Rackheath Community Council
Bad Debt Policy

Adopted by the Council in January 2018. Last Reviewed March 2026

Approval and Review
The Council has approved this Bad Debt Policy, which forms an attachment to the Financial Regulations and supports Financial Regulation 13.3

Actions to be followed

1. Where possible invoices are sent out for goods and services ahead of the supply of those goods and services. All invoices will show a 'Due By' date which will normally be 30 days after the invoice date. Failure to make payment of any invoice raised by the Council for services or goods, will be subject to the late payment process detailed below.

2. Regular hirers of the Pavilion will be invoiced for hire at the beginning of the month of hire (eg December hire will be invoiced on or around 1st December). Casual hirers will be required to make payment in full prior to commencement of their hire. Failure to pay will result in their hire being cancelled. Hire of the football facilities will be invoiced on a per game basis for non-resident teams and per season for resident teams. Season invoices will be permitted to be paid in two instalments at the end of November and the end of March, of the season in which they were issued.

3. In the event of any payments not being received by the due date, a reminder will be sent detailing that payment is now requested within 14 days of the date of the reminder.
   We reserve the right to impose a late payment fee of £3.00 for the first month, then £6.00 for the second month. Any invoices £100.00 and over may incur a charge of 10% of the invoice value. After this, in respect of the Pavilion, the building access will be withheld until the outstanding balance has been settled.

4. In the event of any payments not being received after the 14-day reminder, then Council will consider action to recover late payment at their next meeting. A letter will be sent by or on behalf of the Responsible Financial Officer (RFO) advising:
   a. that Council will be made aware of the debt, including the date of the meeting;
   b. that unless payment is received within 7 days (of the date of the letter) the matter may be progressed through the County Court (Small Claims Court);
   c. the Council will also seek to recover its court costs;
   d. no further reminders will be sent.

5. In the event of payment not being received within those 7 days then the RFO will, when instructed by Council, refer the matter to the County Court. There is a court cost incurred in using the Small Claims Court and this will be included as part of the claim made by the Council.

6. The Council and RFO will, where appropriate, seek to work with the debtor to implement a manageable programme of repayment. Failure to agree terms or make payment according to agreed terms will result in immediate referral of the debt to the Small Claims Court.

7. The RFO is responsible for implementing 1 – 4 above. The RFO will report all unpaid invoices to the Council which exceed 44 days. Bad Debts can only be written off with approval from the Council, and when 1 – 4 above have been implemented. All Bad Debts will be recorded in the Notes to the Annual Accounts.

This policy will be reviewed annually, or sooner if the Financial Regulations require amendment.