 128 million invoices across >£1trn spend
- Tracking tender notices and key decisions from 1100 public sector buyers
- Trusted by NAO & LGA



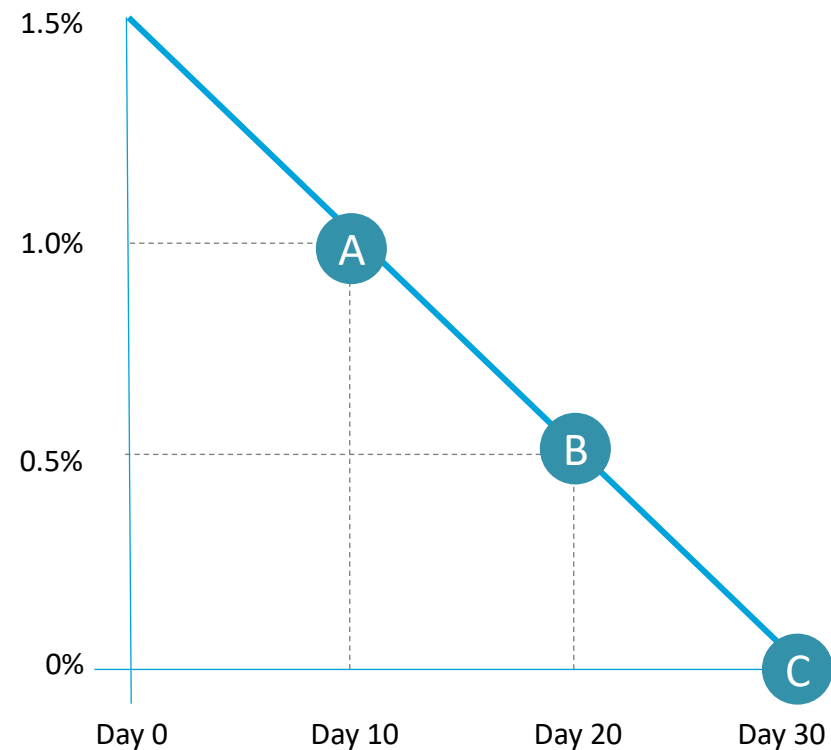
# What is Oxygen Finance's Early Payment Programme?



Invoices paid early attract a discount which is dynamically calculated and deducted from the settlement value. Participation by suppliers is solely at their discretion.

E.g. on a £200k invoice with a 30 day term

- A** Payment made on day 10 @ 1% discount = £2k
- B** Payment made on day 20 @ 0.5% discount = £1k
- C** Payment made on day 30 @ 0% discount = £0



Clients have the choice to operate a FreePay product dependent on their specific social value agenda and commissioning requirements.

Our pioneering FreePay product is focused exclusively on supporting small and micro suppliers, by getting them paid early without any charge; it's simply early payment for free! The fully automated solution dramatically reduces time and administrative effort, while facilitating much-needed cash flow into local economies. Oxygen provides a complete solution; improving the Council's ability to digitally receive invoices and pay them ahead of term.



Designed to support Micro & Small Local Businesses



Addressing the c£50bn in late payments



Oxygen support the definition & identification of this group of suppliers



No charge to suppliers

Thousands of  
suppliers are enjoying early  
payment for free across our  
programmes, with invoices

totalling over **£6m**  
paid early through  
FreePay

"Paying early makes a real difference to the supply chain and makes it sustainable. The buyer wins, the supplier wins, and the economy wins."

**Philip King, Small Business Commissioner**

"FastTrack provides significant benefits to our suppliers with hundreds of firms receiving payments quickly and efficiently. This shows how well the process works. We are seeing more firms signing up all the time as they realise that getting paid fast can be a lifeline"

**Councillor Paul Johnson, Flintshire's Cabinet Member for Finance, Social Value and Procurement**

# Why adopt an Oxygen Early Payment Programme?

A true win/win solution for [Middlesbrough Council](#) and your suppliers.

## Middlesbrough Council



Contributes to [social value](#) agenda



P2P [efficiencies](#) and reduced cost



New, predictable bottom line / [savings](#)



Adhere to government legislation, support transition from PPN04

## Your Suppliers (big and small)



Improved cashflow



Can be replicated down each tier of the supply chain



Improved relationship with their customers



Hands free and fully automated

“In delivering the programme, 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.

