



# DEBT RECOVERY POLICY

Member of staff responsible: Lorraine Shaw

Ratified by Governors: 11 October 2023

Next Review Date: October 2024

Review Cycle: Annually

## **1 INTRODUCTION**

1.2 This policy sets out the procedures for debt recovery and for the write-off of any debt which is deemed to be irrecoverable.

1.3 This policy describes how the school will take all reasonable measures to vigorously collect debts as part of its management of public funds.

1.4 This policy sets out how the school will actively pursue the collection of monies owed to it, and holds parents and carers of pupils at Bush Hill Park Primary School jointly and severally liable for any charge/s accumulated for provisions and chargeable resources.

## **2. THE GOVERNING BODY**

The Governing Body is responsible for ensuring that procedures are in place for the recovery of any outstanding debt. In so doing, the Governing Body must:

2.1 Consider the arrangements for debt recovery.

2.2 Recommend the maximum level of debt which any family would be able to incur.

2.3 Approve the school undertaking legal action in conjunction with the local authority's legal department.

2.4 Include in the minutes of the Governing Body their approval to pursue any outstanding debt or the decision to write-off debt.

2.5 Ensure the anonymity of the families involved is always preserved.

2.6 Consider individual circumstances of parents and carers, and supports the school's decision not to pass costs incurred in the pursuing of debt onto parents and carers.

## **3 PROCEDURES FOR PURSUING DEBT FROM INDIVIDUALS AND ORGANISATIONS**

3.1 All invoices and finance records will be accurately recorded and maintained.

3.2 Invoices should state that the bill is due and payable at the invoice date.

3.3 Documentary evidence of all the steps undertaken by the school to recover the debt will be kept. This includes recording the dates that invoices and statements were distributed, and/or phone calls, letters and emails that have been sent to debtors.

3.4 Payment should be obtained as and when goods/facilities/services are provided wherever possible; in particular, where the value of goods and services are relatively small, i.e. less than £100.

3.5 Where payment is not received at the time when the goods/professional services/facilities are delivered, for example to external organisations, an invoice must be raised as soon as possible, but normally within 7 days of the goods/services/facilities being provided.

3.6 Where only part of the debt has been settled, a final reminder for the balance outstanding should be issued 21 days from the issue of the invoice. The final reminder should clearly state that services or facilities will be withdrawn or stopped.

3.7 Where a debtor requests permission to settle the debt by instalments and extend the normal terms and conditions of supply, they must apply in writing explaining the reasons for their inability to meet the original contract terms. The Headteacher will decide whether to agree to the revised terms, which must not exceed 49 days from the date of issue of the invoice. If the debt is not settled within the terms set by the Headteacher, then a final notice should be issued to the debtor.

3.8 If no payment is received within 21 days from date of issue of the invoice, a final notice should be issued to the debtor. It should be headed 'final notice' and be issued to all persons liable for the charge. This statement must include "*further action will be taken if this account remains outstanding after a period of no less than 5 school days*".

3.9 Parents and Carers of pupils at Bush Hill Park Primary School are jointly and severally liable for any charges.

3.10 The Headteacher is required to inform the Chair of Resources Committee and Governors of any debt which is still outstanding after the 21-day period following a 'final notice', together with any proposed action: This may be a referral to solicitors for legal action, a debt collection agency or to write-off the debt if there is no realistic prospect of debt recovery being successful, or if further action is not cost-effective. This action will only be taken after careful consideration of the amount outstanding and the school's effort, time and reputation.

3.11 Individuals or organisations who have previously defaulted on payments to the school will not be allowed credit facilities and may not be allowed access to any future services.

3.12 Where a debtor's payments are regularly or consistently paid outside the terms of supply, the Headteacher will consider withdrawal of facilities and request the individual/organisation to pay for goods/services/facilities at the time or before they are used.

#### **4 WAIVING OF DEBT**

4.1 The Headteacher can waive or reduce the debt, where it is believed the debtor can produce evidence that they are experiencing financial hardship.

4.2 Any action related to an outstanding debt or the waiving/reducing of a debt should be dealt with confidentially between the debtor and the Headteacher/School Business Manager (SBM).

