

Debt Management Policy

Approved Date	TBC 2026
Next Review Date	TBC 2029
Related Legislation/Applicable Section of Legislation	The Judgments (Interest) Act (Northern Ireland) 1971 The Late Payment of Commercial Debts (Interest) Act 1998
Related Policies, Procedures, Guidelines, Standards, Frameworks	n/a
Replaces	Previous version dated May 2024
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Sponsor Directorate	Corporate Support Services
Version	2

Revision record

Date	Version	Revision Description
Pre-2024	Original	Initial policy created (date not documented)
May 2024	1	Amendments made to strengthen the policy by clarifying the criteria for debt write-off and refining approval thresholds for write-off authorisation.
March 2026	2	In depth detail has been applied to this version, particularly around the time frames for reminding a customer of any outstanding debt

1. Debt Management Policy

Mid and East Antrim Borough Council is committed to minimising the risk of bad debts and ensuring that public funds are managed responsibly. To support this, a robust debt management procedure must be followed by all relevant staff and applied consistently to all customer sales transactions.

2. Purpose

The purpose of this policy is to set out the Council's approach for effective management and recovery of debt, ensuring that all income owed is pursued in a timely, consistent, and fair manner. It sets out the framework within which debt will be monitored and recovered, supporting the Council's responsibility to safeguard public funds and maintain financial stability.

3. Scope

This policy applies to all Council staff involved in the billing, management, monitoring, and recovery of income owed to Mid and East Antrim Borough Council. It covers all customer sales transactions, including charges for goods, services, statutory fees, and any other income-generating activity carried out by the Council.

The policy applies to:

- a. The Finance Department - specifically the Credit Control function. The finance team will continually monitor the debtors' listing produced by the Council's finance systems, and will identify any debts which remain unpaid, after the period set out in the council's terms and conditions (normally 30 days after invoice date unless stated otherwise).
- b. Service Areas are responsible for providing timely and accurate information to enable invoices to be raised correctly, supplying all supporting documentation required for effective recovery, and cooperating fully with the Finance Department throughout the recovery process. Service areas must ensure that information is complete, accurate and provided promptly so that debts can be pursued without delay.
- c. A debtor is anybody (whether an individual or organisation) who has received goods or services from the Council, or is liable for a statutory debt, and who has not yet paid the full amount owed.
- d. This policy does not apply to domestic or non-domestic rates. All matters relating to rates debt are administered by Land & Property Services (LPS) processes and fall outside the scope of this policy.

4. Policy Detail

Debt arrangements

The Finance Department will review and monitor outstanding debt on a regular basis to ensure timely and effective recovery. A detailed review of aged debt will be undertaken with the Assistant Director - Finance on a quarterly basis, assessing recovery progress, identifying emerging issues and agreeing any required actions.

The actions set out below will be taken to support the recovery of outstanding debt.

Debt Recovery Process

The Council will follow the process below to support the timely recovery of outstanding debt and ensure consistent, fair, and transparent treatment of all customers.

Step 1. Issue of Monthly Statements

- The Finance Department will issue monthly statements to all debtors outlining any outstanding balances.

Step 2. Initial Contact

- Finance will contact the debtor by email and/or telephone to discuss the overdue amount and encourage prompt payment.
- Individual debtors are responsible for informing Finance of any changes to their contact details to ensure effective communication.

Step 3. Reminder Notices

- **30 Days:** A first reminder letter will be issued when an invoice remains unpaid 30 days after the invoice date.
- **60 Days:** A second reminder letter will be issued after 60 days, restating the outstanding amount and requesting immediate settlement.
- **90 Days:** A **final reminder letter** will be issued at 90 days. This letter will:
 - Request immediate payment.
 - Advise that legal action may be taken without further notice if payment is not received within 7 days.

Step 4. Escalation and Legal Action

- If payment is not received within the 7-day period stated in the final reminder, the Council will initiate legal recovery proceedings.
- Before legal action is progressed, Finance will liaise with the relevant service department to determine whether any operational actions may support resolution (e.g., suspending services or moving to a pay-as-you-go arrangement to prevent further debt).

