

Executive

Debtors Update Report

Item no: 8

Report by: David Sanni **Job title:** Head of Financial Accounting

Date: 27 February 2018

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Summary

This report details the level of outstanding debt owed to London Councils from all sources as at 31 December 2017. 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 2017.

A summary of the level of London Councils outstanding debts as at 31 December 2017 is shown in Table 1 below:

Table 1- Summary of London Councils Outstanding Debts at 31 December 2017

Period	Borough / TfL / GLA Debts £000	Other Debts £000	Total Debts £000
Debts invoiced up to 31/7/2017	28	11	39
Debts invoiced between 1/8/2017 – 31/12/2017	1,383	26	1,409
Total	1,411	37	1,448

Recommendations

The Executive is asked:

- To note the level of outstanding debt of £27,906 in relation to borough, TfL and GLA invoices raised up until 31 July 2017, a reduction on the outstanding figure of £3.237 million reported to the Executive at its meeting on 12 September 2017;
- To note the level of outstanding debt of £1.383 million in respect of borough, TfL and GLA invoices raised in the period 1 August to 31 December 2017;
- To note the level of outstanding debt of £36,793 in relation to

other debtors invoices raised up until 31 December 2017; and

- To note the specific action being taken in respect of significant debtors, as detailed in paragraph 6 and 8 of this report.
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Debtors Update Report

Introduction

1. London Councils' Executive received a report at its meeting on 12 September 2017 which detailed the level of outstanding debt due from member boroughs, TfL and the GLA for invoices raised up to 31 July 2017. 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 2017, as reported to the Executive on 12 September 2017

Debtor	Debt Amount (£)
Member boroughs	2,835,927.06
TfL	115,519.77
GLA	285,158.30
Total	3,237,158.30

Current Position

2. The current position in respect of outstanding debt due from member boroughs, TfL and the GLA up to 31 July 2017 is detailed in Table 3 below:

Table 3 – Outstanding Borough/TfL and GLA debt invoiced up until 31 July 2017, as at 31 December 2017

Debtor	Debt Amount (£)
Member boroughs	27,905.75
TfL	-
GLA	-
Total	27,905.75

3. The balance consists of one invoice that was paid in January 2018.

Borough/TfL/GLA Debt 1 August to 31 December 2017

4. 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 2017, which totals £1.383 million. This debt is profiled as illustrated in Table 4 below:

Table 4 – Outstanding Borough/TfL and GLA debt 1 August to 31 December 2017

Debtor	0-30 days (£000)	30-60 Days (£000)	60-90 Days (£000)	Over 90 Days (£000)	Total (£000)
Member boroughs	635	382	34	-	1,051
TfL	-	-	-	-	-
GLA	332	-	-	-	332
Total	967	382	34	-	1,383

5. 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 £34,000 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

6. All borough debts over 60 days were paid by 1 February 2018.

Other Debtors

7. 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 2017. An aged analysis of these debts is summarised in table 5 below:

Table 5 – Non-borough/TfL/GLA outstanding debt as at 31 December 2017

	Total Debt (£)	No. of invoices
2013/14 debts	200.00	1
2014/15 debts	11,005.82	2
2017/18 debts between 61 – 90 days old	1,636.00	7
2017/18 debts between 31 – 60 days old	9,919.20	8
2017/18 debts 30 days or less	14,032.20	12
Total	36,793.22	30

8. The significant individual debtors within the outstanding balances over 60 days are:

- **Repayment of ESF Community Grants - £11,205.82 – 3 invoices**

Table 6 below contains a list of three organisations awarded community grants under the discretionary ESF co-financing programme that have been asked to repay their unused grant funding.

Table 6 – List of Community Grant debtors

Name of organisation	Outstanding repayment at 31 December 2017
Community Business Enfield	6,249.82
Creative Innovation	200.00
Kimbanguist Association of London	4,756.00
Total	11,205.82

ESF 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 organisations were asked to repay their grant funding as they had not complied with the terms of their grant funding. The organisations initially refused to refund their grant awards and were referred to the City of London Solicitor's Department for legal action to be taken to recover the funds. Creative Innovation and the Kimbanguist Association of London have agreed to settle their debts by paying monthly instalments. Negotiations continue to take place between London Councils' officers and Community Business Enfield.

