



WESTON-SUPER-MARE TOWN COUNCIL

Bad Debt Policy

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11 th March 2026	V2	Director of Finance & Resources	Last review date 29.02.2016	Director of Finance & Resources

This policy applies to Weston-super-Mare Town Council

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1. Purpose

This policy establishes the Council's approach to the management, recovery and write-off of debts owed to the Council. As a local authority, the Council has a responsibility to ensure that public funds are managed prudently and that all reasonable steps are taken to collect income that is due.

The policy ensures that the Council operates fair, consistent and transparent procedures for debt management while maintaining appropriate financial controls and governance standards.

The Council's financial administration responsibilities arise from Section 151 of the Local Government Act 1972, which requires local councils to make proper arrangements for the administration of their financial affairs. For the Town Council, these responsibilities are exercised through the CEO/ Town Clerk and Responsible Financial Officer (RFO).

This policy also supports compliance with:

- Accounts and Audit Regulations 2015
- Local Audit and Accountability Act 2014
- Smaller Authorities' Proper Practices Panel (SAPPP)
- NALC Model Financial Regulations for Local Councils
- Local Government Transparency Code 2015 (where applicable)

The policy aims to ensure that:

- Income due to the Council is collected efficiently and promptly.
- Debt recovery processes are fair, proportionate and consistent.
- Decisions to write off debt are properly authorised and documented.
- Appropriate records are maintained for governance and audit purposes.

2. Scope

This policy applies to all debts owed to the Council arising from the provision of services, the use of Council facilities, rental arrangements or any other charges levied by the Council.

Examples of such debts may include, but are not limited to:

- Allotment rents or licence fees
- Hire charges for village halls, community centres or other council facilities
- Cemetery, burial or memorial fees
- Charges associated with council events or services
- Commercial rents or service charges relating to council-owned property
- Fees, licences or other payments due to the Council

The policy applies regardless of whether the debtor is an individual, business, community organisation or other body.

3. Principles

The Council recognises that effective financial management requires the prompt collection of income. The Council will therefore seek to recover all debts owed to it in a timely and efficient manner.

In carrying out debt recovery activities, the Council will:

- Act in accordance with its Financial Regulations, which govern the management of council finances and internal control systems.
- Apply procedures consistently and fairly to all debtors.
- Take proportionate steps when pursuing recovery, taking into account the value of the debt and the likelihood of successful recovery.
- Seek to resolve debts through reasonable communication before pursuing formal recovery methods.
- Maintain accurate financial records in accordance with the Accounts and Audit Regulations 2015.

The Council will also ensure that debt recovery practices comply with relevant legislation, including consumer protection and data protection legislation, and that any personal information is processed lawfully.

4. Invoicing Arrangements

The Council will issue invoices or payment requests as soon as reasonably practicable after a charge becomes due.

Invoices will clearly state:

- The amount payable
- The reason for the charge
- The due date for payment
- The available payment methods
- The contact details of the Council for any queries

Unless otherwise agreed by the Council or specified in a contractual arrangement, invoices will normally require payment within **30 days**.

The Responsible Financial Officer will ensure that invoices are recorded in the Council's accounting system in accordance with proper practices set out in the SAPP Practitioners' Guide.

5. Debt Recovery Procedure

Where payment is not received by the due date, the Council will normally follow a staged recovery process to encourage payment while allowing reasonable opportunities for the debtor to resolve the matter.

5.1 First Reminder

If payment has not been received by the due date, the Finance Team will issue a first reminder notice to the debtor.

This reminder will normally be issued within 14 days of the payment due date and will request payment within a specified timeframe.

5.2 Second Reminder

If payment remains outstanding following the first reminder, a second reminder notice may be issued.

This will normally be issued approximately 14 days after the first reminder and will advise the debtor that further recovery action may be considered if payment is not received.

5.3 Final Notice

Where payment remains outstanding after the second reminder, the Council will issue a final demand for payment.

The final notice will inform the debtor that failure to settle the debt may result in further recovery action, which may include legal proceedings or referral to a debt recovery agency.

5.4 Further Recovery Action

Where appropriate, the Council may consider further recovery action. This may include:

- Suspension or withdrawal of services where applicable, such as the use of council facilities or allotment tenancies.
- Referral of the debt to a professional debt recovery agency.
- Initiating legal proceedings through the County Court or Small Claims process where it is considered proportionate and cost effective to do so.

The CEO/ Town Clerk or Responsible Financial Officer will assess the circumstances of each case and determine whether further recovery action is appropriate, taking into account the value of the debt, the likelihood of recovery and the potential costs involved.

6. Writing Off Bad Debts

There may be circumstances where a debt cannot reasonably be recovered.

A debt may be considered for write-off where:

- All reasonable attempts to recover the debt have been unsuccessful.
- The debtor cannot be traced.
- The debtor is insolvent, bankrupt or deceased with no recoverable estate.
- The cost of pursuing recovery would exceed the likely amount recovered.
- Legal advice indicates that recovery is unlikely to succeed.

Before recommending a write-off, the Responsible Financial Officer will ensure that appropriate recovery steps have been taken and that sufficient documentation exists to support the decision.

Write-offs must be properly authorised in accordance with the Council's Financial Regulations and governance procedures.

7. Authorisation Levels for Write-Offs

In order to maintain effective financial control, the following authorisation levels apply to the write-off of debts.

Amount	Authorisation
Up to £100	CEO/Town Clerk or Responsible Financial Officer
£100 – £500	Finance and General Purposes Committee
Over £500	Full Town Council

All write-offs will be reported to the Council through the next available finance report to ensure transparency and appropriate oversight.

8. Recording and Reporting

All debts and recovery actions will be recorded in the Council's accounting records.

Where a debt is written off, the Responsible Financial Officer will ensure that:

- The accounting records are updated appropriately.
- A record of the decision and the reasons for the write-off are retained.
- The write-off is reported to Council for transparency.

Maintaining clear records supports the Council's obligations under the Accounts and Audit Regulations 2015 and assists both internal and external auditors when reviewing the Council's financial management arrangements.

9. Confidentiality and Data Protection

The Council will ensure that information relating to debtors is handled in accordance with the Data Protection Act 2018 and UK General Data Protection Regulation (UK GDPR).

Personal data relating to debtors will only be processed for legitimate council purposes and will be kept secure and confidential.

Access to information relating to individual debts will be restricted to authorised officers and members where necessary for the exercise of council functions.

10. Review

This policy will normally be reviewed bi-annually, or sooner if required:

Appendix A – Debt Recovery Timeline

The following timeline provides guidance on the typical process for recovering outstanding debts owed to the Council. The exact timing may vary depending on the circumstances of each case, but the Responsible Financial Officer will normally follow this structured approach.

Stage	Action	Typical Timescale
Invoice issued	Invoice issued to debtor with payment terms clearly stated	Day 0
Payment due date	Payment expected within agreed terms (normally 30 days)	Day 30
First reminder	First reminder letter issued requesting payment	Within 7 days after due date
Second reminder	Second reminder letter issued advising payment is overdue	Approximately 14 days after first reminder
Final notice	Final notice issued warning of possible recovery action	Approximately 14 days after second reminder
Further action	Consider recovery action such as service suspension, debt recovery agency or legal action	Case dependent
Write-off consideration	If recovery attempts unsuccessful, debt may be considered for write-off in accordance with Council policy	Case dependent

The Responsible Financial Officer will ensure that appropriate records of all communications and recovery actions are maintained for audit purposes.