



Debt Recovery Policy

Policy in place: March 2016

Reviewed: Mar 17, Mar 18, Mar 19, Mar 20, Dec 20

Review date: December 2021

Statement of intent

Endon Hall Primary & Nursery School is committed to ensuring equal opportunities for all pupils, regardless of financial circumstances, and has established policies and procedures to ensure that no child is discriminated against by our offering of school trips, activities and educational extras.

While this is the case, Endon Hall Primary & Nursery School must have a policy in place to ensure the repayment and recuperation of any outstanding debts incurred by the school on behalf of a pupil. The school will take all reasonable measures to vigorously collect debts as part of its management of public funds. A debt will be written off only after all reasonable measures (commensurate with the size and nature of the debt) have been taken to recover it.

Each case is to be treated individually and the circumstances that have led to the outstanding debt will be taken into account to determine the best course of action and whether it is fair and reasonable to pursue the debt in its entirety, if at all. Endon Hall Primary & Nursery School is committed to adhering to legal requirements regarding charging for school food, activities and materials, and meeting all statutory guidance provided by the DfE.

Introduction

The school's Board of Governors has a responsibility to have a Debt Recovery Policy which ensures that appropriate procedures are in place to enable the school to receive all income to which it is entitled.

As a general rule, to avoid incurring debts, payments for materials and services provided by the school should be collected in advance or at the point of sale.

Any person(s) involved in the monitoring, recording and pursuing of debts owed to the school must be formally record any information gathered and actions taken – data which is to be kept by the school for a period of seven years.

Legal framework

This policy will adhere to the relevant legislation and statutory guidance surrounding school payments and debt recovery, including the following:

- DfE (2018) 'Charging for school activities'
- DfE (2018) 'Schemes for financing schools'
- DfE (2017) 'Governance handbook'

Aims and Objectives

- To ensure that the Board of Governors complies with the Staffordshire Scheme for Financing Schools and Financial Regulations;
- To protect the school budgets;
- To apply this policy consistently to ensure debt is dealt with in a timely manner;
- To ensure further goods or services are not supplied to parents/carers or customers who have not paid for items already received or used.

Procedures

Endon Hall Primary & Nursery school uses the MyFinance (Integra) System for invoices and payments. Staffordshire County Council Income Team will carry out standard debt recovery procedures on behalf of the school.

Endon Hall Primary & Nursery School will carry out the following procedures regarding all outstanding debts exceeding £250 at the end of each term:

- A written statement (sent via Parent Mail or a hard copy via pupil) at the end of each half term;
- A formal letter (by Parent Mail, e-mail or post) two weeks into the following half term;
- A second formal letter (Recorded post) fourth week into the following half term;
- A third letter informing the debtor that the debt has been passed to the County Council Income Team at the end of the following half term. The school will raise an invoice to this effect.

Negotiation of repayment terms in certain circumstances if people are unable to pay:

Endon Hall Primary & Nursery School may reduce or cancel a debt in certain circumstances. A sensitive approach to debt recovery will be carried out taking into account personal circumstances, safeguarding, etc.

Debtors are expected to settle the amount owed as soon as possible after receiving the first 'overdue payment' reminder. If a debtor requests for 'repayment terms' these may be negotiated at the discretion of the Headteacher in the form of a Payment Plan Agreement. A record of all such agreements entered into will be retained. In all cases, a copy of the plan will be issued to the debtor confirming the agreed terms for repayment.

Costs of debt recovery

Where the school incurs material additional costs in recovering a debt, then the Headteacher will decide whether to seek to recover such costs from the debtor. The debtor will be formally advised in writing that they will be required to pay the additional costs incurred by the school in recovering the debt. This decision and its basis will be recorded and reported to the Finance & Premises Sub-Committee.

Endon Hall Primary & Nursery School's Governing Board's Finance & Premises Sub-committee:

- Must be consulted if legal services are required for debt recovery.
- Will adhere to the privacy rights of pupils and their guardians in all cases.

The Finance & Premises Sub-committee will also:

- approve the writing off of any debt in relation to the school budget;
- take into account their review of the age and size of the debt together with the advice from Staffordshire County Council's Debt Recovery Service;
- ensure that individuals or organisations that have previously defaulted on payments to the school, are not allowed credit facilities;
- take into consideration any safeguarding concerns;

The Headteacher has the authority to write off a debt not exceeding £50 but will report all debts and write-offs at each meeting of the Finance & Premises Sub-Committee.

