

Executive

Debtors Update Report

Item no: 7

Report by: David Sanni **Job title:** Chief Accountant
Date: 3 March 2020
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Summary

This report details the level of outstanding debt owed to London Councils from all sources as at 31 December 2019. This report also details the reduction in the level of outstanding debt due from boroughs, TfL and the GLA in the period to 31 July 2019.

A summary of the level of London Councils outstanding debts as at 31 December 2019 is shown in Table 1 below:

Table 1- Summary of London Councils Outstanding Debts at 31 December 2019

Period	Borough / TfL / GLA Debts £000	Other Debts £000	Total Debts £000
Debts invoiced up to 31/07/2019	-	3	3
Debts invoiced between 1/08/2019 – 31/12/2019	459	18	477
Total	459	21	480

Recommendations

The Executive is asked:

- To note that all borough, TfL and GLA debts raised up to 31 July 2019 and reported to the Executive at its meeting on 10 September 2019 have been paid;
- To note the level of outstanding debt of £459,000 in respect of borough, TfL and GLA invoices raised in the period 1 August to 31 December 2019;
- To note the level of outstanding debt of £21,000 in relation to other debtors invoices raised up until 31 December 2019; and
- To note the specific action being taken in respect of significant debtors, as detailed in paragraph 5 and 7 of this report.

Debtors Update Report

Introduction

1. London Councils' Executive received a report at its meeting on 10 September 2019 which detailed the level of outstanding debt due from member boroughs, TfL and the GLA for invoices raised up to 31 July 2019. The position reported to this meeting is illustrated in Table 2 below:

Table 2 – Outstanding Borough/TfL and GLA debt invoiced up until 31 July 2019, as reported to the Executive on 10 September 2019

Debtor	Debt Amount (£)
Member boroughs	2,041,177.88
TfL	-
GLA	-
Total	2,041,177.88

2. All the debts have been settled.

Borough/TfL/GLA Debt 1 August to 31 December 2019

3. Appendix A to this report shows the level of outstanding debt owed to London Councils by its member boroughs and TfL/GLA issued over the period 1 August to 31 December 2019, which totals £459,000. This debt is profiled as illustrated in Table 3 below:

Table 3 – Outstanding Borough/TfL and GLA debt 1 August to 31 December 2019

Debtor	0-30 days (£000)	30-60 Days (£000)	60-90 Days (£000)	Over 90 Days (£000)	Total (£000)
Member boroughs	129	280	-	26	435
TfL	-	-	-	-	-
GLA	24	-	-	-	24
Total	153	280	-	26	459

4. Under the terms of the Financial Services SLA with the City of London, reminders in respect of unpaid invoices are sent out to debtors by the City on behalf of London Councils after 21 and 35 days. If a debt is still outstanding after 42 days, it is handed back over to London Councils for further action to be taken. Finance officers are, therefore, actively pursuing the debt of £26,000 that has been outstanding for over 60 days. The aim is to ensure that the majority of the unpaid debt at any point in time has been outstanding for less than 30 days, with a minimal amount being outstanding for between 30 and 60 days. Boroughs, TfL and GLA are urged to ensure that any disputed amounts are promptly reported back to London Councils, detailing the full nature of the dispute. In cases where the value and/or number of outstanding invoices owed by a borough are unacceptably high, the debts are referred to the Chief Executive and Borough Treasurer

through contact from London Councils Chief Executive and /or Director of Corporate Resources to assist in the recovery of the funds.

Significant Borough/TfL/GLA Debtors

5. All significant borough, TfL and GLA debts over 60 days were paid by 1 February 2020.

Other Debtors

6. Appendix B to this report shows the level of outstanding debt owed to London Councils by third parties other than member boroughs, TfL and the GLA at 31 December 2019. An aged analysis of these debts is summarised in table 4 below:

Table 4 – Non-borough/TfL/GLA outstanding debt as at 31 December 2019

	Total Debt (£)	No. of invoices
2014/15 debts	2,556.00	1
2019/20 debts over 90 days old	6,387.00	2
2019/20 debts 61 to 90 days old	450.00	1
2019/20 debts 31 to 60 days old	4,443.30	3
2019/20 debts 30 days or less	7,448.98	21
Total	21,285.28	28

