

SANDBACH TOWN COUNCIL

Debt Collection Policy and Procedure

Approved Council 16.8.18

DEBT RECOVERY POLICY

This procedure outlines the Debt Collection Process for Sandbach Town Council.

Standard Payment Terms of all invoices are subject to 14 days from the date of issue.

Debt collection should be prioritised by age and value; higher value take priority over small value.

Outstanding debts, which become 'aged' debts, should be reported annually to Finance, Policy and Governance, with a recommendation being made to Council for any write off requests. ONLY Council can agree to write off debts, no matter how small.

DEBT RECOVERY PROCEDURE

There is a presumption in favour that all relevant debts will be pursued in accordance with this procedure, however the Council reserves the right to treat individual cases on their own merit.

Stage 1

Debtors for invoices that are unpaid after 30 days of the due date will be issued a reminder letter or email enclosing a statement of the account. The letter may also state that the Council reserve the right to add a charge to cover lost interest on the monies outstanding, where the value of the invoice is greater than £50.

Stage 2

Debtors for invoices that remain unpaid after 60 days of the date of issue, and have received Stage 1 letters, will be issued with a Final Demand letter or email indicating that unless payment is received within 14 days the outstanding debt may be pursued via small claims court. Where appropriate, the Council may advise the debtors that trading facilities may be removed or suspended if payment is not made within the 14 days.

Stage 3

Actions for Debtor's whose invoices do not exceed £50 that are unpaid within 90 days, after all stages have been followed will be referred to the F,P&G Committee of the Council who will take the following one or more of the following steps:

- Write off the debt;
- Suspend the Debtors use of Councils facilities;
- Continue to pursue with added costs to cover administration fees relating to chasing the debt.

Action for debtor's invoice balance exceeding £50 that are unpaid after 90 days of the date of issues and who have been dealt with correctly for stages 1 and 2, will be issued with a final letter indicating that unless payment is made within 7 days the debt will be referred to the Council's Solicitors, which will incur further fees, to instigate a debt recovery process via the smalls claims court. Legal Costs incurred by STC may be added to the balance owed.

Charges

Admin fees

Amount of debt	Charge
Up to £999.00	£40
£1000 to £999.99	£70
£10,000 or more	£100

Interest Charges

Interest will be charged at 8% plus the Bank of England Interest rate

Notes

At every stage of the collection process, full records must be kept of any discussions and correspondence between the Council and the customer.

If a dispute or query arises, the debt recovery procedure must be suspended until resolved, debt recovery procedure will commence as appropriate. If, after investigations, a credit note is required to cancel or amend the original invoice, full documentation and records should be kept for records and as evidence of the credit.

Any requests for a payment plan should be agreed by the Officers of the Council and be settled within 3 months. For debts relating to Operational debts, i.e. market rents, market utility re-charge invoices, the agreement will be made via the Operations Manager, and must be settled within 3 months.

Above charges are as noted in Late commercial payments: charging interest and debt recovery document via Direct Gov website.

Conduct

The Council will not use intrusive or improper methods in collecting debts.

The Council will be discreet when collecting the debt.

The Council will not disclose the customers information in a public meeting.