

UNC DSC Credit Committee Minutes
Monday 26 June 2017
Via Teleconference

Attendees

Bob Fletcher (Chair)	(BF)	Joint Office	Non-Voting
Helen Cuin (Secretary)	(HC)	Joint Office	Non-Voting
Adam Lane	(AL)	Shipper	Voting Member
Colette Baldwin	(CB)	Shipper	Voting Member
Ian Clark	(IC)	Transporter	Voting Member
James Hill	(JH)	Shipper	Voting Member
John Burke	(JB)	Transporter	Voting Member
Mark Cockayne	(MC)	CDSP	Non-Voting
Pauline Babb	(PB)	Shipper	Voting Member
Paul Whitton	(PW)	Transporter	Voting Member
Sean McGoldrick	(SMc)	Transporter	Voting Member
Sandra Dworkin	(SDw)	CDSP	Non-Voting
Sue Davies	(SDa)	Transporter	Voting Member

Apologies

Thomas Butler	(TB)	Transporter	Voting Member
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Copies of all papers are available at: <http://www.gasgovernance.co.uk/DSC-Credit/260617>

1. Introduction and Status Review

BF welcomed the members to the meeting, which was quorate.

1.1. Apologies for absence

None pre-advised.

1.2. Note of Alternates

None advised.

1.3. Approval of Minutes (22 May 2017)

IC advised of incorrect spellings of the word anonymised and that within section 3.2 there appeared to be some missing words in sentence "Once actual information (invoiced and accrual) is established the Credit Limits will be adjusted.

The minutes were subsequently approved.

1.4. Review of Outstanding Actions

DSC0204 Rating agency reports – comparison of interpretation for consistency.

Update: MC confirmed at the last meeting it was agreed that the D&B ratings would still be considered as an alternative when ratings were not available from either Graydons or Experian.
Closed.

DSC0301 £150 maximum unsecured credit limit to be implemented and monitor for 3 months

Update: MC confirmed this was an ongoing action left open for a period for monitoring. This will continue to be monitored under a watching brief with an update provided at the October meeting. **Carried Forward.**

CRE0501: Reference to non-Registrable Deposit Deeds to be removed from the DSC Credit Rules.

Update: MC confirmed this would be removed from the Credit Rules, whilst making some other minor house-keeping changes. See item 2.0. **Closed.**

CRE0502: Xoserve to provide clarity to members on what is stated within the UNC with regards to the Credit Committee membership appointment and to make sure the Credit Rules are in line with the UNC and its clear an appointment process is not required until 2018.

Update: MC discussed the 18-month provision for initial Committee membership and referred members to the CDSP Service Document – Transitional Arrangements Document Section 3.6.5 that clarifies that the initial appointment year would be from 01 April 2017 to 30 September 2018 inclusive. MC believed that GT Section D - Annex D, Section 4, covered the Credit Committee establishment. He suggested that this section should be reviewed and compared with the Credit Rules to ensure they are aligned, in terms of membership, quoracy, and voting and potentially discussed at the next face to face meeting in October. See item 2.0. **Closed.**

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

SDw confirmed that this was a standing item to keep a watching brief. MC reported that some work has been undertaken and a number of changes were anticipated.

SDw reported that amendments had been made as follows:

- Adding a Document Control at the end of the document
- Reference to Deposit Deed removed (4.11)
- Membership appointment, amendment in Credit Rules to show 'Initial Appointment Year shall be the period for 1 April 2017 until and including 30 September 2018', as detailed in Transitional Arrangements Document 3.6.5' (3.3)
- Clarity added regarding late payment charges which are referred to in the Terms and Conditions of the appropriate contracts. For the DSC it is in section 5.4. Wording added as follows: 'Late payment charges will accrue in accordance with the Terms and Conditions of the Contract.' (6.1)
- Discrepancies between Credit Policy 4.14 and Credit Rules highlighted in the escalation process for cash collection. The Credit Policy states 'any sum due in excess of the amount specified in the DSC Credit Rules', SDw discussed adding a value of £10K to the DSC Credit Rules 6.1.4 to be in line with UNC and to link to Credit Policy. The wording as follows: 'in excess of £10,000' (6.1.4)

CB suggested with the number of proposed changes that Xoserve provided draft Credit Rules with the changes clearly highlighted.

