



Debt Recovery Policy

<u>Status of Policy</u>	<u>Date</u>
Policy Reviewed	Summer Term 2019
Agreed by Staff	Summer Term 2019
Agreed by Governors	Summer Term 2019
Next Review	Autumn Term 2020

Head Teacher's Signature:

Date:

Chair of Governor's Signature:

Date:

1. General requirements

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.

The school's debt recovery policy will observe the relevant financial regulations and guidance set out in the relevant academy financial handbook and any other legal requirements. The procedures to secure the collection of all debts are outlined below and should be followed by all school staff.

2. Reporting of Outstanding Debt

The Headteacher and Office Manager 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 Finance & Premises Committee. The Office Manager will continually review the level of outstanding debts to determine whether this level is acceptable and whether action to recover debts is effective.

3. Debt Recovery Procedures

3.1 School Meals Debt Recovery Process

At East Herrington Primary Academy all children are given the opportunity to enjoy a school meal. The school works alongside a nutritional advisor to ensure that the meals provided in-house are healthy and enjoyable.

In the first instance, the school should identify non-payment, investigate the reason and enquire whether the family is eligible to receive Free School Meals. In this instance, the parents will be advised how to make an application via Sunderland City Council. If pupils are entitled to Free School Meals, the application will **not** be backdated. The school will ascertain the first day of eligibility and still pursue any outstanding debt from the parents.

Throughout any stage of these processes below, the school may agree a payment by instalment plan that would negate the need for further action to be taken. Should that agreement break down, the protocol will be reintroduced.

Stage 1 – Initial reminder

Parent fails to pay for a child's school meal for 2 weeks or less (up to £20.00).

A text and email reminder will be sent to the parent according to their registered contact details at the end of the first week for which income has not been received. Similar texts and emails should be sent on a weekly basis for three weeks or to a debt value of £27.00.

Stage 2 – Phone Contact and Reminder Letter

Parent fails to pay for a child's school meal for 3 weeks (up to £30.00)

At the end of the third week the school will attempt to telephone the parents to discuss the outstanding debt and to request payment. A gentle reminder letter will also be sent on headed paper (in addition to a text / email reminder) to the parent requesting that full payment be made at the earliest opportunity.

Stage 3 – Formal Reminder Letter

Parent fails to pay for a child's school meal for 4 to 6 weeks (up to £60.00)

A formal letter will be sent on headed paper (in addition to a text / email reminder) to the parent requesting that full payment be made at the earliest opportunity. The letter must state that if payment is not made then meals may no longer be provided to their child/children if the situation continues and alternative arrangements will have to be put in place.

Stage 4 – Invoice and Payment Plan

Meals have now been provided for 6 weeks without payment (over £60.00)

Under these circumstances, **school meals will no longer be provided** to their child/children. Efforts will have been made to contact the parents by text, email, phone and posted letter, and the school should make every effort to keep all channels of communication open. An invoice will be issued according to the contact details held on the school's MIS system. A payment deadline will be put in place, an agreed payment timetable drawn up between the school and the parents, and a copy will be sent to the Chair of the Finance & Premises Committee.

Stage 5 – Notice of Intention

Parent continues not to pay for a child's school meals after the agreed timetable has been put in place.

If, after exhaustive efforts, the school is not able to recover the debt that has mounted up, the school will take further steps to recover the money owed which may lead to court action. Careful consideration will be given by the Finance & Premises Committee of the Governing Body before progressing to the small claims court.

3.2 Optional Extra Debt Recovery Process

Covering Breakfast & After School Club, Nursery Additional Hours and Childcare, and individual / small group music tuition.

Stage 1 – Initial reminder via text, email or phone call

Stage 2 – Phone contact and reminder letter

Stage 3 – Formal reminder letter and withdrawal of service

Stage 4 – Invoice and payment plan

Stage 5 – Notice of intention to progress to the small claims court should this be deemed necessary by the Finance & Premises Committee.

Depending on the value of the outstanding debt, it may be decided that progression past stage 3 is not necessary.

Parents with outstanding debts will not be extended further credit in most instances, however 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 'repayment terms' these may be negotiated at the discretion of the relevant service manager. A record of all such agreements will be retained and, 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.