

# Businesses and Local Authorities Working Together

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Oldham Council pioneered an early payment programme that is now being replicated by local authorities across the UK.

The Oxygen Finance programme allows suppliers to the Council to receive early payment of invoices in exchange for a small discount. This ensures the Council builds important relationships with local businesses and suppliers, helping them to grow, whilst also generating income for the local authority to contribute to the vital services people need. A win win scenario.



Jim McMahon OBE, Oldham Council Leader and LGA Labour Group Leader



'In 2011 Oldham embarked on a journey to become a Co-operative Council.

"Calling yourself co-operative is challenging. There's no hiding place if you don't live up to it in your deeds - and that's even more difficult in a climate where local government must balance dwindling budgets with rising demand for services.

"As the fastest public body to close our accounts in half a century last year we take managing our finances more seriously than most. But we're also determined to put fairness at the heart of everything we do, which is why the way we do business says a lot about us to suppliers and residents.

"We know we need to make every pound we spend go even further, so we focus on delivering social value. We select suppliers for every contract now based on what they'll do for our local economy - like paying residents fair wages, caring for our environment and creating local jobs as part of Get Oldham Working.

"Becoming the first public sector body to sign up to Oxygen's Early Payment in 2012 supports that approach.

"Not only does it help us maintain positive relationships with local businesses and suppliers, it mirrors our values and ambitions.

"We're always looking at ways to help business and work hard to ensure they are paid on time. It helps SMEs to succeed and plan ahead with the stability they and their staff deserve.

"It gives a range of benefits. Paying them quicker helps with cash flow - and this saves suppliers money in bank overdrafts or other forms of credit.

"They also get increased efficiency through e-invoicing and it helps us optimise our supply base.

"It's entirely voluntary but the scheme has been well received in Oldham.

"The cost covers our additional administration, so there is no further cost to the taxpayer, and we know it really does help business.

"We also know stronger local firms means a stronger local economy - one that has confidence and pride in itself - and the income we raise helps us maintain the key services our residents depend on."

Cllr Abdul Jabbar, Oldham Council's Cabinet Member for Finance and HR



"Local authorities across the country have a huge role to play in tackling late payment and ensuring that our local businesses and High Streets stay resilient and vibrant.

"That is why Oldham was the first public sector organisation to adopt an Early Payment scheme, back in 2012, with Oxygen Finance.

"This is a pioneering programme that enables local authorities to pay suppliers early in exchange for a cash return or 'rebate'. We signed up because we know local businesses, especially SMEs, are the heartbeat of our economy and must be supported."

Emma Alexander, Executive Director Corporate and Commercial Services at Oldham Council



"We had tried to improve payment processes in the past but with varying degrees of success.

"Oxygen has now given us real impetus, and the added capacity, skills and knowledge to improve compliance and management information through a planned programme of work. We have progressed from not understanding how to make the required shift in performance to being able to identify the issues and make the required changes to achieve process improvement and accelerated payments.

"We are delighted with the success of the programme and there is little doubt that local authorities across the UK can benefit, like we have, from Oxygen's Early Payment Scheme."

## Internal improvements: An Employee Viewpoint

Gaynor Gamble, Oldham Council's Procurement Manager for Professional and Commercial Services has worked in the procurement department for the past six years and is the contract manager for the Early Payment scheme. She has worked with Oxygen since implementation, helping to realise the benefits of the scheme and supporting the comprehensive P2P process change that the scheme has brought to the organisation.

"Improving our ordering and payments process has had a positive impact right across the council; it has improved internal compliance, increased efficiency and strengthened relationships with suppliers and stakeholders"

"The work Oxygen has done with Oldham Council also allows us to focus on building relationships with local businesses in the borough, which really matters to us. We found that small and medium size businesses in particular welcomed the opportunity to join the scheme which helps them plan ahead with the benefit of improved cash flow and helps us contribute to realising our cooperative values"

# On the front line: Case Studies from Oldham

Sonya Dawson, Managing Director  
of Limb to Limb Tree Services Ltd



Limb to Limb provides essential services in maintaining our Borough's trees for Oldham Council, making sure that none of them pose a risk to residents. This could be just pruning to removing whole trees – a wide range of jobs.

Sonya Dawson, managing director of Limb to Limb Tree Services, said: "We have been working with the council for over eight years now and have a lot of experience of delivering these services around Oldham.

"We are really pleased to be part of the Early Payment Scheme, as it will help our business in many ways. By getting paid in eight days instead of 30, you can plan what you're going to do – such as purchase new equipment, with greater ease and security. This in turn has made our business more productive and efficient, as we are able to control our cash flow better and utilise our resources to greater effect. This is an excellent scheme that I would recommend to any business. The benefits of being paid quickly and reliably far outweigh the small reduction in fees we receive. Limb to Limb were attracted to the scheme as we knew that when you are paid fast, you plan better and are more productive, both essential in today's business climate."



Balmers GM began their relationship with Oldham Council over 20 years ago when they supplied the Council with commercial ground care machinery.

The relationship has now grown to supplying a large range of commercial ground care equipment, such as walk behind mowers, ride on mowers and tractors.

Owner and founder David Balmer (pictured) said he was more than happy to sign up for the Oxygen Finance Scheme as "it ensures prompt payment, which helps to maintain our healthy cashflow."

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