



St Stephen in Brannel Parish Council

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Debt Collection Policy¹

Objective

In order to maximise income St Stephen in Brannel Parish Council will collect all debt owing to it promptly, effectively, efficiently and economically, while ensuring unbiased and fair treatment to all debtors.

Raising Invoices

All invoices raised must be properly supported by documentary evidence that supports the debt and use of the relevant agreed hire charges, rents or fees.

Terms and Conditions

Terms and conditions are designed to protect the rights of the Council, limit potential liabilities and provide some degree of security for the recovery of the debt.

All invoices must request payment within 28 days or less of the dated invoice.

Terms and Conditions should include details of acceptable payment methods.

Methods of Payment

The Council's preferred method of payment is BACS. However, this does not prohibit accepting payment by cash or cheque.

Collection

The collection of income in respect of invoices raised must follow a standard course, which fully documents the efforts made to settle the debt –

1. the Clerk/RFO or Administrator will raise the debt in the first instance;
2. if no payment is received within stated terms; the recovery procedure will commence which begins with a first stage reminder giving a further 14 days' notice;
3. the reminder can be in the form of a letter, telephone call or email;
4. if no payment is received after a further 14 days, a final demand notice, will be sent; and
5. the further use of facilities will be ceased immediately;

¹ Adopted by Full Council at the meeting held on Wednesday 15th July 2020 under minute FPC168/20. Due for review in July 2023.

The final demand notice will advise the customer of further enforcement action, refer to any interest or charge, which the debtor is liable to pay, and the rate at which it will accumulate from the date of the letter.

Disputed Invoices

Each invoice will bear the contact details of the Clerk/RFO.

In the first instance the Clerk/RFO should be contacted to resolving any initial problems or queries.

All invoices that are disputed will be flagged as not requiring further action at this time.

The Clerk/RFO will retain responsibility for query resolution at this stage and amend invoices if deemed appropriate. This should be done using properly supported documentary evidence that validates the reason for reducing or cancelling a previous amount invoiced.

Recovery Action

If, after exhausting all the reminder stages the debt remains outstanding, the Clerk/RFO will consult with the Finance and General Purposes Committee at the first available opportunity to decide if the debt requires further enforcement action.

In some cases, the total value of the customer's debt(s) may be considered uneconomic to pursue further and be written off.

For all other debts, the following action will apply –

1. Refer the debt to the Small Claims Court;
2. If the Court is unable to collect the debt, it will be considered that all options are exhausted and the Clerk/the RFO will instigate the procedure to write-off the debt.

All debts passed to the Small Claims Court must be updated. Where an account is reclaimed by the Court the invoice system must be updated to reflect this.

Where a case has been passed to the Court for collection and a direct payment is received, the Clerk/RFO will ensure the Court is notified.

The Clerk will prepare a list of debts to be written off for approval by the Council which details the value of each debt, age, action taken, and the reason for write-off request.

The debtor remains liable to pay for up to six years. Therefore, if the debt has been written off and a further payment is received, the income will be credited as appropriate.