The Headteacher / School Business Manager will meet half-terminally to consider any outstanding debts and will ensure that:

- Debt reminders are recorded and those records maintained for a period of seven years – dates and times of letters, phone calls, emails, conversations and any other form of correspondence.
- Instances of debt are judged on an individual basis, with consideration of the nature of the debt and the circumstances of the family involved.
- The privacy of the pupil and their family will be protected by all staff.

Acceptable 'credit period'

In the case of a debt, the Governors' Finance & Premises Sub-committee should agree upon a 'credit period' within which the debtor can pay the outstanding sum before the 'debt recovery procedures' are exercised. This period of time may vary at the discretion of the Finance & Premises Sub-committee, dependent on the nature and size of the debt.

The Headteacher and Finance & Premises Sub-committee will review the level of outstanding debts termly to determine whether current debt levels are acceptable and whether current methods and procedures to recover debts are effective.

Any individual cases of debt that are deemed to require intervention will then be pursued by implementing the Debt Recovery Process.

The Debt Recovery Process

Endon Hall Primary & Nursery School has procedures in place which are used to collect income. However, in the event that payment is not forthcoming then an official invoice will be raised via the County Council's finance system which will lead to the Council's debt recovery.

Dinner Money

Payment for school meals should be paid in advance via ParentPay.

The school office will reconcile the payments received to the meals ordered and any discrepancy will, in the first instance, result in an email or text to the parent/carer to request payment. Any parent/carer that has not made payment by the end of the month will be sent a letter requesting immediate payment. This will be sent with the child. If payment is still not received within 5 school days, then the parent/carer will be informed that the matter will be referred to the County Council and recovery action will be pursued.

Governors have decided on the following policy regarding unpaid meals:

- A meal will be served irrespective of whether the parent has paid

Extended school activities

Payment for extended school activities should be made in advance. Our preferred method of payment is via ParentPay.

Accounts are reviewed on a weekly basis and statements will be sent out to parents/carers every half term. If in the event that payment has not been made by the end of the term, parents/carers will be sent a letter and email requesting payment.

Any non-payment will result in the parent/carer being informed that they can no longer use the facility and the debt will be referred onto the County Council for recovery.

Music tuition

Music lessons are provided by the school (via Staffordshire Performing Arts) at a charge to the parent/carer of a child. Parents/carers are informed of the cost upfront and have a commitment to pay for a term regardless of whether the child continues with the lessons.

A statement is sent to the parent/carer on a termly basis asking for payment. If payment has not been received by the end of the term a further reminder is sent. In the event that no payment is received the debt will be referred onto the County Council for recovery.

Board and lodging on residential visits

The board and lodging element of a residential visit can be charged to parents/carers and they are notified of the cost in advance and are given to opportunity to pay in instalments should they wish. Payment must be made in full before the departure date.

Remissions

In some cases, Governors have agreed that certain categories of pupils are not liable for the fee or are eligible for a reduced fee for some or all of; extended school activities, music tuition or residential visits. This is included within the Charging and Remissions Policy (reviewed annually).

Lettings

Contracts for lettings of the school premises will be drawn up as necessary between the school and the client in line with the Charges and Remissions Policy and invoices raised via MyFinance. Failure to pay on time will result in the debt being referred to the County Council for recovery. The letting agreement will be void and the client will be refused future hires.

Exceptional circumstances and remissions

The school must ensure that parents/carers of pupils are aware of the help the school can extend to those in financial difficulty. Parents/Carers who may be eligible for remissions are those in receipt of any of the following benefits:

- Universal Credit – if they apply after 1st April 2018, their household income must be less than £7,400 a year (after tax and not including any benefits that they receive)

- Income Support
- Income Based Jobseekers Allowance
- **Support under part VI of the Immigration and Asylum Act 1999**
- Child Tax Credit, provided that they are not also entitled to Working Tax Credit and have an annual gross income of no more than £16,190
- Working Tax Credit 'run on' – paid for four weeks after they stop qualifying for Working Tax Credit
- The guarantee element of State Pension Credit
- An income related employment and support allowance

In addition to the remission allowances outlined above, it may be advisable to waive or partially waive debts where it is deemed that it does not make financial sense to continue allocating time and resources to pursuing.

Writing off debts

When all practical and cost effective methods of debt recovery have been exhausted by the County Council the school will be notified of the amount of debt that is considered to be irrecoverable. The Finance & Premises Sub-committee is not guaranteed to but may decide to waive or reduce the outstanding debt.

The Board of Governors will take into account the age and size of each debt and any advice from the County Council before making a decision to write off the debt.

Monitoring and Review

Endon Hall Primary & Nursery School's Debt Recovery Policy will be reviewed annually and any changes regarding updated legislation will be made accordingly.