7. The significant individual debtors within the outstanding balances over 60 days are:
- **Kimbanguist Association of London - £2,556.00 – 1 invoice**
The balance was made up of one invoice that relates to the refund of unused ESF community grant funding. The organisation was awarded a community grant of £12,019 under the discretionary ESF co-financing programme in February 2014 and was paid an initial advance of £6,009.50. Community grants are awarded to voluntary organisations for projects which help unemployed and economically inactive people move into or closer to the labour market. The organisation failed to comply with the terms of the grant and was asked to refund the advance it received. The organisation claimed that it was unable to settle the debt in one payment and agreed to pay monthly instalments of £100.00. Finance officers will continue to monitor the repayment of this debt.
 - **Sylhet Bawl Shangith Ghosti - £6,225.00 – 1 invoice**
The balance was made up of one invoice that also relates to the refund of unused ESF community grant funding. The organisation was awarded a community grant of

£12,450 under the discretionary ESF co-financing programme in April 2018 and was paid an initial advance of £6,225.00. The organisation failed to comply with the terms of the grant and in September 2019, it was asked to refund the advance it received. There has been no response to the repayment request and the case will be referred to the City of London Solicitor's Department to commence legal action to recover the debt.

8. The City of London's role in raising London Councils' debtor invoices is detailed in paragraph 4 of this report. For those debts that have reached the 42 day cut-off point, letters or emails are issued to the debtor seeking immediate payment, otherwise London Councils will consider taking further action. The Finance Section undertakes prompt follow up action as soon as the debt is referred back by the Corporation.

Summary

9. This report details the level of outstanding debt owed to London Councils from all sources as at 31 December 2019. This report also details the reduction in the level of outstanding debt due from boroughs, TfL and the GLA in the period to 31 July 2019.
10. A summary of the level of London Councils outstanding debts as at 31 December 2019 is shown in Table 1 below:

Table 1- Summary of London Councils Outstanding Debts at 31 December 2018

Period	Borough / TfL / GLA Debts	Non-borough / TfL / GLA Debts	Total Debts
	£000	£000	£000
Debts invoiced up to 31/07/2019	-	3	3
Debts invoiced between 1/08/2019 – 31/12/2019	459	18	477
Total	459	21	480

Recommendations

The Executive is asked:

- To note that all borough, TfL and GLA debts raised up to 31 July 2019 and reported to the Executive at its meeting on 10 September 2019 have been paid;

- To note the level of outstanding debt of £459,000 in respect of borough, TfL and GLA invoices raised in the period 1 August to 31 December 2019;
- To note the level of outstanding debt of £21,000 in relation to other debtors invoices raised up until 31 December 2019; and
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Financial Implications for London Councils

The financial implications are incorporated into the body of the report.

Legal Implications for London Councils

None.

Equalities Implications for London Councils

None.

Appendices

Appendix A: Outstanding Borough/TfL/GLA debts invoiced from 1 August to 31 December 2019

Appendix B: Outstanding Other Debts at 31 December 2019

Background Papers

London Councils Debtors working papers 2019/20

Report to Executive on 10 September 2019

Appendix A - Outstanding Borough/TfL/GLA debts invoiced from 1 August to 31 December 2019

