

Premier Supply Service

A guide for
suppliers



Welcome to the Premier Supply Service

Cumbria County Council is committed to developing our approach to working with key suppliers. As part of this we have undertaken an in-depth analysis of our purchase-to-pay process and we are seeking to optimise our supplier base. A key objective of the Premier Supply Service (“PSS”) is to improve the ordering, invoice management and payment processes for the benefit of all parties.

Cumbria County Council believe the PSS delivers a win-win outcome. Key benefits to the council's suppliers are:

- **Improved cash flow through the early payment of invoices.**
- **Reduced payment volatility – suppliers will be paid faster and more consistently.**
- **Increased efficiency through our simple to use e-invoicing solution, prioritised invoice processing and dedicated query resolution.**
- **Closer collaboration and an improved long-term relationship.**
- **Enhanced client satisfaction and increased visibility within the council.**
- **Improved financial metrics.**

“I am delighted to see the Premier Supply Service in operation - it's one of the major ways in which the County Council can support key suppliers and improve cash flow within the economy”

Katherine Fairclough: Chief Executive



Key features

Free and simple to use e-invoicing

One of the most significant developments is that Cumbria County Council is committed to e-invoicing. This will bring the following benefits to suppliers:

- Reduced invoicing cost.
- Assured timely delivery of invoices to the right place so they are visible.
- Avoids the risk of human error.

Prioritised invoice processing

As a member of the PSS your invoices will be processed on a fast-track basis. The PSS introduces a transparent and visible incentive to the council for processing all PSS invoices as quickly as possible, ensuring faster and more consistent payment is delivered and maintained.

Dedicated accounts payable mailbox and contact

PSS suppliers will receive dedicated email and telephone contact details within Cumbria County Council's Accounts Payable department to ensure PSS invoices are processed correctly and queries proactively resolved.

Increased visibility and promotion within the Council

Cumbria County Council are responsible for many of the key services that are important to local communities such as health and care services, including residential and home care, services for children and young people, highways and transport, fire and rescue, libraries and communities and much more.

Suppliers that are part of the PSS will receive recognition of this on our public website, leading to increased visibility with stakeholders both inside and outside Cumbria County Council.

Supplier case studies

As a PSS supplier there are opportunities to case study your work with Cumbria County Council and include it in your marketing materials. We would be happy to discuss any proposal with you.

“The Premier Supply Service brings important benefits for our suppliers and the county council in the current economic climate.”

Stewart Young: Leader of the council



Key benefits

For suppliers:

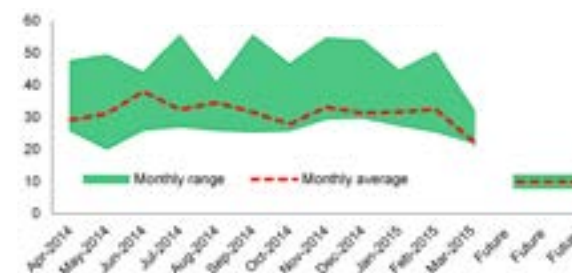
- Improved cash flow through the early payment of invoices.
- Reduced payment volatility—suppliers will be paid faster and more consistently.
- Increased efficiency through our simple to use e-invoicing solution, prioritised invoice processing and dedicated query resolution.
- Closer collaboration and an improved long-term relationship.
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For Cumbria County Council:

- Innovative solution that generates value from an ongoing purchasing requirement in order to help protect front line services.
- Make it easier for our suppliers to do business with us.
- Opportunity to better understand and manage our large supplier base.
- Commitment to drive end-to-end process efficiency and reduce cost.
- Opportunity to use our working capital to support suppliers.
- Minimise the reporting and financial risk associated with new legislation requirements.

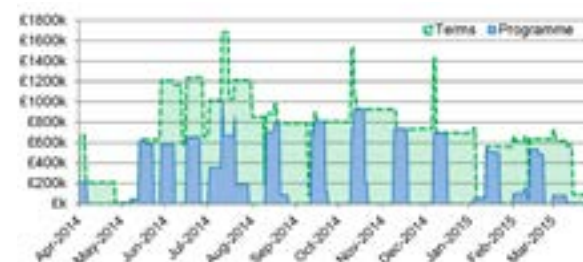
Faster and more consistent payment performance:

- A common problem that suppliers experience is a payment performance which varies from month-to-month. This uncertainty is difficult to manage.
- Central to the PSS is a significant purchase-to-pay investment which enables Cumbria County Council to process invoices faster and pay suppliers more quickly.
- Transparent buyer incentives constantly drive invoice acceleration to deliver faster payment with reduced volatility.



Reduced cost of collection and WIP exposure to Cumbria County Council:

- As invoices are settled more quickly, a supplier's work in progress exposure to the council will reduce.
- This reduces the cost and risk associated with doing business with the council.



“The Premier Supply Service continues to provide the perfect opportunity for us to support local businesses and help our valued suppliers to improve their cash flow.”

