



GIG
CYMRU
NHS
WALES

Partneriaeth
Cydwasaethau
Shared Services
Partnership

Priority Supplier Programme





Welcome to the Priority Supplier Programme

NHS Wales is embarking on an innovative early payment programme for its suppliers, which will create an additional income stream for the Health Boards and Trusts across Wales to reinvest in essential services.

Through the implementation of new payment technology and more effective processes, the programme will offer suppliers early settlement of their invoices in exchange for a discount directly proportional to how quickly the payment is made.

The programme is designed to be a win-win for both NHS Wales and its suppliers. It crucially allows us to develop better relationships with suppliers and vastly improved efficiency across our purchase to pay processes.

Key benefits for our suppliers include:

- ✓ Improved cashflow through the early payment of invoices
- ✓ Prioritised invoice processing and dedicated query resolution
- ✓ Reduced cost of collection and associated financial risk
- ✓ Reduced payment volatility
- ✓ Closer collaboration and improved working relationships
- ✓ Enhanced client satisfaction and additional visibility across NHS Wales



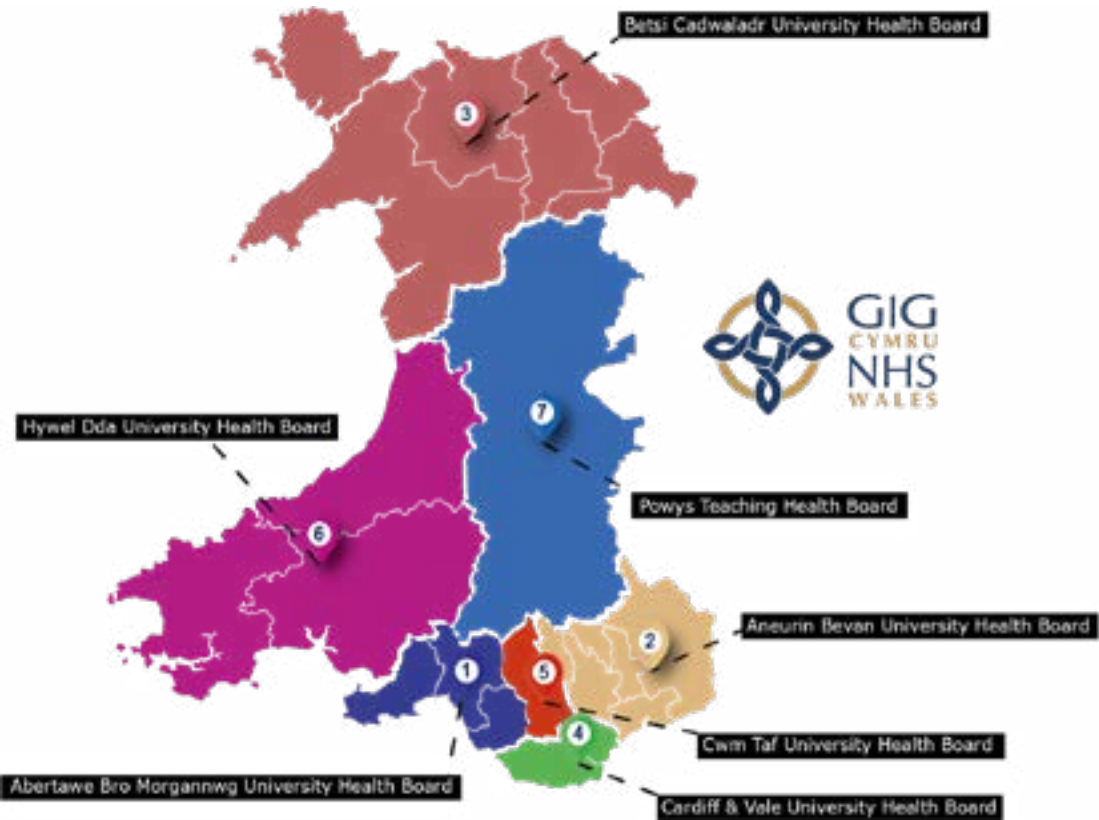
Mark Roscrow

Director of Procurement Services, NWSSP

“Implementing the Priority Supplier Programme will ensure that NHS Wales is very efficient in its payment practices which is good news for its suppliers and providers.”

Working with NHS Wales

Seven Health Boards and three Trusts provide care to three million patients and employ more than 72,000 staff in Wales. The NHS Wales Shared Services Partnership provides customer-focused support functions and services, such as Accounts Payable and Procurement. Together they manage an annual spend of over £4 billion on goods and services.



The Priority Supplier Programme will be rolled out in phases, working with each Health Board and Trust in order to ensure that purchase to pay processes are robust, consistent and reflect leading practice.

It provides an opportunity to use working capital to support suppliers and we aim to make it easier for suppliers to do business with us. We want the Priority Supplier Programme to represent the way we do business going forward, and as such participation in the Programme will also be considered in future sourcing and contacting activity.



Margaret Foster
Chair of NWSSP Partnership Committee

“I look forward to seeing the long-term benefits of the Priority Supplier Programme and the range of advantages it will bring to NHS Wales.”



Participating in the Programme

Invoices received from Priority Suppliers will be paid on approval, rather than waiting for the contractual due date. In return for paying ahead of your pre-existing terms, a small rebate is deducted.