Number	Customer Name	Customer Number	Transaction Date	Original Amount (£)	Balance Due (£)	Days Late	0 - 30 days	30 - 60 days	60 - 90 days	Over 90 days
4263153	LB of Barking & Dagenham	83338	18/12/2019	336.00	336.00	13	336.00			
	LB of Barking & Dagenham Total			336.00	336.00		336.00	0.00	0.00	0.00
4262718	London Borough of Barnet	65237	11/12/2019	2,698.85	2,698.85	20	2,698.85			
4263470	London Borough of Barnet	65237	20/12/2019	324.00	324.00	11	324.00			
	London Borough of Barnet Total			3,022.85	3,022.85		3,022.85	0.00	0.00	0.00
4260185	London Borough of Bexley	82583	06/11/2019	7,553.26	7,553.26	55		7,553.26		
	London Borough of Bexley Total			7,553.26	7,553.26		0.00	7,553.26	0.00	0.00
4260187	London Borough of Bromley	78518	06/11/2019	9,188.64	9,188.64	55		9,188.64		
	London Borough of Bromley Total			9,188.64	9,188.64		0.00	9,188.64	0.00	0.00
4257461	London Borough of Camden	73305	01/10/2019	25,521.00	25,521.00	91				25,521.00
	London Borough of Camden Total			25,521.00	25,521.00		0.00	0.00	0.00	25,521.00
4260190	Croydon Council	71501	06/11/2019	26,868.19	26,868.19	55		26,868.19		
4262341	Croydon Council	71501	04/12/2019	23,832.00	23,832.00	27	23,832.00			
4263164	Croydon Council	71501	18/12/2019	336.00	336.00	13	336.00			
	Croydon Council Total			51,036.19	51,036.19		24,168.00	26,868.19	0.00	0.00
4259934	London Borough of Ealing	88277	04/11/2019	20,656.00	20,656.00	57		20,656.00		
4261157	London Borough of Ealing	88277	18/11/2019	96.00	96.00	43		96.00		
4262342	London Borough of Ealing	88277	04/12/2019	36,448.00	36,448.00	27	36,448.00			
4263312	London Borough of Ealing	88277	19/12/2019	135.00	135.00	12	135.00			
	London Borough of Ealing Total			57,335.00	57,335.00		36,583.00	20,752.00	0.00	0.00
4257428	London Borough of Enfield	95679	01/10/2019	62,849.00	0.25	91				0.25
4262343	London Borough of Enfield	95679	04/12/2019	2,984.00	2,984.00	27	2,984.00			
	London Borough of Enfield Total			65,833.00	2,984.25		2,984.00	0.00	0.00	0.25
4263155	Royal Borough of Greenwich	124082	18/12/2019	2,400.00	2,400.00	13	2,400.00			
	Royal Borough of Greenwich Total			2,400.00	2,400.00		2,400.00	0.00	0.00	0.00
4263151	London Borough of Hackney	37291	18/12/2019	336.00	336.00	13	336.00			
4263162	London Borough of Hackney	37291	18/12/2019	336.00	336.00	13	336.00			
4263169	London Borough of Hackney	37291	18/12/2019	336.00	336.00	13	336.00			
	London Borough of Hackney Total			1,008.00	1,008.00		1,008.00	0.00	0.00	0.00
4257607	L. B. Hammersmith and Fulham	101404	02/10/2019	81.00	81.00	90			81.00	
	L. B. Hammersmith and Fulham Total			81.00	81.00		0.00	0.00	81.00	0.00
4263334	London Borough of Harrow	79451	19/12/2019	336.00	336.00	12	336.00			
	London Borough of Harrow Total			336.00	336.00		336.00	0.00	0.00	0.00
4260214	London Borough of Hillingdon	71486	06/11/2019	13,703.67	13,703.67	55		13,703.67		
4262355	London Borough of Hillingdon	71486	04/12/2019	14,016.00	14,016.00	27	14,016.00			
	London Borough of Hillingdon Total			27,719.67	27,719.67		14,016.00	13,703.67	0.00	0.00
4261997	London Borough of Hounslow	67448	27/11/2019	2,000.00	2,000.00	34		2,000.00		
	London Borough of Hounslow Total			2,000.00	2,000.00		0.00	2,000.00	0.00	0.00
4262021	London Borough of Islington	5693	27/11/2019	2,400.00	2,400.00	34		2,400.00		
	London Borough of Islington Total			2,400.00	2,400.00		0.00	2,400.00	0.00	0.00

Number	Customer Name	Customer Number	Transaction Date	Original Amount (£)	Balance Due (£)	Days Late	0 - 30 days	30 - 60 days	60 - 90 days	Over 90 days
4263330	Royal Borough of Kensington & Chelsea	111455	19/12/2019	225.00	225.00	12	225.00			
	Royal Borough of Kensington & Chelsea Total			225.00	225.00		225.00	0.00	0.00	0.00
4263172	Royal Borough of Kingston	75215	18/12/2019	2,400.00	2,400.00	13	2,400.00			
4263253	Royal Borough of Kingston	75215	19/12/2019	4,968.00	4,968.00	12	4,968.00			
	Royal Borough of Kingston Total			7,368.00	7,368.00		7,368.00	0.00	0.00	0.00
4262366	London Borough of Lambeth	3330	04/12/2019	26,680.00	26,680.00	27	26,680.00			
4263163	London Borough of Lambeth	3330	18/12/2019	672.00	672.00	13	672.00			
	London Borough of Lambeth Total			27,352.00	27,352.00		27,352.00	0.00	0.00	0.00
4260276	City of London	5408	06/11/2019	26,130.65	26,130.65	55		26,130.65		
4260441	City of London	5408	07/11/2019	6,577.00	6,577.00	54		6,577.00		
	City of London Total			32,707.65	32,707.65		0.00	32,707.65	0.00	0.00
4260247	London Borough of Newham	54574	06/11/2019	53,912.36	53,912.36	55		53,912.36		
4262952	London Borough of Newham	54574	16/12/2019	5,000.00	5,000.00	15	5,000.00			
	London Borough of Newham Total			58,912.36	58,912.36		5,000.00	53,912.36	0.00	0.00
4262369	LB of Richmond Upon Thames	92507	04/12/2019	4,520.00	4,520.00	27	4,520.00			
	LB of Richmond Upon Thames Total			4,520.00	4,520.00		4,520.00	0.00	0.00	0.00
4261161	London Borough of Southwark	8589	18/11/2019	180.63	180.63	43		180.63		
	London Borough of Southwark Total			180.63	180.63		0.00	180.63	0.00	0.00
4260426	London Borough Tower Hamlets	9237	07/11/2019	49,176.00	49,176.00	54		49,176.00		
	London Borough Tower Hamlets Total			49,176.00	49,176.00		0.00	49,176.00	0.00	0.00
4260266	London Borough of Waltham Forest	39794	06/11/2019	35,545.61	35,545.61	55		35,545.61		
	London Borough of Waltham Forest Total			35,545.61	35,545.61		0.00	35,545.61	0.00	0.00
4260268	London Borough of Wandsworth	93501	06/11/2019	25,698.42	25,698.42	55		25,698.42		
	London Borough of Wandsworth Total			25,698.42	25,698.42		0.00	25,698.42	0.00	0.00
4262735	Greater London Authority	402282	11/12/2019	24,000.00	24,000.00	20	24,000.00			
	Greater London Authority Total			24,000.00	24,000.00		24,000.00	0.00	0.00	0.00
	Grand Total			521,456.28	458,607.53		153,318.85	279,686.43	81.00	25,521.25

