

Coldfall Primary School



Debt Recovery Policy

Date policy last reviewed: May 2024

Contents:

Statement of intent

1. Legal framework
2. Roles and responsibilities
3. Acceptable credit period
4. Declaring outstanding debt levels
5. Debt recovery procedures
6. Verbal and written overdue payment reminders
7. Failure to respond
8. Exceptional circumstances and assistance.
9. Debt recovery costs
10. Monitoring and review

Statement of intent

Coldfall Primary 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, the school must have a policy in place to ensure the repayment and recovery of any sums incurred by the school on behalf of a pupil that should be funded by others, including parents and carers where appropriate. The school will take all reasonable measures to 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. The school is committed to adhering to legal requirements regarding charging for nursery use, school food, activities and materials, and meeting all statutory guidance provided by the DfE.

1. Legal framework

This policy has due regard to all relevant legislation and statutory guidance including, but not limited to, the following:

- DfE (2018) 'Charging for school activities'
- DfE (2023) 'Schemes for financing schools'

This policy operates in conjunction with the following school policies:

- Business Continuity Policy
- Data Protection Policy
- Finance Policy
- Conflicts of Interest Policy
- Anti-fraud and Corruption Policy
- Records Management Policy

2. Roles and responsibilities

The governing board is responsible for:

- Reviewing this policy on an annual basis.
- Regularly reviewing details of its debts and what recovery action is needed.
- Consultations if legal services are required for debt recovery.
- Adhering to the privacy rights of pupils and their parents and carers in all cases.
- Deciding to leave a case of debt recovery to the decision of the headteacher.

The headteacher is responsible for:

- The overall implementation of this policy and ensuring that all staff, parents/carers and pupils (to the extent appropriate) are aware of their responsibilities.
- Recording debt reminders, and ensuring those records are maintained for a period of seven years – this includes dates and times of letters, phone calls, emails, conversations or any other correspondence.
- Ensuring instances of debt are judged on an individual basis, with consideration of the nature of the debt and the circumstances of the family involved.
- Ensuring the privacy of the pupil and their family will be protected by all staff.
- Ensuring the level of outstanding debt owed to the school can be determined at short notice.

3. Acceptable credit period

In the case of a debt, the governing board may agree upon a 'credit period' within which the debtor can pay the outstanding sum before debt recovery procedures are exercised. This period of time may vary, at the discretion of the governing board, dependent on the nature and size of the debt.

4. Declaring outstanding debt levels

The headteacher and governing board will review the level of outstanding debts every **term** 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 via the procedure starting from section five of this policy.

5. Debt recovery procedures

Where there is an outstanding payment yet to be received and the acceptable credit period has surpassed, an official invoice will be created outlining the value and reason for the debt, as well as the debtor's identity.

Upon creating the invoice and stipulating a date on which it must be paid by, there will be acknowledgement from the school that the debt recovery procedure has been initiated.

6. Verbal and written overdue payment reminders

Overdue payment reminders are outlined below:

- **Initial verbal reminder** – informal in-person, telephone or email correspondence notifying the individual of debt with the date and time officially recorded.
- **First formal written reminder** – an official, dated letter addressed to the debtor which will be written up two weeks after the first informal reminder and which will acknowledge the date of the first informal reminder.
- **Second formal written reminder** – this will arrive two weeks after the second reminder, citing the details of both previous reminders and stating that concerted efforts have been made to make the person aware that an outstanding debt is overdue.

7. Failure to respond

If overdue payment reminders are not responded to, another letter will be sent to the debtor advising them that the case has been passed to the school's legal advisors and governing board.

It is then be for the school's legal advisors, governing board and the debtor to agree on a timeframe for a repayment or, if necessary, a payment plan for separate instalments.

The school expects that the debt should be repaid as soon as possible, particularly after repeated reminders; however, this can be negotiated at the discretion of the governing board, including where the circumstances in section 8 of this policy apply.

If there is a case where the debtor is deemed to be refusing to pay without sufficient reason, the school may consider involving the **LA**'s legal services to resolve the issue and recover the debt.

8. Exceptional circumstances and assistance

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

- Income Support
- Income-based Jobseeker's Allowance
- Income-related Employment and Support Allowance
- Support under part VI of the Immigration and Asylum Act 1999
- The guaranteed element of State Pension Credit
- 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
- Universal Credit – if they apply on or after 1 April 2018, their household income must be less than £7,400 a year (after tax and not including any benefits that they receive)

In a case where there is, or it is suspected that there is, an overdue debt from a family who may qualify for assistance, details of the different types of bursary available will be sent to the debtor in question.

The governing board is not obliged to, but may decide, to waive or reduce the outstanding debt in these circumstances.

9. Debt recovery costs

To the extent that legal advice is required and/or legal proceedings are instigated in pursuit of a debt, the school will also seek recovery of legal and associated recoverable costs from the debtor.

In addition to the allowances outlined in section 8 of this policy, the governing board may find it advisable to waive or partially waive debts and any legal costs claim if it does not make financial sense to continue allocating time and resources to pursuing same.

10. Monitoring and review

This policy will be reviewed on an **annual** basis by the headteacher and the governing board.

The next scheduled review date for this policy is **May 2025**.