4.3 A recommendation to write off a debt can be made only when the Headteacher or SBM has evidence that all avenues to recover the debt have been exhausted, and where it is not cost effective to pursue the debt through legal action.

4.4 Outstanding debt of up to £50 may be written-off by the Headteacher provided that the appropriate follow-up action outlined above has been taken and the details of the debtor, amount written-off and the reason for no further action being taken is reported to the Resources Committee for information at their next meeting.

4.5 The write-off of outstanding debt in excess of £50 may be written off by resolution of the Governing Body on the recommendation of the Headteacher following submission of details of the debt by the Headteacher together with reasons for no further action being taken.

4.6 A write-off must not be communicated to the debtor. It is not an acknowledgement that the debt does not exist, but is an internal transaction in the accounts of the school, which removes the debt from the records.

#### **5 SCHOOL MEALS, SERVICES AND OTHER PROVISIONS**

5.1 Bush Hill Park Primary School has a strict NO DEBT policy relating to the provision of school meals, wrap-around provision (including breakfast and after school clubs), privately funded nursery fees, sports clubs and holiday camps. This means that in effect, all of these services need to be paid in advance. Please note that this list is not exhaustive, and includes any adhoc services introduced and offered during the year, or late fines issued, with terms and conditions stating the requirement for payment in advance.

5.2 If debts are incurred, then the school will need to consider how the debt can be best managed. Debt accrued may mean money which should be spent on child(ren)'s education is used to pay for debts incurred by parents. Every parent will agree that this is unacceptable and we request that all parents give this policy their full support.

5.3 Parents must pay in advance for school meals, wrap-around provision (including breakfast and after school clubs), privately funded nursery fees, sports clubs and holiday camps using the payment methods outlined below:

- Credit/Debit Cards Online using Arbor’s Payment Plus service
- PayPoint Cards (ask in the School Office about Pay Point payments)

5.4 If a parent genuinely forgets to pay in advance for a school dinner, the school may grant a debt allowance of 1 meal. However, this debt must be paid immediately using the above payment method together with a sum for future meals otherwise the school will be unable to provide further meals.

5.5 If there are insufficient funds on a child’s account for a school dinner, then parents will be required to provide a packed lunch for their child. If there is insufficient credit on a child’s account and a packed lunch has not been provided, the school will contact the parent to ask them what arrangements they have made to provide their child with food.

5.6 If payment of a debt for a school meal or any school service or provision, is not received within five days, the school reserves the right to begin debt management proceedings against parents to recover the debt, which may result in legal action.

5.7 The Local Authority’s Department for Children’s Services may also be informed about a parent not making payment for their child’s school meals and not providing a packed lunch in its place, as they will not be carrying out their responsibility of care to provide food for their child at lunchtime.

## **6 ELIGIBILITY TO GOVERNMENT FUNDING**

6.1 If parents believe that their children may qualify for entitlement to Free School Meals (FSM) then they must contact the School Office for further information. The allowance for Free School Meals is a statutory entitlement and should be claimed if your child qualifies. In order to qualify, you will be required to complete an application form and provide any evidence which may be requested. Free School Meal entitlement will only apply from the date the evidence has been received and the application has been approved. It cannot be backdated. The School will support parents with the application.

6.2 \*Children will not be provided with a full school lunch unless it is paid for in advance or the child is entitled to a Free School Meal or Universal Infant Free School Meals (UIFSM). The school will however provide some bread or a sandwich with a fruit snack and water in order for the child to not go hungry.

## **7 ARRANGEMENTS FOR MONITORING AND EVALUATION**

We hope that by implementing this debt policy we are able to help parents manage school dinner money and any other purchased school service or provision better and at the same time ensure that all money needed for children’s learning is available.

The Resources Committee will monitor this policy and receive a yearly summary update of debts or debts written off.

\*The Mayor of London is ensuring that all primary school children attending a state school will receive a free school meal for the full academic year from 1 September 2023, saving families approximately £440. It is vitally important that families still apply for the eligibility however, as FSM funding is assigned to pupils and their schools worth up to £1,300 each year.