Appendix B - Outstanding Other Debts at 31 December 2019

Number	Customer Name	Customer Number	Transaction Date	Original Amount (£)	Balance Due (£)	Days Late
4140378	Kimbanguist Association of London	583505	16/03/2015	6,009.50	2,556.00	1,751
2014/15 debts				6,009.50	2,556.00	
4255952	Sylhet Bawl Shangith Ghosti	594556	11/09/2019	6,225.00	6,225.00	111
4256279	Barnet, Enfield and Haringey Mental Health Trust	532074	16/09/2019	162.00	162.00	106
2019/20 debts over 90 days				6,387.00	6,387.00	
4259282	Environment Agency	275477	23/10/2019	450.00	450.00	69
2019/20 debts over 60 days				450.00	450.00	
4259953	Xantura Limited	573216	04/11/2019	3,600.00	3,600.00	57
4260449	East Sussex County Council	82316	07/11/2019	298.80	298.80	54
4262176	National Development Team for Inclusion	587799	29/11/2019	544.50	544.50	32
2019/20 debts over 30 days				4,443.30	4,443.30	
4262212	East Sussex County Council	82316	02/12/2019	207.00	207.00	29
4262219	East Sussex County Council	82316	02/12/2019	150.90	150.90	29
4262231	Barnet, Enfield and Haringey Mental Health Trust	532074	02/12/2019	81.00	81.00	29
4262491	London Marathon Events Limited	586353	06/12/2019	859.89	859.89	25
4262560	London & Surrey Cycling Partnership LLP	577575	09/12/2019	292.39	292.39	22
4262598	Guy's & St Thomas' NHS Foundation Trust	573737	09/12/2019	27.00	27.00	22
4262599	Improving Performance In Practice (IPIP) Limited	589800	09/12/2019	346.80	346.80	22
4262601	Portsmouth City Council	219972	09/12/2019	1,013.40	1,013.40	22
4262614	South London & Maudsley NHS Foundation Trust	507288	09/12/2019	216.00	216.00	22
4262933	British Parking Association	286343	16/12/2019	252.00	252.00	15
4263096	East Riding of Yorkshire Council	485459	18/12/2019	432.00	432.00	13
4263106	East Sussex County Council	82316	18/12/2019	288.00	288.00	13
4263110	Poplar Harca	430662	18/12/2019	456.00	456.00	13
4263138	East Barnet School	594970	18/12/2019	336.00	336.00	13
4263239	Oaks Park High School	575518	19/12/2019	336.00	336.00	12
4263246	Essex County Council	913617	19/12/2019	106.80	106.80	12
4263336	East Sussex County Council	82316	19/12/2019	298.80	298.80	12
4263338	Bournemouth University	481054	19/12/2019	312.00	312.00	12
4263344	Poplar Harca	430662	19/12/2019	456.00	456.00	12
4263479	West London Mental Health Trust	578125	20/12/2019	135.00	135.00	11
4263490	UK Power Networks Ltd	575429	20/12/2019	846.00	846.00	11
2019/20 debts 30 days and below				7,448.98	7,448.98	
Total other debts at 31 December 2019				24,738.78	21,285.28	