



DEBT RECOVERY POLICY

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Meeting: Finance & General Purpose Committee

Next Review Date: October 2028

Supersedes: Debt Recovery Policy 29 September 2022

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1. INTRODUCTION

Thornbury Town Council derives a significant proportion of its income from charges for the hire of sports grounds, burial ground fees, and income from leases and tenancy agreements. From time to time, invoices may not be settled within the Council's standard payment terms. The Council has a responsibility to ensure that all income generated from taxpayer-funded sites and services is properly invoiced, collected, and pursued in accordance with this policy.

2. STANDARD PAYMENT TERMS

Thornbury Town Council invoices are subject to a payment term of 30 days from the date of the invoice unless alternative specific payment terms apply i.e. Leases or Tenancy Agreements.

3. DEBT RECOVERY PROCEDURE

Stage 1:

Debtors for invoices that are not paid within the 30-day payment term will be contacted within ten working days by phone, email or letter. A copy of both the invoice and statement on account will be forwarded as a reminder.

Stage 2:

Debtors for invoices that are unpaid within 60 days of the date of issue and who have been sent a communication in accordance with stage 1 will be sent a Final Demand indicating that unless payment is made within 14 days of the date of that communication the outstanding debt will be pursued by way of formal debt recovery procedures. In appropriate cases as determined by the Chief Executive and RFO the debtor may also be advised that unless payment is made within 14 days their use of Thornbury Town Council facilities will be suspended.

Stage 3:

Invoices exceeding £50.00

Debtors that are unpaid at 80 days of the date of issue and who have been subject to the reminders as per stage 1 and stage 2 will be referred to the Council's Solicitors who will be instructed to issue letters before action to each debtor

Invoices below £50.00

Debtors that are unpaid at 80 days of date of issue and who have been subject to the reminders as per stage 1 and stage 2 will be referred to the Finance & General Purpose Committee of the Council who will in relation to each debt resolve to take one or more of the following steps:

1. Write off the debt.
2. Suspend the debtors use of the Town Council facilities (if ongoing).
3. Instruct the Clerk/RFO to pursue the debt using appropriate measures.

All outstanding debts that remain unpaid after stages 1, 2 and 3 will be referred to the Finance & General Purpose Committee who will determine the extent of any further debt recovery action to be taken.

4. DEBTS ARISING UNDER LEASES OR TENANCY AGREEMENTS

All debts arising under Lease or Tenancy Agreements will be treated on their own merit and will

not be subject to Debt Recovery Procedure outlined above.

5. OUTSTANDING DEBTS OF £1,000.00 OR MORE

For all outstanding debts of £1,000 or more and which are outstanding after the Debt Recovery Procedures above have been followed there will be a presumption in favor of the debt being pursued by way of appropriate Court proceedings.

Debts exceeding £1,000.00 may only be written off by a resolution of Full Council with each case being considered on its own merit.