

**UNC DSC Credit Committee Minutes**  
**Monday 19 November 2018**  
**via teleconference**

**Attendees**

Chris Shanley (Chair)	(CS)	Joint Office	Non-Voting
Helen Cuin (Secretary)	(HCu)	Joint Office	Non-Voting
Brendan Gill	(BG)	CDSP	Non-Voting
Ian Clark	(IC)	Transporter	Voting Member
John Burke	(JB)	Transporter	Voting Member
Pauline Babb	(PB)	Shipper	Non-Voting
Palminster Sandhu	(PS)	CDSP	Non-Voting
Phil Cushen	(PC)	Transporter	Non-Voting
Paul Whitton	(PW)	Transporter	Voting Member
Phil Lucas	(PL)	Transporter	Voting Member
Sallyann Blackett	(SB)	Shipper	Voting Member
Sandra Dworkin	(SDw)	CDSP	Non-Voting
Sue Davies	(SDa)	Transporter	Voting Member
Thomas Butler	(TB)	Transporter	Voting Member

Copies of all papers are available at: <http://www.gasgovernance.co.uk/dsc-credit/191118>

**1. Introduction and Status Review**

**1.1. Apologies for absence**

None received.

**1.2. Note of Alternates**

None.

**1.3. Approval of Minutes (22 October 2018)**

The minutes were approved.

**1.4. Review of outstanding actions**

**1001:** Xoserve (SDw) and Joint Office (CS) to review the need for a face to face meeting in November.

**Update:** SDw confirmed following careful consideration a Teleconference had been arranged. **Closed**

**2. Approve changes to the DSC Credit Rules/DSC Security**

SDw reported that the Parent Company Guarantee (PCG) amendments are currently being reviewed to update a formatting issue, remove references to fax, and to amend the wording regarding termination in Section 10.1. A revised document will be circulated once reviewed by the Xoserve Legal team.

**3. CDSP Operational Report**

**3.1. CDSP cash collection update for September**

SDw reported that the cash due to be collected in October was £5,980,035.90. The following performance was reported for cash collected:

Month	Payment Due Date	Payment Due Date +3
September 2018	99.92%	99.92%
October 2018	98.68%	99.99%

SDw noted to the committee that all debt over 3 days is escalated to the DSC Credit Committee anonymously to discuss whether to defer taking further action.

There were 14 Failure to Pay Notices issued in October, with a total value of £65,819.65.

- 2 notices were in relation to General Services, paid one day late for £61.3K
- 2 were for Specific Services for £97.70; and
- 10 were for Third Party Contracts less than £7k.

### **3.2. CDSP security management update**

SDw provided an update on customer security:

- 97% of customers are unsecured supported by a Published Credit Rating from Experian, Graydons or D&B.
- 1% of customers have a credit limit of £150 or below and are not supported by a Published Credit Rating.
- 2% are underwritten by a third-party Parent Company Guarantee.

### **3.3. Breach of a DSC Credit Limit, Late or non-payment of CDSP Charges**

SDw highlighted a number of suppliers that had ceased trading and are currently in administration. As previously reported 3 had an outstanding debt totalling £6,237.55.

### **3.4. Further actions following failure notices**

SDw reported a number of overdue payments that have been escalated following the Payment Due Date + 3 (PDD+3). These were:

- River Cannon, who had ceased trading with an outstanding invoice of £81.22 and were in the process of terminating their contracts. SDw confirmed a further update will be provided however this was a low value exposure.
- River Canning, who had issues with a Purchase Order and had promised to pay this week. This was a low value exposure of £84.96.
- River Yare, who had a failure notice expire on Friday 16 November for a value of £7942.80, however the payment was expected on Monday 19 November. SDw confirmed an email will be issued to confirm payment, however if this is not made this will be reviewed on Tuesday 20 November and members will be provided with an update. The committee members agreed to the suggested actions.
- River Note, for a small value relating to the data enquiry services, who will be billed at month end with reduced payment period of 3 business days.

## **4. Review of 2018/19 (6 monthly)**

SDw provided the 6 Month Operational Review reporting that:

- Cash Collection figures have remained consistent over the last 6 months (above 90%).
- All late payments above £5 continue to be escalated to the DSC Credit Committee if they have been overdue for more than 3 days.
- CDSP continue to work with the committee in respect of customers whose Published Rating has reduced.
- Following agreement with the committee CDSP have also:
  - Simplified the accrual process
  - Used the Maximum Unsecured Credit Limit provided by a Published Rating Agency rather than anticipated Maximum Indebtedness
  - Increased the monthly allowable exposure from £150 to £500 for customers without a Published Rating
  - Agreed to streamline cash collection processes

- Implemented a new SAP system with no issues
- Recruited 2 new members to the CDSP Credit Risk Team
- Supported 2 Customer Discovery Days.

## 5. Plan for next 6 months

SDw confirmed the focus for the next 6 months for the team:

- Team re-organisation, with 3 members of the Credit Risk team leaving by the end of March 2019
- Mark Cockayne will be passing over responsibility to Palminder Sandhu to Manage the Credit Risk Team over the next few months.
- Brendan Gill joins the Credit Risk team to replace Loraine O’Shaughnessy and Sandra Dworkin who will be leaving at the end of March 2019.
- A full review of the Credit Risk Team is under review to look at process improvements, and where synergies of roles can be merged.
- Chartered Institute of Credit Management (CICM) Training across the team will continue
- Continue to Support Customer Discovery days

SDw confirmed the operational focus for the next 6 months will be to:

- Embed the new SAP system
- Streamline the cash collection processes
- Review the DSC Credit Policy, to ensure it is fit for purpose in December
- Update the DSC Credit Rules
- Review and update the reporting mechanism for the DSC Credit Committee Operational Statistics
- Continue to embed Xoserve’s “Strategy House”

## 6. Any Other Business

None raised.

## 7. Diary Planning

Further details of planned meetings are available at: <https://www.gasgovernance.co.uk/events-calendar/month>

Time / Date	Venue	Workgroup Programme
14:00 Tuesday 18 December 2018	Teleconference	Standard agenda items; plus: + New Members + Key Messages
14:00 Tuesday 21 January 2019	Teleconference	Standard agenda items
14:00 Tuesday 18 February 2019	Teleconference	Standard agenda items

**Action Table (as at 19 November 2018)**

<b>Action Ref</b>	<b>Meeting Date</b>	<b>Minute Ref</b>	<b>Action</b>	<b>Owner</b>	<b>Status Update</b>
<b>1001</b>	22/10/18	6.0	Xoserve (SDw) and Joint Office (CS) to review the need for a face to face meeting in November.	Xoserve (SDW)/Joint Office (CS)	<b>Closed</b>