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BuiltAI

CONFIDENTIAL
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OPERATIONAL MARGIN COCKPIT™ · INVOICE BLOCKER TAXONOMY

Invoice Blocker Taxonomy

Categorisation of recurring invoice blockers across the portfolio — identifying patterns, root causes and process fixes to prevent repeat failures. Period ending 30 April 2026.

TOTAL VALUE BLOCKED	BLOCKER CATEGORIES	REPEAT BLOCKERS
£601k	5	3
WIP + CNI combined	top 2 = 56% of value	occurred 2+ periods

PREVENTABLE	INSTANCES THIS PERIOD
68%	14
£409k with process fixes	across 8 contracts

01

Taxonomy Summary

This period, **£601k** of invoiceable value is blocked across the portfolio — comprising £387k of aged WIP and £214k of completed-not-invoiced work. These are not 14 different problems. They are **five categories of the same problems, recurring across contracts**.

The single largest category is **application format issues**, accounting for **35%** of all blocked value (£212k). This is entirely concentrated on one contract (Riverside FM) but the root cause — Meridian not having a standardised process for tracking and matching client template requirements — is a systemic risk that applies to every FM and framework contract.

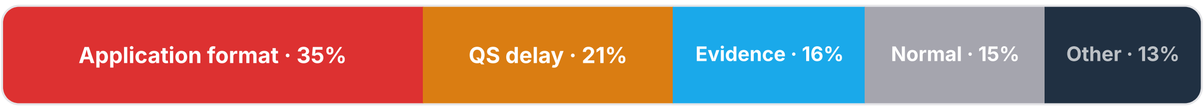
Three of the five categories are **repeat blockers** — they have occurred in two or more consecutive periods. Fixing the process behind the top two categories alone would prevent an estimated **£338k of future blocking**, equivalent to 56% of the current total exposure.

02

Pareto Analysis

80/20 VIEW

Five blocker categories ranked by total value affected. The top two categories account for 56% of all blocked value — a classic Pareto distribution where fixing two process failures would resolve more than half the problem.



£212k	£126k	£93k		
APPLICATION FORMAT	QS DELAY / QUERY	MISSING EVIDENCE	NORMAL CYCLE	SIGN-OFF / OTHER
35% · cumul. 35%	21% · cumul. 56%	16% · cumul. 72%	15% · cumul. 87%	13% · cumul. 100%

Fixing the top two categories would eliminate 56% of all blocked value — the highest-leverage improvement available.

03

Category Deep Dives

#1

Application Format

Template mismatch, incorrect layout, rejected submission format

£212k

35% of total · 4 instances

- **Riverside FM** — Jan app rejected (£56.4k, 94 days) — 90+ days
- **Riverside FM** — Feb app rejected (£68.2k, 63 days) — 61–90 days
- **Riverside FM** — Mar app not yet submitted (£87.4k CNI, 47 days) — 31–60 days

ROOT CAUSE ANALYSIS

Mitie updated their application template in February 2026 but did not notify Meridian. When the February and January applications were submitted in the old format, both were rejected. The March application has not yet been submitted because the team is reformatting all three months into the new template. **The underlying issue is that Meridian has no process for tracking client template changes across FM contracts.**

RECOMMENDED PROCESS FIX

1. Create a master template register listing each client's current application format, version and last-updated date.
2. Assign quarterly template review to commercial team.
3. Before each monthly application, verify the template version matches the register.
Prevention value: £212k+ per occurrence.

Repeat blocker: Yes — 3 consecutive months

Preventable: Yes — process fix

Fix owner: K. Hughes

Fix deadline: 23 May 2026

#2

QS Delay / Query

Client QS rate queries, slow agreement, valuation disputes

£126k

21% of total · 4 instances

- **Cathedral Quarter** — Val 4 rates queried (£54.1k, 38 days) — 31–60 days
- **Cathedral Quarter** — Val 3 legacy query (£18.4k, 72 days) — 61–90 days
- **Cathedral Quarter** — Val 2 residual (£5.6k, 103 days) — 90+ days
- **Docklands Ph 2** — Val 8 QS availability (£22.1k, 36 days) — Waiting

ROOT CAUSE ANALYSIS

Cathedral Quarter has had QS rate queries on three consecutive valuations — suggesting the issue is not individual rates but a **systematic disconnect between the contract schedule rates and how Meridian is measuring and presenting works**. The Docklands issue is simpler — client QS capacity constraint rather than a dispute.

