



ST LEONARDS C of E PRIMARY SCHOOL, BRIDGNORTH

Draft Debt Recovery Policy

Ratified by the Governing Body: March 2024

Review Date: March 2026

School Vision

St. Leonard's CE Primary School encourages everyone to 'Enjoy Success' by embedding our Christian values in hearts and minds, within a nurturing, safe and inclusive environment, equipping our children to become global citizens.

We at St. Leonard's school believe that we are part of God's family, following the example of Jesus Christ, and strive to put into action St. Paul's teaching on the fruit of the Spirit.

"love, joy, peace, patience, kindness, goodness, faithfulness, gentleness and self-control"

Galatians 5. 22-23

Our vision and Christian values underpin everything we do as a school: our aims and ethos, policies, procedures, the design of our curriculum, how we treat one another, the decisions that we make and the school's management and governance.

General requirements

In general, payment for all goods and services supplied by the School should be collected in advance or 'at the point of sale'.

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.

The school's debt recovery policy observes the relevant financial regulations and guidance set out in the Authorisation of the write off debts and losses within the limits authorised by the ESFA as detailed in the Academies Financial Handbook section 3.4.

Acceptable 'credit period'

St Leonards C of E Primary School has set a four-week acceptable 'credit settlement period' before the debt recovery procedures are applied. This credit settlement period applies to all debts including school meals, extra-curricular trips (i), activities, and wraparound services.

Debt recovery procedures should be applied in accordance with this policy.

Withdrawal of services

Unless the Headteacher and parents have agreed a repayment plan and the parents are not in breach of the repayment plan, services will be withdrawn when the credit settlement period is exceeded as follows:

- Lunch could be withdrawn when debt exceeds four weeks of lunch expenses with no payment received. Parents may be asked to provide a packed lunch for their child.
- Wraparound service maybe be withdrawn when debt exceeds four weeks of club use with no payment received.
- After school clubs maybe withdrawn when debt exceeds four weeks of club use with no payment received.
- Additional nursery hours maybe withdrawn when the debt exceeds four weeks

with no payment

Children may not be allowed to attend extra-curricular trips (ii), clubs or other activities while parents have debts with the school even if those debts do not relate to extra-curricular trips, clubs or other activities.

(i) This does not apply to educational trips because these attract a voluntary (not mandatory) request for a financial contribution.

(ii) This does not apply to educational trips because these are an important component of the curriculum and attract a voluntary (not mandatory) request for a financial contribution

Debt Recovery Procedures

Where payment from the parent/guardian has not been received in advance, or 'at the point of sale', the following process should be applied.

- All correspondence with Parents/Carers where a request for funds are made by the school, should state clearly in writing, the maximum period that the school regards as reasonable before payment is overdue. For example, payment for school dinners should be received by xxx or payment for a school trip should be received by date/month/year.
- If payment is not forthcoming on the due date, the process detailed below should be applied.
- The school will keep a record of all charges for goods and services which must include the type of good/services supplied; the value, the date(s) supplied, the identity of the person the goods/services were supplied to (e.g. child name), the identity of the debtor (e.g. parent).

Verbal and Written Reminders

Details of all reminders, whether verbal or in writing, should be maintained. Where a letter is issued, a copy must be retained on file.

Should a debt need to be taken beyond three reminder letters, formal written evidence may have to be produced. It is therefore important that all communications are written clearly, stating, first, second and final reminder as detailed below.

First 'overdue payment' reminder should be sent a day after funds are due (appendix 1). A first reminder may be informal and can be made either by text, e-mail or by telephone. The date and method of the first reminder should be recorded.

Second 'overdue payment' reminder should be sent two weeks after funds are due (appendix 2). This reminder should be sent by letter and issued two weeks after the funds are due and include the date of the first reminder.

Third 'overdue payment' reminder letter should be issued 3 weeks after funds are due and include the dates of the previous 2 reminders (appendix 3). This correspondence should be addressed from the Headteacher. It should clearly detail withdrawal of services, e.g. cessation of school lunch and requesting a packed lunch be provided. This letter should also include an offer for the parent/carer to meet with the Headteacher if immediate settlement cannot be made.

Fourth and final overdue payment reminder - This letter should be issued four weeks after funds are due and include the dates of the previous 3 reminders (appendix 4). This letter should also include legal action if payment not made immediately in full.

If action is to proceed further, it is necessary to prove that all reasonable attempts have been made to recover the debt, and that these attempts have been made in a timely manner. i.e. at the time that the debt first became overdue.

Negotiation of repayment terms

Debtors are expected to settle the amount owed by a single payment as soon as possible after receiving the first 'overdue payment' reminder.

