

Hamble Parish Council Credit Management Policy

The Council has a duty to ensure that all monies owed to the Council are collected efficiently and effectively for the benefit of all council tax payers and to provide services for the parish residents.

The Responsible Financial Officer (RFO) holds a statutory office appointed by the Council. The Clerk has been appointed the RFO for Hamble Parish Council and references to the RFO refer to the Clerk.

1. Objective

The Council's debt recovery policy has the following objective:

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

2. Framework

This policy document sets out the Debt Recovery Policy for the Council to ensure that all sundry debts and income of the Council are managed, administered and collected in a transparent, efficient and cost-effective manner.

To achieve these goals Hamble Parish Council will:

- Collect all debt owing to it promptly, effectively, efficiently, and economically.
- Comply with ethical best practice, and legislative requirements, appropriate to each individual debt, or debtor.

3. Purpose

The purpose of this policy is to provide clear guidance for the Officers on the recording, reporting, recovery and monitoring of income.

4. Roles and Responsibilities

The RFO is responsible for the organisation and supervision of all income arrangements, which includes proper accounting, collection arrangements and reporting to the Council on a regular basis. The RFO must make arrangements for income to be accounted for correctly within the Council's financial accounts and make an appropriate annual provision for bad debts.



5. Raising Invoices

Where practical and efficient, advance payment must be requested for services. All invoices must request payment within 14 days or less of the dated invoice. If there are persistent late payment issues (2 or more instances of payment more than 14 days after issue of the invoice) with a regular customer or hirer the Council reserves the right to require payment in advance or to refuse to provide the service. All invoices raised must be properly supported by documentary evidence that supports the debt and using the relevant agreed hire charges, rents or fees. VAT will be charged at the prevailing rate where appropriate.

All invoices will include contact details of the Admin Assistant, in case of queries. All Invoices must contain a concise explanation of why the Council requests payment including the start and finish dates for any facility hire or annual contracts. The Admin Assistant must ensure invoices are raised promptly and emailed to the customer as soon as possible. Where the invoice relates to a continuing hall hire or sports facility, invoices must be issued at least monthly.

6. Credit Notes

If an invoice is raised in error it must be cancelled with a credit note. Adequate documentation or information must be supplied to support the credit note. A credit note should be raised to cancel the invoice in full or reduce the value. A credit note will also be raised when refunding a customer.

7. 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 14 days or less of the dated invoice. Terms and Conditions should include details for payment by BACs and reference to the statutory right to claim a surcharge of £10 or 10% (whichever is the lesser amount) on failure to make payment within the time frame.

8. Methods of Payment

The Council's preferred method of payment is BACs (any amount) or debit or credit cards (for amounts of £10 or less). Debit or credit card payments can only be processed via iZettle at the office with the card holder in attendance. In some instances (Dinghy Storage Park fees) an admin fee of £5 will be charged for payment by cheque, service users will be advised in advance if the admin fee applies.

9. Collection

The collection of income in respect of invoices raised must follow the process set out below, which fully documents the efforts made to settle the debt



- i. the Admin Assistant will raise the debt in the first instance.
- ii. if no payment is received within the stated terms the Admin Assistant will commence the recovery procedure, which begins with a first stage reminder phone call confirmed by email (with a delivery and read receipt activated) giving a further 7 days notice.
- iii. This will be followed with a further telephone call and email to request settlement.
- iv. if no payment is received after a further 7 days, a final demand notice (see 10 below), will be sent both by email (with a delivery and read receipt) and by a recorded delivery letter.
- v. the use of facilities will cease immediately. At this stage other steps may also be needed such as removal and disposal of property.
- vi. the council will be advised of the debt at its next meeting

If a customer requests that an invoice is deferred or to pay by instalments due to temporary cash flow issues financial documentation must be provided by the debtor:

- Professionally prepared accounts or audited accounts if applicable.
- An up to date financial statement setting out the current financial situation
- Current balance sheet

For invoices totalling £1,000 or less the request can be considered and terms agreed by the RFO. Invoices totalling more than £1,000 must be considered by the Council at its next meeting. The Council's credit management procedures will continue until all the financial documentation is submitted.

All action will be fully documented by the Admin Assistant and referred to the Deputy Clerk if a final demand notice has to be issued.

10. Reminder Letters

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. The customer will also be advised that any debts reported to the Council will become a matter of public record via the Council's Minutes.

11. Disputed Invoices

Each invoice will include the contact details of the Admin Assistant. In the first instance the Admin Assistant should be contacted to resolve any initial problems or queries, as he/she will hold the information to resolve all basic queries.

All invoices that are disputed will be flagged, as not requiring further action at this time. The Admin Assistant will retain responsibility for query resolution at this stage and



14. Part Payments

Where part payment has been received for a series of invoices, then the payment is attributed to the earliest invoices first (unless the payment is for a specific invoice)

It would normally be expected that debts to be written off would be:

- Cumulative debts under £100, where no payment has been received within six months of sending the final demand.
- All debts where the court advises they are unable to collect and all options are exhausted - in these circumstances the RFO will deem it not cost-effective to pursue.
- All debts where the RFO advises the debt is irrecoverable or that legal action is unlikely to be cost effective.

Possible reasons for bad debt write off:

Absconded or Unable to Trace

Bankruptcy (having already registered a claim with the trustees)

Deceased

Uneconomic

Unable to collect

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

Review

Reviewed and agreed by Full Council May 2026 with the understanding that it needs to be updated

