



# Sudbourne Primary School

## Debt Recovery Policy

<b>Date Reviewed and Approved</b>	21 March 2023	<b>Next Date</b>	<b>Review</b>	Spring 2024
<b>Signature of Chair of Governors</b>	Name: Ms Hannah Sheehan			
<b>Signature of Headteacher</b>	Name: Mr. James Broad			

## 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. Failure to respond
7. Negotiation of debt repayment
8. Exceptional circumstances and remissions
9. Debt recovery costs
10. Monitoring and review

## **Statement of intent**

This policy is intended to ensure the school adopts a consistent approach to debt. It provides clarity and consistency in managing debt and will also help parents and carers clearly understand what is expected of them.

Sudbourne 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 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. The 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.

## **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 (2018) 'Schemes for financing schools'

This policy operates in conjunction with the following school policies:

- Business Continuity Policy
- Data Protection Policy
- Finance Regulations
- 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 guardians 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 and pupils 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 should 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 at least annually 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 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, the following process should be applied.

- **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 will acknowledge that it took place.
- **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.
- **Third (FINAL) formal written reminder** - if full payment is not received within one week of the second formal reminder letter being issued, letter 3 will be issued referencing all previous reminders advising that payment must be received immediately or the school reserves the right to begin legal proceedings to recover the debt owed in addition to any costs associated with legal proceedings.

## 6. 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 to the school's legal advisors and governing board.

It is then for these parties 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.

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 recuperate owed funds.

In the case of school meal debt, the school also reserves the right to inform the child protection officer of their concerns if the parent/carer is not providing a meal for their child at lunch time.

## 7. Negotiation of debt payment

It is expected that the debt will be repaid as soon as possible, particularly after repeated reminders; however, this will be negotiated at the discretion of the governing board, particularly if the circumstances in section nine 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 an external debt recovery agency to resolve the issue and recuperate owed funds.

## **8. Exceptional circumstances and remissions**

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 remissions 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)

It is not guaranteed but, in exceptional circumstance, the governing board may decide, to waive or reduce an outstanding debt.

## **9. Debt recovery costs**

In addition to the remission allowances outlined in the [Exceptional circumstances and remissions](#) section of this policy, 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.

The governing board will review any case a debt may be waived, and come to a final decision based on the value of costs versus value of the debt.

## **10. Monitoring and review**

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

## **APPENDIX 1- Letter 1**

Name

Address

Date

Dear Parent/Carer,

### **1<sup>st</sup> Debt Reminder**

Despite the telephone call made on [date] according to our records, there remains an outstanding payment due on your child's school lunch/Nursery account. In order for your child to continue to attending Nursery/receiving a school lunch it is important to keep your account in credit. We would be grateful if you would kindly clear this outstanding balance straight away.

As of today, our records show that the amount due for payment for your child <name/>, in <class/> is <balance/>

Please arrange for this to be paid by <date>.

Payment can be made as follows:

- Using Arbor via the app or online via <https://login.arbor.sc/> using the log in details previously provided to you.

If you have not activated your account please contact the school office, alternatively if you have forgotten your password please click 'forgotten password' via the web link above. If you are still having difficulty making payment online, please pay via card in the school office.

- By BACS using your child's name and nature of the debt as a reference:

Sort Code: 60-03-36  
Account Number: 61822167  
Bank: NatWest

Since non-payment affects the quality of service we offer to the children, we need to ensure that all payments are up-to-date; I am afraid that if the debt is not cleared by <date>., it will not be possible to provide your child with an Enrichment club/ Music Tuition place and/or school meal; you will need to make your own arrangements for your child's lunch.

Once the debt is cleared please ensure your child's account always remains in credit.

If you have any queries regarding these arrears, or if you have difficulty making payment, please contact me at the School Office to discuss this further.

Thank you for your cooperation in this matter.

Yours sincerely,

Diane Bowen  
Office Manager

## APPENDIX 2 Letter 2

Name

Address

Date

Dear Parent/Carer,

### **2<sup>nd</sup> Debt Reminder**

Our records show that despite a verbal reminder on [date] and a first written debt reminder on [date], you have still not made payment on the school lunch/Nursery account for your child <name/> in <class/>

As of today your account is showing a debt of <balance/>

Please arrange for this money to be paid by [date]

Payment can be made as follows:

- Using Arbor via the app or online via <https://login.arbor.sc/> using the log in details previously provided to you.

If you have not activated your account please contact the school office, alternatively if you have forgotten your password please click 'forgotten password' via the web link above. If you are still having difficulty making payment online, please pay via card in the school office.

- By BACS using your child's name and nature of the debt as a reference:  
Sort Code: 60-03-36  
Account Number: 61822167  
Bank: NatWest

The school will not be able to provide your child with a nursery place/ school meal until the above debt is settled in full and any further sessions/meals are paid for in advance.

