

## **DSC Credit Committee – Operational Update**

In lieu of the August 2018 meeting an Operational Update in respect of July stats is below. This update and the operational reports can be found on the Joint Office web site. The link is: <http://www.gasgovernance.co.uk/DSC-Credit>

### **Cash Collection July**

- Cash due to be collected in July was £6.1M
- Cash collection on payment due date for July was 96.28%
- Cash collection on payment due date + 3 business days for June was 99.24% (All debt over 3 days was escalated to the DSC Credit Committee anonymously to discuss whether to defer taking further action)
- 10 Notice of Failure to Pay Invoices in July issued in relation to £228,124.12.
  - one large value invoice paid 1 day late £201K for River Cerne was the biggest impact on the stats
  - 2 notices were in relation to General Services – River Bann a regular late payer and River Cerne mentioned above
  - 8 notices were third party contracts – 3 were monthly IX (third party customers are not yet billed annually in line with DSC customers) and 1 IX install. The rest were Data Enquiry contracts. A further 3 customers paid late but notices were not issued as values were below £5.

### **Current outstanding debt**

- River Bean still have £5,899 outstanding which was agreed by the DSC Credit Committee whilst they wait for their Tax Residence Certificate  
In addition to the 2 companies in administration:
  - GB Energy £5,246.44
  - Future Energy (Supply) Ltd £332.36A further two Suppliers Iresa Ltd & National Power & Gas Ltd had ceased trading and subsequently gone into administration at the beginning of August.
- Iresa had already lost their credit rating and were being billed immediately at month end with reduced payment terms for Data Enquiry to minimise their exposure. The outstanding debt is £658.75 inc VAT.
- National Gas & Power Ltd have an outstanding debt of £4.51 which will subsequently be written off.

### **Credit Risk**

- 97% of customers are unsecured supported by a Published Credit Rating from Experian, Graydons or D&B and 1% of customers have a credit limit of £150 or below not supported by a Published Credit Rating. 2% are underwritten by a third party Parent Company Guarantee.
- Credit Alerts had been received for two Suppliers and the Credit Team have been working with the Contract Team and the customers to reduce exposure and were now billing Data Enquiry at month end with 3 days payment terms. A further update will be provided at the next operational meeting.