9. The City of London's role in raising London Councils' debtor invoices is detailed in paragraph 5 of this report. For those debts that have reached the 42 day cut-off point, letters are prepared 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

10. This report details the level of outstanding debt owed to London Councils from all sources as at 31 December 2017. 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 2017.

11. A summary of the level of London Councils outstanding debts as at 31 December 2017 is shown in Table 1 below::

Table 1- Summary of London Councils Outstanding Debts at 31 December 2017

Period	Borough / TfL / GLA Debts	Non-borough / TfL / GLA Debts	Total Debts
	£000	£000	£000
Debts invoiced up to 31/7/2017	28	11	39
Debts invoiced between 1/8/2017 – 31/12/2017	1,383	26	1,409
Total	1,411	37	1,448

Recommendations

12. The Executive is asked:

- To note the level of outstanding debt of £27,906 in relation to borough, TfL and GLA invoices raised up until 31 July 2017, a reduction on the outstanding figure of £3.237 million reported to the Executive at its meeting on 12 September 2017;
- To note the level of outstanding debt of £1.383 million in respect of borough, TfL and GLA invoices raised in the period 1 August to 31 December 2017;
- To note the level of outstanding debt of £36,793 in relation to other debtors invoices raised up until 31 December 2017; and
- To note the specific action being taken in respect of significant debtors, as detailed in paragraph 6 and 8 of this report.

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 2017
- Appendix B: Outstanding Other Debts at 31 December 2017

Background Papers

London Councils Debtors working papers 2017/18

Report to Executive on 12 September 2017

Appendix A - Outstanding Borough/TfL/GLA debts invoiced from 1 August to 31 December 2017