Chief Executive, Cumbria County Council

# How do we do this?

The implementation process is built around four fully resourced workstreams. Clients also receive proactive service management for the lifetime of the contract.



## Process Improvement

Deploying lasting improvements to optimise the P2P processes, ensuring invoices are paid at the earliest point in the process



## Supplier onboarding

40% + adopted through robust, class-leading methodology and a suite of supporting tools, maximising income, leveraging insight services



## Technology

Unobtrusive seamless integration with Finance systems, lights out fully automated. E-Invoicing & KPI dashboards bundled



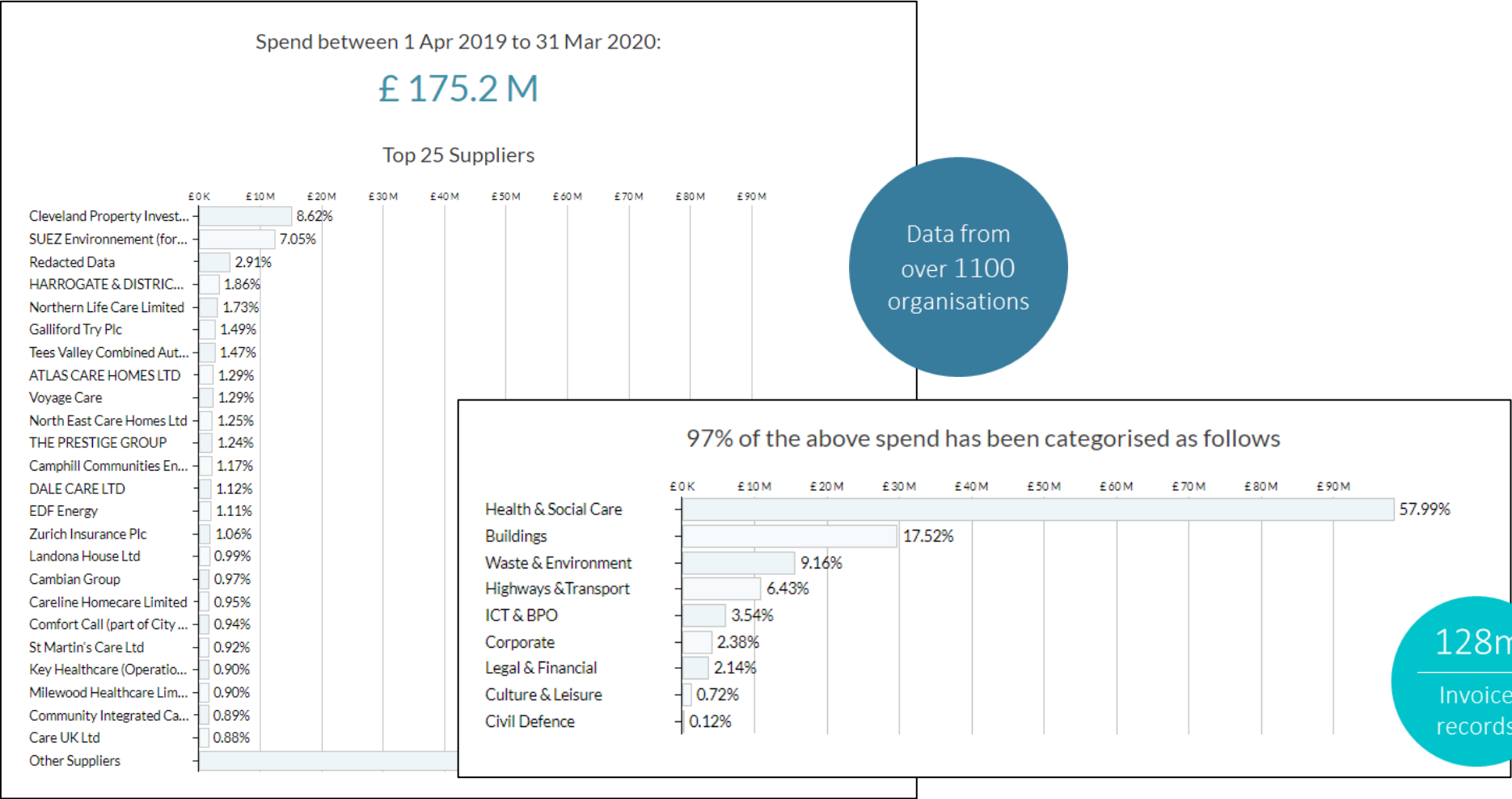
## Communications

Internal & external comms, so staff and suppliers understand the scheme as appropriate to their needs



Service Management (5 years)

A number of Middlesbrough suppliers are signed up to Oxygen programmes elsewhere.