**MEALS ONLY:** It is your duty of care to ensure your child has access to food at lunch time as such you will need to provide them with a packed lunch. If you do not provide your child with a lunch we reserve the right to inform social services of our concerns that you are not providing a meal for your child at lunch time.

Once the debt is cleared please ensure your child's account always remains in credit. If you have any queries regarding these arrears, or if you have difficulty making payment, please contact me immediately and we will endeavour to help.

Thank you for your cooperation in this matter.

Yours sincerely,

Diane Bowen  
Office Manager



### **APPENDIX 3 - Letter 3 – FINAL REMINDER**

Name  
Address

Date

Dear Parent/Carer,

#### **FINAL REMINDER**

Our records show that despite a verbal reminder on [date] a first written debt reminder on [date], and a subsequent debt reminder on [date] there is still an outstanding balance on the school lunch/Nursery account for <name/> in <class/>

As of today your account is showing a debt of <balance/>

Please arrange for this money to be paid by [date]

Payment can be made as follows:

- Using Arbor via the app or online via <https://login.arbor.sc/> using the log in details previously provided to you.

If you have not activated your account please contact the school office, alternatively if you have forgotten your password please click 'forgotten password' via the web link above. If you are still having difficulty making payment online, please pay via card in the school office.

- By BACS using your child's name and nature of the debt as a reference:  
Sort Code: 60-03-36  
Account Number: 61822167  
Bank: NatWest

Your account will be checked after the date shown above; in line with the school's Debt Recover Policy, should the account be showing an outstanding balance or you have not contacted the school to arrange a payment plan, the school reserves the right to begin legal proceedings to recover the debt owed as well as any costs associated with the legal proceedings.

If you have any queries regarding these arrears, or if you have difficulty making payment, please contact me immediately and we will endeavour to help.

Thank you for your cooperation in this matter.

Yours sincerely

James Broad  
Executive Headteacher

## APPENDIX 4

If a payment plan to recover a debt is required - please use the sample below.

Ensure the parent signs one copy in agreement and returns to the School Office and it is kept on file.

Dear **name of parent**,

I am writing to you following our discussion regarding your outstanding debts to the school for school lunch/Nursery payments in respect of your child <name/> in <class/>. **[Outline here the details of the meeting with the parent to discuss the payment schedule. Note the date and time of the meeting, the conclusions that came from the meeting and reflect the agreed payment schedule using the table – example below.]**

As discussed on [date]and [time], you currently owe the school <balance/>.

Please find below a repayment schedule that we was agreed in order to clear your account.

### Payment plan

<b>Outstanding debt</b>	
<b>Schedule of payments</b>	<b><u>Monthly /weekly</u></b>
<b>Total number of payments agreed</b>	
<b>Payment amount</b>	
<b>First payment date</b>	
<b><u>Payment two date</u></b>	
<b><u>Payment three date</u></b>	
<b><u>Payment four date</u></b>	
<b>Final payment date</b>	
<b>Payment method</b>	

Signed: \_\_\_\_\_

Name: \_\_\_\_\_

Date: \_\_\_\_\_

You have two ways to make payment:

- Using Arbor via the app or online via <https://login.arbor.sc/> using the log in details previously provided to you.
- By BACS using your child's name and nature of the debt as a reference:  
Sort Code: 60-03-36  
Account Number: 61822167  
Bank: NatWest

Please note, any missed or late payments within this payment schedule will result in **a final notice of payment**. Once you have received the **final notice**, you will have **seven** days to pay the outstanding fee. If, after **seven** days, no payment has been received, we will **initiate formal legal proceedings**.

Please contact the school office if your financial situation changes and you are able to pay the remaining debts sooner than the schedule.

We understand that financial difficulties can place great strain on people. If you are currently experiencing financial difficulties and would like to speak to somebody for advice, you may find the following organisations helpful:

- Money Advice Service, available on 0800 138 7777 or at :  
<https://www.moneyadviceservices.org.uk/en>
- Citizens Advice, available on 0800 144 8848 or at:  
<https://www.citizensadvice.org.uk/about-us/contact-us/>
- National Debt Line, available on 0808 808 4000 or at  
<https://www.nationaldebtline.org/contact-us/>

If you have any additional questions regarding your debt or payment plan, you can contact me on **email** or **telephone number** and we can discuss your options to avoid any issues with repayment.

Can you please sign and return one copy of this letter showing agreement to the proposed repayment schedule.

Until the outstanding debt is cleared, your child will not be able to attend Nursery/receive a school lunch.

If you need to discuss this matter further, please do not hesitate to contact me on the above number.

Thank you in advance for your cooperation with the payment plan.

Yours sincerely

James Broad

Executive Headteacher