RECOMMENDED PROCESS FIX

1. Before each valuation, pre-agree measurement methodology with client QS.
2. Include contract schedule rate references alongside every measured line item.
3. For new contracts, hold a rates alignment meeting at mobilisation.
Prevention value: £126k+ per occurrence.

Repeat blocker: Yes — Cathedral Qtr 3 consecutive vals

Preventable: Partially — needs client cooperation

Fix owner: J. Palmer

Fix deadline: Ongoing

#3 Missing Evidence

Daywork sheets, sign-off photos, timesheets, delivery notes

£93k

16% of total · 3 instances

Pennine Pkg C — 4 missing daywork sheets (£32.8k WIP + £22.8k CNI) — 31–60 days

Riverside FM — Missing sign-off photos for deduction dispute (£3.2k) — Recovered

Pennine Pkg C — Variation evidence incomplete (£15k WIP) — In progress

ROOT CAUSE ANALYSIS

Evidence is being created on site (photos taken, daywork sheets filled in) but **not being captured in a central, accessible location**. The Pennine daywork sheets exist — they are on paper somewhere on site. The Riverside photos were eventually located on an engineer's phone. The issue is retrieval, not creation.

RECOMMENDED PROCESS FIX

1. Mandate same-day upload of all daywork sheets and sign-off photos to a shared drive or project folder.
2. Weekly evidence audit — site supervisor confirms all evidence captured for that week's works.
3. No application to be submitted without evidence checklist completion.
Prevention value: £93k+ per occurrence.

Repeat blocker: Yes — 2 consecutive periods | **Preventable:** Yes — process fix | **Fix owner:** R. Barker | **Fix deadline:** 16 May 2026

#4 Normal Billing Cycle

Standard month-end applications in progress

£91k

Five items across five contracts — all within the 0–30 day band and following the normal billing cycle. These are **not blockers** in the operational sense. They represent work completed in April that will be invoiced in May as part of the routine monthly process.

Action required: None. Monitor to ensure these do not age beyond 30 days.

Repeat: No — expected cycle | **Preventable:** N/A

#5

Sign-off / QS Availability

Client scheduling, snagging, retention

£79k

Three items where the blocker is client-side: Docklands retention release pending snagging sign-off (£28.5k), Trafford QS site visit needed (£21.2k) and Docklands QS availability (£22.1k). All have booked dates and are **expected to resolve within the next reporting period**.

Action required: Confirm client bookings are honoured. If any are rescheduled, escalate to project manager within 48 hours.

Repeat: No

Preventable: Limited — client dependency

04

Process Improvement Register

#	PROCESS IMPROVEMENT	BLOCKER CATEGORY	PREVENTION VALUE	EFFORT	OWNER	DEADLINE	PRI
01	**Create master template register** Log each client's current application format, version number and last-updated date. Review quarterly.	Format	£212k+	Low	K. Hughes	23 May	Cr
02	**Pre-valuation rates alignment** Before each valuation, confirm measurement methodology and rate interpretation with client QS. Add contract references to every measured line.	QS delay	£126k+	Medium	J. Palmer	Ongoing	H
03	**Same-day evidence capture** Mandate same-day upload of daywork sheets, sign-off photos, delivery notes. Weekly evidence audit by site supervisor.	Evidence	£93k+	Medium	R. Barker	16 May	H
04	**Mobilisation QS alignment meeting** At contract start, hold a dedicated	QS delay Format	Preventative	Low	Commercial Dir.	All new	Sta

#	PROCESS IMPROVEMENT	BLOCKER CATEGORY	PREVENTION VALUE	EFFORT	OWNER	DEADLINE	PRI
	meeting with client QS to agree measurement methodology, rate interpretation and application format.						

05

Impact Summary

CURRENT EXPOSURE

£601k

Total value currently blocked across WIP and CNI. This is revenue that has been earned or is in progress but cannot be invoiced due to the five categories identified above.

PREVENTABLE WITH FIXES

£409k

68% of blocked value could be prevented through the three process improvements identified. Template register, rates alignment and evidence capture — all achievable within the next reporting period.

ANNUAL PREVENTION ESTIMATE

£1.2m+

If these blockers recur at the same rate across 12 months, the annualised prevention value of fixing the top three categories exceeds £1.2m in accelerated cash collection.