Step 5. Application of Interest (Legal Proceedings Only)

- The Council does not apply interest or late fees during its internal recovery process.
- Once legal action begins, statutory interest will be applied from the invoice date in line with:
 - *Judgments (Interest) Act (NI) 1971*
 - *Late Payment of Commercial Debts (Interest) Act 1998*
- Any interest and court fees will form part of the recoverable amount.

Step 6. Repayment Arrangements

- In exceptional circumstances, the Council may agree a repayment plan with the debtor.
- Arrangements require approval from the **Assistant Director - Finance**.
- Standard repayment periods will normally not exceed **6 months**.
- Extensions beyond this period will only be granted where deemed necessary and appropriate; such exceptions do not create a customer entitlement.
- If a debtor defaults on any instalment, the remaining balance will automatically proceed to legal recovery **without further notice**.

Step 7. Disputed Invoices

- Where an invoice is disputed, all recovery action will pause.
- Service departments must investigate disputes promptly and provide Finance with all required information.
- Once resolved, recovery actions will restart from the appropriate stage of this process.

When a debt reaches 90 days from the invoice date, the debt will be classified as doubtful, and a provision will be made for that debt within the Council's accounts.

Equality, Fairness, and Data Protection in Debt Recovery

The Council will apply its debt-recovery procedures consistently and without discrimination. All debtors will be treated in a fair and professional manner, and recovery action will follow the Council's established processes, in line with statutory equality requirements.

The Council will handle all debtor information in accordance with data-protection legislation. Personal data will be used only for the purposes of billing, recovery, and the administration of accounts, and will be stored, processed, and retained securely in line with the Council's data-protection policies and statutory requirements.

Alternative language communications and/or format of this policy is available upon request.

Bad Debt Write offs

No debt will be written off as a bad debt unless all reasonable steps have been taken to recover the amount.

A debt can only be written off if it falls into one of the following categories:

- (a) The debtor has gone into administration or liquidation and there is a letter from the administrator / liquidator that no dividend is going to be paid to unsecured creditors.
- (b) The debtor has been declared bankrupt and has no funds available for unsecured creditors.
- (c) The debt is older than the statute of limitations (6 years) and court proceedings have not commenced within the 6 years.
- (d) A debtor has moved premises and all attempts to trace have proved unsuccessful.
- (e) The costs to be incurred in pursuing the debt outweigh the potential benefits.
- (f) Legal or statutory barriers prevent recovery, including situations where court action has been dismissed or further legal action is not permitted.
- (g) The debtor is deceased and all reasonable enquiries indicate that no estate exists from which the debt can be recovered.

The authority to write off individual bad debts is determined by the following thresholds:

Individual Debt Threshold (exclusive) £	Authority to write off debt
<1,000	Assistant Director - Finance
>1,000 and <3,000	SMT
>3,000	Corporate Resources, Policy, and Governance Committee

A report of all debts written off will be presented to the Corporate Resources, Policy and Governance Committee at least annually, summarising the debts written off during the year and confirming all reasonable steps in accordance with the Council's procedures have been taken to recover the debt.

Once a bad debt write-off has been approved, the finance team will update the debtor's ledger and other records accordingly.

Any individual who has had a debt written off will no longer be permitted to use fee-based Council facilities/services unless payment is received in advance.

5. Monitoring, evaluation, and review

The Assistant Director - Finance is responsible for the monitoring, evaluation and review of this policy.

This policy will be reviewed every three years or earlier if required by the Assistant Director - Finance.

6. Definitions and abbreviations

LPS Land & Property Services

SMT Senior Management Team

CRPG Corporate Resources, Policy and Governance Committee

7. Supporting documents (including screening/assessment exercises)

[Equality Screening - Debt Management Policy March 2026](#)

[RNIA Template - Debt Management March 2026](#)

[Data Protection Impact Assessment - Debt Management March 2026](#)

8. References

N/A

Appendices

N/A