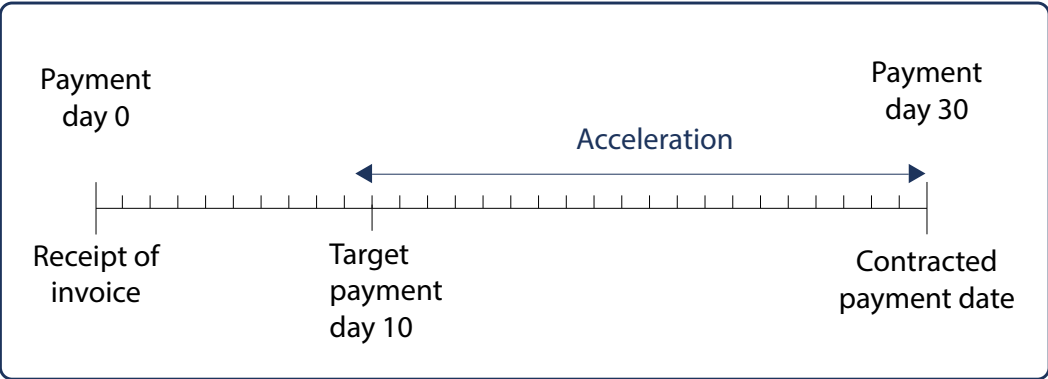
How does it work?

Participating suppliers continue to invoice at the full amount/agreed pricing. Invoices are typically e-mailed in a machine readable format.

Invoices receive additional attention, priority processing and dedicated expediting and query resolution.

When paid ahead of contract terms, 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).

A debit note, detailing the rebate calculation and values, is issued electronically to ensure easy reconciliation in your accounts receivable/billing systems.



The rebate is only applied if payment is made ahead of terms - ‘No acceleration, No rebate’.

Features and Benefits

Prioritised invoice processing

As a Priority Supplier your invoices will be processed on a fast-track basis. The Programme provides a transparent and visible incentive to process all invoices from participating suppliers as quickly as possible, ensuring faster and more consistent payment.

Nominated contacts within Procurement and Accounts Payable

Priority Suppliers will receive dedicated email and telephone contact details within the Accounts Payable department to ensure your invoices are processed correctly and help with any queries you may have.

Streamlined Invoicing Process

NHS Wales is committed to e-invoicing, and streamlining internal Accounts Payable processes. This provides assured delivery of invoices to the “right place” so they are visible, date of submission is confirmed and recorded, the risks of errors in data transfer are reduced and potential issues are identified more quickly, allowing early resolution and faster processing.

Increased visibility and promotion within NHS Wales Health Boards & Trusts

As well as initial recognition with our programme board and local finance teams, Priority Suppliers will receive recognition on our public website, leading to increased visibility both inside and outside NHS Wales.

Case studies

As a Priority Supplier, there are opportunities to case study the work you are doing with NHS Wales and include it in our marketing materials. We would be happy to discuss any proposal with you.

Overdue invoice review

On a supplier joining the programme, we will review all outstanding or overdue invoices and try to clear them as quickly as possible. By starting the programme with a clean slate, we will be helping to ensure all new invoices are processed as quickly as possible and any issues are identified visible and addressed quickly.

Quarterly Statement Reconciliation

Each quarter, we will carry out a statement reconciliation to demonstrate proactive management of the supplier account. Addressing any issues identified quickly will help to maintain strong and productive supplier relationships.



Lynne Hamilton

Director of Finance Abertawe Bro Morgannwg University Health Board

“This Priority Supplier Programme is a win-win. Businesses will get paid quicker and NHS Wales generates a new income stream that will help protect front-line service delivery.”

FAQs

How will the early payment impact the invoice submission process?

The existing invoicing process will remain the same.

How will early payment impact the payment process?

You will be paid automatically by NHS Wales but the payment will be made as soon as an invoice is authorised, rather than waiting for the payment due date. NHS Wales will calculate the early payment rebate and deduct this from the approved amount. Along with the payment, NHS Wales will issue you with a debit note to the value of the deducted rebate.

Will my existing contracted terms and conditions change?

The Terms and Conditions for the Priority Supplier Programme vary the payment terms applied to your Contracts; In all other respects, your Contracts remain in full force and effect.

How much will it cost to join?

There are no service charges, joining fees or hidden charges. By joining you agree that in return for paying you ahead of pre-existing terms, we will apply an agreed rebate which will be deducted at an individual invoice level. The rebate is entirely dynamic.

What system changes do I need to make to my systems?

None at all, the existing invoicing process will not change.

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

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 to enable you to validate all calculations.



Andy Butler

Director of Finance and Corporate Services, NWSSP

“We are committed to supporting our business partners and the Priority Supplier Programme will enable NHS Wales to further support its Supply Chain.”

For further information:

Call now:

02920 904 131

For any service enquiries email:

psp.ap@wales.nhs.uk

NHS Wales is supported in the Priority Supplier Programme by Oxygen Finance.

Oxygen is a leading technology and professional services provider that enables organisations to unlock value within their supply chain through paying suppliers ahead of contracted terms. The Oxygen solution is voluntary for suppliers and boosts their cash flow and, therefore, the local economy. Our clients enjoy more engaged supplier relationships, a significant new source of revenue and purchase-to-pay (P2P) efficiencies.