Cllr Ian Stewart - Deputy Leader of the Council



“Building positive relationships with our suppliers is key to ensuring our procurement is effective.”

Julie Crellin: Assistant Director - Finance



Participating in the Service

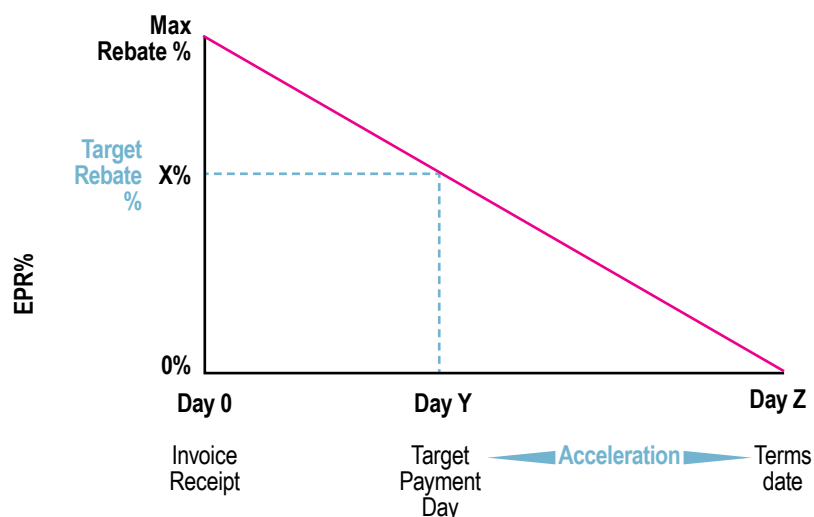
As a member of the PSS, your invoices will be processed and paid on a priority basis rather than waiting for the contractual due date.

Cumbria County Council will calculate the Early Payment Rebate and deduct this from the approved invoice amount. Along with the payment, Cumbria County Council will issue you with a debit note to the value of the Early Payment Rebate.

How does it work?

As a result of improvements made to our payment process, we are able to pay your invoices early. In return for paying you ahead of your pre-existing terms a small rebate is deducted.

The rebate is calculated dynamically and is proportionate to the number of days we accelerate your payment (the number of elapsed days between the receipt of your invoice and the date it is paid). The rebate is only applied if payment is made ahead of terms. **No acceleration, no rebate.**



“This is a great initiative to ensure we give the best possible service to our suppliers.”

Brenda Smith: Director - Health and Care Services



Frequently asked questions

How will the early payment impact the invoice generation process?

There is no change to the way you generate your invoices. Cumbria County Council will calculate the early payment rebate and deduct this from the invoice amount. Along with the payment, Cumbria County Council will issue a debit note to the value of the early payment rebate.

How will the early payment impact the invoice submission process?

E-invoicing is provided free of charge to all PSS suppliers. To enable Cumbria County Council to process your invoices effectively and to pay early, you will be required to email invoices in a machine readable format.

Is there a purchase order policy?

Cumbria County Council already operate a ‘no purchase order, no pay policy’. In addition to the multiple compliance benefits, this policy helps speed up the invoice approval process. Quote the PO number on your invoices for efficient handling. Failure to quote the correct number will result in delays in the processing of your invoice.

Will my existing contracted terms and conditions change?

The terms and conditions for the PSS vary the payment terms applied to your contracts. In all other respects, your contracts remain in full force and effect.

How can I be sure you will charge the correct rebate?

The process will be transparent and the relevant information (the percentage fee and the number of days your payment has been accelerated) will be printed on the debit note so that your finance function can validate all calculations.

“The Premier Supply Service is a ‘win-win’ initiative for the county council and its suppliers.”

Dawn Roberts: Corporate Director - Resources and Transformation



How will the PSS impact the payment process?

You will be paid automatically by Cumbria County Council as soon as an invoice has been authorised rather than waiting for the contracted payment due date. If no early payment rebate is available when the invoice has been authorised, payment will be made in accordance with your pre-existing contracted terms.

How much will it cost to join?

There are no service charges, joining fees or hidden charges. The only fee you pay to participate in the service is the agreed early payment rebate. In return for paying you ahead of contracted terms, Cumbria County Council will apply a rebate which will be deducted at an individual invoice level. The rebate is entirely dynamic, driven by the exact acceleration achieved on each invoice.

What happens if I don't want to join?

The PSS is a voluntary initiative. Suppliers who elect not to participate will continue to submit invoices as they currently do, and will remain on their existing contract payment terms. If these are not 30 days they will migrate to 30 days as part of future contracts and renewals. Going forward all payments to the non-participating suppliers will be made on the contracted terms and not before. All invoice submission and query processes remain unchanged for suppliers who don't join the programme.

Key contacts

Service enquiries: **premiersupplyservice@cumbria.gov.uk**

Phone number: **01228 221 077**