



Hillcross Primary School

Debt Recovery Policy

1. Introduction

The school's governing body has a responsibility to ensure that appropriate procedures are in place to enable the school to receive all income to which it is entitled. Hillcross Primary School will therefore take all reasonable measures to collect monies owing to it as part of the management of public funds. Collecting payment from parents or carers is a sensitive area; we will deal with issues of debt collection with sensitivity and confidentiality at all times.

2. General requirements

The school's debt recovery policy will observe the relevant financial regulations and guidance set out in the Scheme for Financing Schools and any other legal requirements. In particular:

- a) The Governing Body will not write-off any debt belonging to the school which exceeds £1,000. Any sums above £1,000 will be referred to the Director of Children and Young Peoples Services for approval for write-off. The formal agreement of the Local Authority's Director of Finance and Resources (Section 151 Officer) will be obtained before a debt exceeding £1,000 is written off. (If any debtor has a number of debts which together exceed the write-off limit then these will be treated as a total amount). Debts greater than £10,000 can only be written off by the Executive member for finance on advice of the section 151 officer.
- b) A formal record of any debts written off will be maintained and this will be retained for 7 years (the form of this record is specified below). The school will not initiate any legal action to recover debts, but will refer any debts which it has not been able to collect (unless a decision to write-off the debt is demonstrably a reasonable course of action) to the Council's Legal Services Section to consider taking legal or other action to recover the debt. The school will NOT write-off any debt belonging to the Local Authority or another party, e.g. debts for school meals. If in doubt as to the appropriate action to collect any such debts the school will seek advice promptly from officers of the Local Authority.

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

3. Acceptable 'credit settlement period'

The Governing Body have determined that the length of time they deem an acceptable 'credit settlement period' before the debt recovery procedures are applied may vary between different income generating activities but in order to ensure a consistent approach and demonstrate transparency, debt recovery procedures will be initiated for all outstanding debts of 14 days or longer

4. Debt Recovery Procedures

When corresponding with parents, the maximum period that the school regards as reasonable before payment is overdue should be clearly stated, for example contributions for a school trip should be received by date/month/year or payment for items purchased should be sent to the school office by date/month/year.

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



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- a) A gentle informal reminder (usually via ParentMail but may be by telephone, text, email or in person) and the date recorded. In the case of school dinners, a letter will be sent to parents via ParentMail informing them that their balance has fallen below zero. If the balance has not been cleared by the Friday of that week, a further communication will be made informing the parent that they will need to provide a packed lunch for their child until such time as their debt has been paid.¹
- b) A formal reminder letter should be issued 2 weeks after the informal reminder (via pupil, email or post) If action is to proceed further, it will be 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.
- c) A second formal reminder letter (recorded post) will be issued 2 weeks after the first reminder letter.
- d) A third letter informing the debtor that the matter will be referred to the Council's Legal Services section

Details of all reminders, whether verbal or in writing, should be maintained, including the date it was made. Where a letter is issued, a copy must be retained on file. 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 Business Committee.

5. 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. If a debtor requests for 'repayment terms' these may be negotiated at the discretion of the Headteacher/Business Committee. A record of all such agreements entered into will be retained.

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:

- a) Hardship: where paying the debt would cause financial hardship.
- b) Ill health: where our recovery action might cause further ill health.
- c) 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.
- d) Cost: where the value of the debt is less than the cost of recovering it.
- e) 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.

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/Business Committee 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 pay in advance. This decision and its basis will be recorded and reported to the Business Committee.

6. Costs of debt recovery

Where the school incurs material additional costs in recovering a debt then the Headteacher/Business Committee 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 Business Committee.

¹ 4a updated 28.01.19



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7. Bad debts

This debt recovery policy should be cross-referenced to the Scheme for Financing Schools. Outstanding debt of up to £50 may be written off by the Headteacher provided that appropriate debt recovery actions have been taken and a record of the write-off and the reason for it is reported at the next Business Committee meeting. Write-off of any debt above £100 requires the written approval of the Business Committee up to a maximum of £1000. A record of the write-off, the reason for it, and the approval for it, will be retained for 7 years.

Where a debtor's payments are regularly or consistently paid outside the terms of supply the Headteacher will consider withdrawal of credit facilities and request the individual/organisation pay for goods/services/facilities at the time they are consumed. Where this will have a negative impact on the well-being of a child and a suitable agreement cannot be reached between the school and the family a referral may be made to social services via the MASH team.

8. Monitoring and Reporting of outstanding debt levels

The Head teacher will ensure that the level of outstanding debt is regularly monitored. 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 and reported to the Business Committee. The School Business Manager will review the level of outstanding debts every month and report this to the Headteacher. The Business Committee will review this termly to determine whether this level is acceptable and whether action to recover debts is effective.

Monitoring of outstanding debts may be differentiated by type and during certain time periods. For example, if school meal debts prove more of a problem than those for lettings of premises then the frequency and degree of monitoring will reflect this.

9. Equality Impact Assessment

Under the Equality Act 2010 we have a duty not to discriminate against people on the basis of their age, disability, gender, gender identity, pregnancy or maternity, race, religion or belief and sexual orientation. We are committed to treating all members of the school community fairly and challenging negative attitudes about disability and accessibility and to developing a culture of awareness, tolerance and inclusion. This policy has been equality impact assessed and we believe that it is in line with the Equality Act 2010 as it is fair, it does not prioritise or disadvantage any member of the school community and it helps to promote equality and accessibility at our school. The curriculum is planned to be inclusive and meet the needs and interests of a full range of learners. Activities and resources will be differentiated and adult support used to ensure that children access the curriculum and make the best possible progress.

10. Safeguarding Commitment

The school is committed to safeguarding and promoting the welfare of children, in line with Keeping Children Safe in Education 2018, and expects all staff and volunteers to share this commitment. We take seriously our duty of care to our pupils and staff which includes safeguarding them from the risk of being drawn into terrorism - this includes not just violent extremism but also non-violent extremism, which can create an atmosphere conducive to terrorism and can popularise views which terrorists exploit. We work closely with social care, the police, health services and other services to promote the welfare of children and protect them from harm. Radicalisation is recognised as a specific safeguarding issue and is addressed in line with the Government Prevent Strategy and The Counter-Terrorism and Security Act 2015.

Monitoring and Evaluation

Written and Approved by Business Committee: September 2016

Reviewed: October 2018



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Date of next review: October 2019

Signed: Chair of Finance Committee Date:

Signed: Chair of Full Governing Body: Date:



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RECORDS OF DEBTS WRITTEN OFF

Debtor	Details of debt Amount (£)	Invoice reference and date (where applicable).	Reason for write-off (including brief details of measures taken to secure payment - as appropriate).	Authorisation of write off – name and signature of the authorising individual and date.	Cross reference to entry in the accounts where applicable