Data sourced from Illuminator an Oxygen Insight Product.

# Why now?



There has never been a better time to proceed:



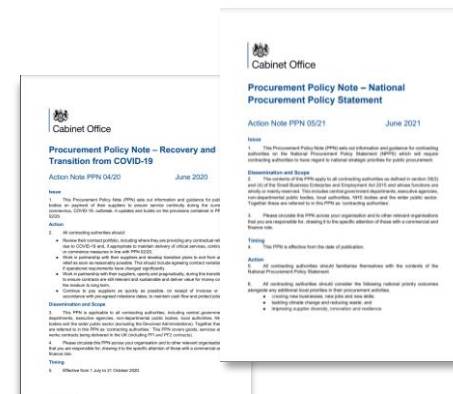
Green paper

- Changed the way Public sector bodies manage their procurement
  - Oxygen's Early Payment programmes compliment the overriding theme of the paper:
1. Simplicity
  2. Transparency
  3. Technology
  4. Contract management
  5. Strengthening payment term regulations



Covid response & recovery

- Oxygen has been at the forefront of creating long term sustainable models that provide buyers with the supply chain stability they need, and suppliers with genuine support.



Procurement Policy Notices

- Moving focus away from traditional payment approaches can support both the buyer and their suppliers
- PPN04 ended in Oct.2020: It is crucial that capital flows effectively through supply chains to ensure suppliers can operate and buyers can obtain the goods and services they need.

“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.”

**Rob Powell, Strategic Director of resources, Warwickshire County Council**



# Executive summary



Oxygen is a proven, value-based solution to addressing today's payment challenges and opportunities, delivered using proven processes, robust technology and expert resource.

- Number one provider in Local Government with 10 years experience
- c50 Local Authority clients
- Approaching 5000 suppliers onboarded onto our programmes
- Process £6m rebates a year on behalf of our clients
- 4.4m Invoices transacted over Oxygen infrastructure last year
- Selected successfully through 4 separate OJEU processes
- 100% Renewal record with clients
- Multiple awards and endorsements from Public Sector professional bodies
- Local Govt. P2P and Procurement Best Practice Forums established

Oxygen Finance's Early Payment Programme generates bottom line social value, as well as efficiency and savings benefits.



Crown  
Commercial  
Service  
Supplier



# Next steps

---



Oxygen has been awarded a NEPO Framework Agreement for the Implementation and Operation of a Supplier Early Payment Scheme. This framework is available for any UK local authority to call-off.

**Step 1:** Issue draft Call-Off order form for review

---



**Step 2:** Arrange Practicalities of Implementation Workshop

---



**Step 3:** Execute Contract

---





Appendices

# Insight & Resilience Services



## Illuminator

Illuminator helps public sector procurement teams understand how their own spend ranks against their peers by Supplier, Market and Organisation.



## Collaborator

Helps commissioners identify opportunities for procurement collaboration, providing intelligence on proposed procurements, alternative delivery methods and transformation initiatives.



## Monitor

Allows councils to continuously observe their supply base and a notification will be issued should any supplier become insolvent or have a CCJ registered against them.



## Survey

A solution that periodically polls a supply base gathering early insight into a health of the supply chain, especially when combined with Monitor.



## Supplier Review

A short data driven activity that rapidly analyses the council's supply base establishing those suppliers who are active and then enriching the data to overlay company locations, size (SME) and category.