However, if people are unable to pay;

The School may reduce or cancel a debt in certain circumstances. A sensitive approach to debt recovery will be carried out, taking the following factors into account.

- Hardship – where paying the debt would cause financial hardship.
- Ill health – where our recovery action might cause further ill health.
- Time – where the debt is so large compared to the person's income that it would take an unreasonable length of time to pay it all off.
- Cost – where the value of the debt is less than the cost of recovering it.
- Multiple debt – where someone owes more than one debt to the School. In this situation an attempt to agree one repayment plan to include all debts will be established.

If a debtor requests for 'repayment terms' these may be negotiated at the discretion of the Headteacher. A record of all such agreements entered into will be retained. In all cases, a letter will be issued to the debtor confirming the agreed terms for repayment. The settlement period should be the shortest that is judged reasonable.

The Headteacher will decide whether any debtor who has been granted extended settlement terms will not be offered any further 'credit' and will, in future, be required to adhere with the standard policy of paying in advance. This decision and its basis will be recorded and reported to the Governing Body.

Failure to respond to reminders to settle a debt:

If after 3 reminders and with no payment forthcoming or response from the debtor, the school will refer to legal advice to collect the outstanding debt.

At the discretion of the Headteacher, the debtor may be advised that they will be required to pay in advance for all future supplies or the supply will no longer be available to them.

This decision and its basis will be recorded and reported to the Governing Body.

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 Governing Body.

Complaints

If the debtor wishes to raise a complaint related to the debt recovery process or decision, the debtor should do so in accordance with the school Complaints Policy.

Reporting of outstanding debt levels

The School Office Coordinator will ensure that the level of outstanding debt is regularly monitored as part of the monthly budget monitoring process.

Suitable records will be maintained to detail individual debts and the total value of debt to the school in order that it can be determined at any time.

Appendix 1

LETTER 1 (To be sent on due date plus one week)

Date

Parent name and address

Dear XXXX,

First Reminder re non payment Nursery Fees/trips/clubs / for XXXX, Class XXXX

Please note that the nursery fees for the current term has not been paid and the outstanding balance as of today is £xxxx.

I understand that an oversight can happen, and I would be grateful if payment could be arranged by return.

Yours sincerely,

School Office Coordinator

Appendix 2

LETTER 2 (To be sent on due date plus 2 week)

Date

Parent name and address

Dear XXXX,

Second Reminder re Nursery Fees Nursery Fees/trips/clubs for XXXX, Class XXXX

Further to my reminder of (date of letter/e-mail), our records show that we have still not received any payment for the nursery fees.

The outstanding balance is £xxxxx. I would be grateful if payment could be arranged by return.

If you are having difficulties or would like to discuss this matter further, please do not hesitate to contact me. Our preferred method of payment is online via Parentpay (Provide link here)

Yours sincerely,

School Office Coordinator

Appendix 3

LETTER 3 (To be sent on due date plus 3 weeks)

Date

Parent name and address

Dear XXXX,

Third Reminder re Non-Payment of Nursery Fees/trips/clubs for XXXX, Class XXXX

The nursery fees for the term commencing has not been received despite previous

reminders. The outstanding balance is £xxxxxxx and is three weeks overdue.

Please ensure that payment is made in full for the outstanding balance. If the outstanding balance is not paid then the school will no longer be able to provide your child with additional hours at the nursery.

If the arrears continue to increase, the school may take legal action to recover their debts as this is money that should be used on all our pupil's education.

If you are having difficulties paying the fees, please contact me to discuss this matter.

Yours sincerely, Headteacher

Appendix 4

Letter 4 to be sent by recorded delivery.

Date

Parent name and address

Debt £ xxx

Dear xxxxx

Our records show that you have not paid [dinner money/trip/club/nursery fees] for your child [NAME] in [CLASS], despite our previous reminders dated xxxx, xxxx and xxxxx.

As at [DATE], our records show a debt of [DEBT]. Please see the attached Statement of Account for further information.

Please arrange for the money to be paid immediately. Payments may be made by [OPTIONS]. If this debt is not cleared by [DATE- 7 DAYS AFTER DATE OF LETTER], the school reserves its right to begin legal proceedings to recover the outstanding debt.

In default of payment by this date we may instruct solicitors to issue proceedings for recovery of this debt, to include a claim for interest and costs. Interest will be charged at 4.00% above the Bank of England base rate. Proceedings may result in a judgment being entered against you which will seriously affect your credit rating.

We shall not send you any further warning letters. The next correspondence you will receive on this matter will be from our solicitors.

If you require any legal advice in relation to this matter, you should contact your own solicitor or your local Citizens Advice Bureau.

If you have any queries or need to discuss your payment please contact The Office Manager in the school office. Yours sincerely

Office Coordinator