



Draft Debt Management Policy

1. Introduction

Welshpool Town Council has a duty to residents, businesses, and organisations that use its facilities to ensure the prompt and cost-effective billing, collection, and recovery of all sums due to the Council.

The objective of this Policy is to maximise income by collecting debts promptly, effectively, efficiently, and economically, whilst ensuring fair and consistent treatment of all debtors.

2. Scope and Framework

This Policy applies to the collection of all income, including but not limited to:

- Sports ground hire fees
- Allotment rents
- Market rents and pitch hire
- Sundry invoices
- Property rents, leases, and licences

Effective debt collection minimises the impact on cash flow and protects public funds. Where debts are deemed irrecoverable, or uneconomic to pursue, they may be written off in accordance with this Policy.

3. Raising Invoices

Invoices will normally be raised in advance of services where practicable, or promptly after delivery, or at a fixed point in the month.

Invoices will clearly state the service provided, period covered, due date, and VAT where applicable.

Standard payment terms are 30 days from date of issue, unless alternative terms are specified (e.g. allotment agreements).

4. Payment Terms and Methods

The Council's preferred method of payment is BACS, though debit/credit card, cheque, cash, or standing order will also be accepted. The Council also operate an online facility via it's website for payment of invoices via card and Apple/Google Pay.

Requests for repayment arrangements will be considered by the RFO on a case-by-case basis. Failure to adhere to an agreed arrangement will trigger further recovery action, and reasonable costs may be added.

5. Responsibilities of Debtors

Debtors are expected to ensure payments reach the Council by the due date, follow payment instructions, notify the Council of changes to address or circumstances affecting ability to pay and contact the Council promptly if they believe an invoice is incorrect.

6. Debt Recovery Procedure

Stage 1 – Reminder

Debtors with invoices unpaid at 30 days will be sent a reminder letter/email (with a copy invoice) within 10 days.

Stage 2 – Final Demand

Debtors unpaid at 60 days (after Stage 1) will receive a Final Demand, requiring payment within 14 days. The Town Clerk or RFO may notify debtors that their use of Council facilities is suspended pending payment, if deemed necessary.

Stage 3 – Escalation

Debts referred to the Finance & Governance Committee to recommend to Full Council whether to:

- Write off the debt
- Suspend debtor's access to Council facilities (if ongoing)
- Instruct the Town Clerk or RFO to pursue further action

Stage 4 – Review

All debts still outstanding after the above stages will be referred to the Finance & Governance Committee for consideration of further action. The committee will explore the following circumstances when reviewing debts:

- Physical evidence to pursue the claim
- The resource and sustainability to obtain the debt
- Death or illness of the debtor
- The period the debt has accrued over
- Any other criteria at the discretion of the committee

Further Action

Further action may include an application to the Small Claims Court, where the debtor will be liable for the fees incurred by the Council in recovering the debt.

7. Payment Plans

Where a repayment plan is agreed, the Council will seek repayment as quickly as possible, ideally within the same financial year.

Payment plans will only be approved where they increase the likelihood of full recovery.

8. Debts arising from leases/licences/formal agreements

Such debts will be considered individually and may not follow the standard debt recovery procedure. Legal remedies such as forfeiture may apply.

9. Writing off Debts

After all avenues and stages of this policy have been followed, it may be prudent to write off a debt. The Council's Financial Regulations require that a debt which remains unpaid for 12 months may be written off if all recovery attempts have been exhausted.

Debts over £1000 require a specific resolution of Full Council and debts under this level may be written off by the RFO after authorisation from Full Council.

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