SDw agreed to provide members a changed marked update to the Credit Rules by Tuesday 27 June and the members agreed to review and provide feedback within one week.

Action CRE 0601: Credit Committee to review Credit Rules to ensure they are aligned with the UNC.

3. CDSP Operational Report

3.1. CDSP Cash Collection Update

SDw provided an update on the cash collection and agreed to provide an email with the statistics included. These will be added to the minutes once received.

BF enquired if Xoserve will be providing an operational report for the Credit Committee. SDw confirmed the intention is to provide a report to members to capture operational reporting data.

May

100% at payment due date

100% at payment due date plus 3

SDw advised that because of rounding this does not give visibility to one very small late payment in May, which related to a payment in advance.

SDw confirmed the collected value in May was c£8m.

June

SDw gave a brief summary of cash collection to date in June and advised that there were a number of DSC customers that had been issued with a Notice of Failure to Pay Invoice in respect of their Specific Services invoice and Third Party customers in respect of their Data Enquiry invoice. SD confirmed that the payment due date plus 3 escalation date to the DSC Credit Committee is 27/6/17 and agreed with members that an Emergency DSC Credit Committee would be scheduled for 2pm on the 27th.

SDw provided some background in relation to the late payments explaining that this was the first time customers had been levied with an annual IX maintenance charge and that many customers were not aware of it. Some parties have confirmed that payments will be made however these will be late. SDa enquired if Xoserve considered this more of an embedding issue. SDw clarified that not one customer has implied they will not be paying the invoice this was more simply customers wanting an understanding of what they are paying for and ensuring the correct contacts within various organisations were engaged.

SDw agreed to provide the committee members with further analysis of the non-payments including the amounts outstanding.

SDw agreed to provide members with an update in the afternoon with a further update in the morning with confirmation of the teleconference details.

3.2. Security Management Update

SDw confirmed the outstanding issue with the PCG reported last month had now been finalised. Signed copies are expected from the parties concerned.

3.3. Breach of a DSC Credit Limit, late or non-payment of CDSP Charges

SDw clarified that there had been no breaches for the DSC Credit Limit, and this continued to be managed.

3.4. Further Actions following failure notices

No data to report.

4. Any Other Business

None raised.

5. Diary Planning

Further details of planned meetings are available at: www.gasgovernance.co.uk/Diary

Members discussed whether an operational report would be more suitable for either the July or August meeting considering the likelihood of member availability.

Action CRE 0602: Members to notify the Joint Office of their availability in August with a view to replacing the August meeting with an operational report update.

Time/Date	Venue
09:30 Monday 31 July 2017	Teleconference
09:30 Tuesday 29 August 2017	The intention is to replace this meeting with an operational report update.
09:30 Monday 25 September 2017	Teleconference
11:00 Monday 30 October 2017	Lansdowne Gate, Solihull
09:30 Monday 27 November 2017	Teleconference

Action Table (as at 26 June 2017)

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
DSC 0204	16/2/17	X5.0	Rating agency reports – comparison of interpretation for consistency.	Xoserve (MC)	Closed
DSC 0301	17/3/17	X2.0	£150 maximum unsecured credit limit to be implemented and monitor for 3 months	Xoserve (MC)	Carried Forward
CRE 0501	22/05/17	1.3	Reference to non-Registrable Deposit Deeds to be removed from the DSC Credit Rules.	Xoserve (SDw)	Closed
CRE 0502	22/05/17	1.3	Xoserve to provide clarity to members on what is stated within the UNC with regards to the Credit Committee membership appointment and to make sure the Credit Rules are in line with the UNC and its clear an appointment process is not required until 2018.	Xoserve (SDw)	Closed
CRE 0601	22/06/17	2.0	Credit Committee to review Credit Rules to ensure they are aligned with the UNC.	All	Pending
CRE 0602	22/06/17	5.0	Members to notify the Joint Office of their availability in August with a view to replacing the August meeting with an operational report update.	Members	Pending