

Debt Recovery Policy

Norman Street Primary School



Approved by Governors:

Chair of Governors: Rev K Teasdale

Acting Headteacher: K Hodges

Date: 15.06.2022

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Statement of Intent

Norman Street 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, Norman Street Primary 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 considered to determine the best course of action and whether it is fair and reasonable to pursue the debt in its entirety if at all. Norman Street Primary 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 will have consideration for, and be compliant with, the following legislation and statutory guidance:

- Education Act 1996
- The Charges for Music Tuition (England) Regulations 2007
- The Education (Prescribed Public Examinations) (England) Regulations 2010
- DfE (2018) 'Charging for School Activities'
- DfE (2020) 'Governance Handbook'

2. Roles and Responsibilities

2.1 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.

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

2.3 The school's Governing Body/Finance and Resources committee will:

- Regularly review details of its debts and what recovery action is needed.
- Be consulted if legal services are required for debt recovery.
- Adhere to the privacy rights of pupils and their parents/carers in all cases.
- Decide to leave a case of debt recovery to the decision of Headteacher, if appropriate to do so.

2.4 The Headteacher/office staff will ensure:

- Debt reminders are recorded, and those records maintained for a period of seven years – dates and times of letters, phone calls, emails, texts, conversations or any other 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.
- The level of outstanding debt owed to the school can be determined at short notice.

3. Acceptable ‘Credit Period’

3.1 In the case of a debt, the Governing Body/Finance and Resources Committee 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 Body/Finance and Resources Committee, dependent on the nature and size of the debt.

4. Declaring Outstanding Debt Levels

4.1 The Headteacher and Finance and Resources Committee will review the level of outstanding debts regularly to determine whether current debt levels are acceptable and whether current methods and procedures to recover debts are effective.

4.2 Any individual cases of debt that are deemed to require intervention will then be pursued by the procedure starting from section 5 of this policy.

5. Debt Recovery Procedures

5.1 Where there is an outstanding payment yet to be received and the acceptable credit period has been surpassed, an official notification should be created outlining the value and reason for the debt, as well as the debtor’s identity.

5.2 Upon creating the invoice and stipulating a date on which it must be paid by, there is acknowledgement from the school that the debt has been set up.

6. Verbal and Written Overdue Payment Reminders

Initial reminder – informal text message correspondence notifying person of debt (Subsequent text messages and telephone calls if required).

First formal written reminder – an official, dated letter addressed to the debtor should be written up four weeks after the first informal reminder and should acknowledge that it took place.

Second formal written reminder – this should come 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, and that no further credit can be issued until the debt is cleared.

In addition, and as required, face-to-face contact, text messages and telephone calls throughout the process.

7. Failure to Respond

7.1 If these reminders are not responded to, another letter will be sent to the debtor advising them that the case has been referred to the school's legal advisors and the Finance and Resources Committee. It is then for these parties to agree on a time frame for repayment or, if necessary, a payment plan for separate instalments.

8. Negotiation of Debt Repayment

8.1 It is expected that the debt should be repaid as soon as possible, particularly after repeat reminders. However, this can be negotiated at the discretion of the Governing Body, particularly if the circumstances in section 9 of this policy apply.

8.1 If there is a case where the debtor is deemed to be refusing to pay without sufficient reason, the school may consider involving LAs and the council's legal services to resolve the issue and recuperate owed funds.

9. Exceptional Circumstances and Remissions

9.1 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:

- 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 meet the income threshold allowed
- Universal Credit / Working Tax Credit

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

9.3 Payment plans can be set up for parents/carers to pay smaller amounts over a period of time to enable to manage the payments to suit their budget and circumstances.

10. Debt Recovery Costs

10.1 In addition to the remission allowances outlined in section 9, 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 it.

10.2 The Governing Body will review any such case and come to a final decision based on the value of costs versus value of the debt.

11. Debt Write-Off

11.1 The Headteacher is authorised to write off debts up to the value of £50. Debts over £50 can be decided upon by the Finance and Resources Committee. All debt write-offs must be brought to the Governing Body's attention.