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
4209569	LB of Barking & Dagenham	83338	06/11/2017	29.75	29.75	55		29.75		
	LB of Barking & Dagenham Total			29.75	29.75		0.00	29.75	0.00	0.00
4211608	London Borough of Barnet	65237	06/12/2017	32,000.00	32,000.00	25	32,000.00			
4212466	London Borough of Barnet	65237	18/12/2017	10,000.00	10,000.00	13	10,000.00			
	London Borough of Barnet Total			42,000.00	42,000.00		42,000.00	0.00	0.00	0.00
4212454	London Borough of Bexley	82583	18/12/2017	96.00	96.00	13	96.00			
	London Borough of Bexley Total			96.00	96.00		96.00	0.00	0.00	0.00
4209252	London Borough of Brent	80673	01/11/2017	36,566.85	652.00	60		652.00		
4209572	London Borough of Brent	80673	06/11/2017	14.96	14.96	55		14.96		
4212600	London Borough of Brent	80673	20/12/2017	3,000.00	3,000.00	11	3,000.00			
4212612	London Borough of Brent	80673	20/12/2017	2,000.00	2,000.00	11	2,000.00			
	London Borough of Brent Total			41,581.81	5,666.96		5,000.00	666.96	0.00	0.00
4212588	London Borough of Bromley	78518	20/12/2017	271.80	271.80	11	271.80			
	London Borough of Bromley Total			271.80	271.80		271.80	0.00	0.00	0.00
4212449	London Borough of Camden	73305	18/12/2017	3,000.00	3,000.00	13	3,000.00			
	London Borough of Camden Total			3,000.00	3,000.00		3,000.00	0.00	0.00	0.00
4211612	Croydon Council	71501	06/12/2017	15,944.00	15,944.00	25	15,944.00			
	Croydon Council Total			15,944.00	15,944.00		15,944.00	0.00	0.00	0.00
4211613	London Borough of Ealing	88277	06/12/2017	20,304.00	20,304.00	25	20,304.00			
4211910	London Borough of Ealing	88277	11/12/2017	251,000.00	251,000.00	20	251,000.00			
4211912	London Borough of Ealing	88277	11/12/2017	135.00	135.00	20	135.00			
	London Borough of Ealing Total			271,439.00	271,439.00		271,439.00	0.00	0.00	0.00
4207227	Royal Borough of Greenwich	124082	03/10/2017	27,905.75	27,905.75	89			27,905.75	
	Royal Borough of Greenwich Total			27,905.75	27,905.75		0.00	0.00	27,905.75	0.00
4211617	London Borough of Hackney	37291	06/12/2017	35,200.00	35,200.00	25	35,200.00			
4212624	London Borough of Hackney	37291	20/12/2017	2,000.00	2,000.00	11	2,000.00			
	London Borough of Hackney Total			37,200.00	37,200.00		37,200.00	0.00	0.00	0.00
4211619	L. B. Hammersmith and Fulham	101404	06/12/2017	15,200.00	15,200.00	25	15,200.00			
4212620	L. B. Hammersmith and Fulham	101404	20/12/2017	2,000.00	2,000.00	11	2,000.00			
	L. B. Hammersmith and Fulham Total			17,200.00	17,200.00		17,200.00	0.00	0.00	0.00
4209470	London Borough of Haringey	79442	03/11/2017	234.00	234.00	58		234.00		
4210379	London Borough of Haringey	79442	16/11/2017	269.40	269.40	45		269.40		
4210844	London Borough of Haringey	79442	22/11/2017	96.00	96.00	39		96.00		
4211427	London Borough of Haringey	79442	01/12/2017	352.80	352.80	30	352.80			
4211636	London Borough of Haringey	79442	06/12/2017	41,080.00	41,080.00	25	41,080.00			
	London Borough of Haringey Total			42,032.20	42,032.20		41,432.80	599.40	0.00	0.00
4211637	London Borough of Harrow	79451	06/12/2017	31,416.00	31,416.00	25	31,416.00			
	London Borough of Harrow Total			31,416.00	31,416.00		31,416.00	0.00	0.00	0.00
4209282	London Borough of Hillingdon	71486	01/11/2017	14,593.41	14,593.41	60		14,593.41		
	London Borough of Hillingdon Total			14,593.41	14,593.41		0.00	14,593.41	0.00	0.00
4211644	London Borough of Hounslow	67448	06/12/2017	18,032.00	18,032.00	25	18,032.00			
	London Borough of Hounslow Total			18,032.00	18,032.00		18,032.00	0.00	0.00	0.00
4211470	London Borough of Islington	5693	04/12/2017	10,000.00	10,000.00	27	10,000.00			
	London Borough of Islington Total			10,000.00	10,000.00		10,000.00	0.00	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
4209310	Royal Borough of Kingston	75215	01/11/2017	16,748.65	16,748.65	60		16,748.65		
	Royal Borough of Kingston Total			16,748.65	16,748.65		0.00	16,748.65	0.00	0.00
4207239	London Borough of Lambeth	3330	03/10/2017	5,344.50	5,344.50	89			5,344.50	
4209721	London Borough of Lambeth	3330	08/11/2017	26,320.00	26,320.00	53		26,320.00		
4209860	London Borough of Lambeth	3330	09/11/2017	256,340.00	256,340.00	52		256,340.00		
4211461	London Borough of Lambeth	3330	04/12/2017	900.00	900.00	27	900.00			
4211647	London Borough of Lambeth	3330	06/12/2017	32,368.00	32,368.00	25	32,368.00			
	London Borough of Lambeth Total			321,272.50	321,272.50		33,268.00	282,660.00	5,344.50	0.00
4211649	London Borough of Lewisham	39651	06/12/2017	13,504.00	13,504.00	25	13,504.00			
	London Borough of Lewisham Total			13,504.00	13,504.00		13,504.00	0.00	0.00	0.00
4209296	London Borough of Newham	54574	01/11/2017	1,083.58	1,083.58	60		1,083.58		
4209324	London Borough of Newham	54574	01/11/2017	52,093.75	52,093.75	60		52,093.75		
4212092	London Borough of Newham	54574	13/12/2017	16,000.00	16,000.00	18	16,000.00			
	London Borough of Newham Total			69,177.33	69,177.33		16,000.00	53,177.33	0.00	0.00
4208394	LB of Richmond Upon Thames	590587	18/10/2017	900.00	900.00	74			900.00	
4209327	LB of Richmond Upon Thames	92507	01/11/2017	11,308.61	11,308.61	60		11,308.61		
4210866	LB of Richmond Upon Thames	92507	22/11/2017	2,185.58	2,185.58	39		2,185.58		
4211651	LB of Richmond Upon Thames	92507	06/12/2017	6,016.00	6,016.00	25	6,016.00			
	LB of Richmond Upon Thames Total			20,410.19	20,410.19		6,016.00	13,494.19	900.00	0.00
4212585	London Borough of Southwark	8589	20/12/2017	10,000.00	10,000.00	11	10,000.00			
4212617	London Borough of Southwark	8589	20/12/2017	20,000.00	20,000.00	11	20,000.00			
	London Borough of Southwark Total			30,000.00	30,000.00		30,000.00	0.00	0.00	0.00
4212605	London Borough of Sutton	39800	20/12/2017	3,000.00	3,000.00	11	3,000.00			
	London Borough of Sutton Total			3,000.00	3,000.00		3,000.00	0.00	0.00	0.00
4211922	London Borough of Waltham Forest	39794	11/12/2017	20,000.00	20,000.00	20	20,000.00			
	London Borough of Waltham Forest Total			20,000.00	20,000.00		20,000.00	0.00	0.00	0.00
4211661	London Borough of Wandsworth	93501	06/12/2017	19,992.00	19,992.00	25	19,992.00			
	London Borough of Wandsworth Total			19,992.00	19,992.00		19,992.00	0.00	0.00	0.00
4212597	Greater London Authority	402282	20/12/2017	332,413.16	332,413.16	11	332,413.16			
	Greater London Authority Total			332,413.16	332,413.16		332,413.16	0.00	0.00	0.00
	Grand Total			1,419,259.55	1,383,344.70		967,224.76	381,969.69	34,150.25	0.00