'Oxygen's Insight services have proved an invaluable tool, particularly during the Covid-19 pandemic, to help focus our support offer to relevant councils with in-depth analysis on cross cutting supplier related issues'

**Tina Holland, Procurement Lead**



# What do our Clients say?



"Through working with Oxygen Finance, we've been able to enhance our efficiency and effectiveness and also enhance the cashflow of our suppliers"

**Monica Fogarty**  
Chief Executive  
Warwickshire County Council



"It's helping Halton Borough Council generate an income stream that will be very useful to Safeguard frontline services"

**Eve Turkington**  
Lead Supplier Incentive  
Programme Officer  
Halton Borough Council



"it's very much a joint initiative, coming together to be able to really understand how we can deliver value to our suppliers"

**Martin Reeves**  
Chief Executive  
Coventry City Council



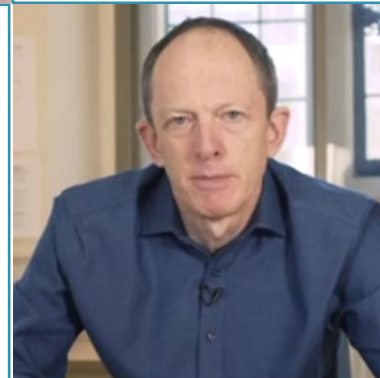
"There are real benefits, both in terms of our improved systems and processes, a really strong focus on the value of early payment"

**Katherine Fairclough**  
Chief Executive  
Cumbria County Council



"Oxygen have a wealth of experience, as they've been working nationally with some of the biggest Councils in the UK"

**Nicole Wood**  
Executive Director of Finance &  
Technology  
Essex County Council



"It allows us to give something back to our suppliers. So we see this as using our procurement power to support that economic growth"

**Eugene Walker**  
Director of Resources  
Sheffield City Council



Watch the  
video:  
[vimeo.com/  
335098370](https://vimeo.com/335098370)

# ...and our Suppliers and Industry Partners?



"The programme allows me to forget about cash flow. We get paid on average 5-8 days after we submit an invoice, we can now concentrate on what we do best"

**Andrew Hubbard**  
Managing Director  
Under My Roof



"Paying early makes a real difference to the supply chain and makes it sustainable. The buyer wins, the supplier wins, and the economy wins."

**Philip King**  
Small Business Commissioner



"We have a complex supply chain to manage and this service means you can rely on being paid early, usually within as little as six days"

**Gary Adshead**  
Director  
Burngreave Building Company



"We are now being paid within two days of our invoice being raised. Being part of the programme has enabled us to focus on growth."

**Ram Mahendran**  
Director and Owner  
Bromson Hill Nursing Home



"Trevors Food Service have a great business relationship with Halton Borough Council, which is strengthened by the Supplier Incentive Programme"

**Steven Lightowlers**  
Credit Control Manager  
Trevors Food Service







# Disclaimer & Confidentiality Notice

This document is strictly confidential and is provided for the exclusive use of Middlesbrough Council and no other party. It is not available to be distributed or circulated to any other party or to be published in any manner in any forum without the express written consent of Oxygen Finance Limited ("Oxygen").

This document has been prepared by Oxygen using sources believed to be reliable and accurate but without further investigation the information contained herein cannot be warranted as to its accuracy or completeness.

The information and opinions in this document are subject to change without notice and it is intended for discussion purposes only. Neither this document nor any other statement (oral or otherwise) made at any time in connection herewith is an offer, invitation or recommendation to enter into any transaction in relation to an Early Payment Programme ("EPP") or any other Oxygen offering as described herein, or any associated direct or indirect internal or external funding thereof.

Middlesbrough Council is advised to independently review and/or obtain independent professional advice and draw their own conclusions regarding the economic benefit and risks of EPP and the legal, regulatory, credit, tax and accounting aspects in relation to

their particular circumstances.

Provision of this document to Middlesbrough Council does not oblige Oxygen to enter into any transaction. Any offer would be made at a later date and subject to contract, satisfactory documentation and market conditions. Oxygen and its partners (as defined herein) make no representations as to any matter or as to the accuracy or completeness of any statements made herein or made at any time orally or otherwise in connection herewith and all liability (in negligence or otherwise) in respect of any such matters or statements is expressly excluded, except only in the case of fraud or wilful default. Any forecasts and projections provided herein are indicative only as at the dates indicated and do not purport to be anything else and may in particular (but without limitation) be affected by changes in market conditions. Past performance is not indicative of future results.

This disclaimer and confidentiality notice is not intended to override the terms of any Non-Disclosure Agreement, Letter of Engagement, Operational Services Contract or other formal contractual agreement between Oxygen and Middlesbrough Council (each a "Contractual Agreement") and in the event of any conflict, such Contractual Agreement shall take precedence.