Appendix B - Outstanding Other Debts at 31 December 2017

Number	Customer Name	Customer Number	Transaction Date	Original Amount	Balance Due	Days Late
4117848	Creative Innovation	576747	17/03/2014	3,204.39	200.00	1,385
2013/14 debts				3,204.39	200.00	
4129152	Community Business Enfield	577767	10/09/2014	6,249.82	6,249.82	1,208
4140378	Kimbanguist Association of London	583505	16/03/2015	6,009.50	4,756.00	1,021
2014/15 debts				12,259.32	11,005.82	
4207189	Waste & Resources Action Programme (WRAP)	573111	02/10/2017	450.00	450.00	90
4208232	Dawson Books	451747	16/10/2017	35.00	35.00	76
4208234	Dawson Books	451747	16/10/2017	35.00	35.00	76
4208239	East Sussex County Council	82316	16/10/2017	444.00	444.00	76
4208371	Epic Elm C.I.C	577804	18/10/2017	240.00	240.00	74
4208424	Sharing Bananas	590575	18/10/2017	216.00	216.00	74
4209159	Tempo Housing	590634	30/10/2017	216.00	216.00	62
2017/18 debts over 60 days				1,636.00	1,636.00	
4209455	Oxygen Finance Ltd	575294	03/11/2017	6,000.00	6,000.00	58
4209461	Local Government Association	358901	03/11/2017	64.80	64.80	58
4209525	Metropolitan Police Service	590668	06/11/2017	121.20	121.20	55
4209533	Bournemouth University	481054	06/11/2017	624.00	624.00	55
4209728	Bournemouth University	481054	08/11/2017	312.00	312.00	53
4209754	British Parking Association	286343	08/11/2017	1,572.00	1,572.00	53
4209765	British Parking Association	286343	08/11/2017	289.20	289.20	53
4210873	Bournemouth University	481054	22/11/2017	936.00	936.00	39
2017/18 debts over 30 days				9,919.20	9,919.20	
4211413	Thames Water Utilities Ltd	9121	01/12/2017	1,071.60	1,071.60	30
4211462	East Sussex County Council	82316	04/12/2017	301.50	301.50	27
4211883	London Waste & Recycling Board	550109	11/12/2017	295.80	295.80	20
4211917	Calder Conferences Ltd	575018	11/12/2017	561.00	561.00	20
4211923	National Anti Fraud Network	590968	11/12/2017	1,173.60	1,173.60	20
4211954	Home Office	110521	11/12/2017	267.00	267.00	20
4211958	Home Office	110521	11/12/2017	267.00	267.00	20
4211964	Electrical Safety First	577947	11/12/2017	408.00	408.00	20
4211966	Thames Water Utilities Ltd	9121	11/12/2017	112.20	112.20	20
4211967	Bournemouth University	481054	11/12/2017	312.00	312.00	20
4212599	Gmb Union	583067	20/12/2017	262.50	262.50	11
4212621	London Communications Agency	433938	20/12/2017	9,000.00	9,000.00	11
2017/18 debts 30 days or less				14,032.20	14,032.20	
Total other debts at 31 December 2017				41,051.11	36,793.22	