



Debt Management Policy

Document Date: 31st August 2024
Version: 1.5

Policy Reviewed and Adopted by
Governing Body: October 2024

Date of Next Review: 31st August 2026
Responsible Officer: Business Manager: R Foxton

Introduction

Hawes Side Academy 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 academy must have a policy in place to ensure the repayment and recuperation of any outstanding debts incurred. The academy 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 academy is committed to adhering to legal requirements regarding charging for school meals, activities and materials, and meeting all statutory guidance provided by the DfE.

Purpose of this policy

This policy will set out the procedures for dealing with all debts owed to the academy including, but not limited to, payments for goods, services e.g. Lettings, school trips, out of school club fees, and school meal payments.

The aims of the policy can be summarised as follows:

- To ensure a professional, consistent and efficient approach to debt collection.
- To effectively pursue all debts owed to the academy ensuring that those with the means to pay do so.
- To consider fully the debtors circumstances and ability to pay on an individual basis.
- To ensure that debts are managed in accordance with legislative provisions and best practice.

Linked Documentation

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'
- [Updated] DfE (2023) 'Schemes for financing schools'

This policy should be read in conjunction with the following documents:

- Financial Manual
- Charging and Remissions Policy
- Asset Management Policy
- Lettings Policy
- Fraud Policy
- GDPR Policy
- Records Management Policy

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 principal.

The principal 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 academy can be determined at short notice.

It is the responsibility of the Principal to ensure that the academy receives all income due wherever possible. This responsibility is supported by the Business Manager who will take the lead in the debt recovery strategy.

Definitions

At Hawes Side Academy a debt is defined as an amount of money owed to the academy for provision of services

Related Procedures

Service provision

School Meals

The Academy is under a duty to provide free school meals to those who are eligible, but there is no obligation beyond this.

Universal Infant Free School Meals/ Free School Meals

All pupils in foundation stage, year 1 and year 2 are entitled to receive a free school lunch, through the government's universal infant free school meals (UFSM) policy.

Parents/Carers do not need to claim this entitlement, a meal will be given automatically unless a notice to change to a packed lunch has been provided.

When pupils reach Year 3 parents/carers are expected to pay for school meals unless they are entitled to receive a free school meal. In this case, the entitlement to Free School Meals is based on certain criteria and parents/carers may need to make a claim. It is important that all parents/carers who qualify apply and take up their entitlement so that their child/ren can receive a school meal each day. It is our advice to parents that the claim for this entitlement is made annually from starting at the school regardless of the universal free school meal entitlement. This will allow additional funding to be claimed by the academy in order to support pupils.

Up to date information on how to do this can be found at <https://www.blackpool.gov.uk/Residents/Education-and-schools/School-meals/Free-school-meals.aspx>

This information will be published to parents via the academy website and by letter on at least an annual basis to ensure no unforeseen debts are incurred.

Paid Meals

Where school meals are paid for by parents/carers the academy will require that these are paid for in advance using the management system in place. Cash will only be taken in exceptional circumstances.

Packed Lunches

Families do have the option to send their child into school with a packed lunch.

Other services for pupils

The Academy provides a number of other services for pupils/parents. These are, before and after school care and clubs, music tuition and school trips.

Before and after school care and clubs/Music Tuition

Each of these services require parents to sign up to them. Parents will be provided with clear guidance outlining the required payments. The academy office is the contact point for advice and guidance regarding payment terms. In either case payments will be required in advance using the management system in place. Cash will only be taken in exceptional cases.

Trips and Visits

Parents/carers will be provided with a letter outlining the requirements for payment for trips and visits.

In cases where academy trips, visits or events are needed to deliver the curriculum, the Academy may invite parents to contribute to the cost of the trip. All contributions are voluntary however, if we do not receive sufficient voluntary contributions, we may cancel a trip.

In cases where the trip or residential visit, is to enhance the education of the pupils but is not needed to deliver the curriculum, full payment is required for the pupil to take a place.

In either case payment will be required in advance using the management system in place. Cash will only be taken in exceptional cases.

Hire Charges

In the case of lettings it is the responsibility of the hirer to read and understand the Lettings policy and ensure all terms and conditions outlined in the agreement are met and followed. This includes payment.

Hire charges shall be charged monthly and will be due and payable 30 days after the date of the invoice provided.

Lease Arrangements

The academy may provide parent/carers/staff with the opportunity to enter a lease scheme to purchase ICT equipment.

This opportunity will be provided via a 3rd party who will collect payment from those taking up the scheme directly. They will also follow their own debt recovery process.

The equipment purchased via the lease remains the property of the academy until all payments are made.

Approach to Debt management

The academy budget is planned annually to provide the best possible opportunities for pupils at Hawes Side Academy. Where debts are incurred, monies from the planned academy budget have to be used to pay for them. This in turn means that the money that should be spent on the children's education is used to pay for debts incurred by 3rd parties, including parents. It is the academy view that parents will agree that this is unacceptable.

The academy will seek to support parents/ academy users from incurring debt by working with them and sending reminders at regular intervals.

In the case of a debt, the governing board will 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.

Declaring outstanding debt levels

The Principal and governing board will review the level of outstanding debts every term 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 stated below.

Debt recovery procedures

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

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.

Verbal and written overdue payment reminders

- Initial verbal reminder – informal in-person/telephone/email correspondence notifying person of debt (date and time should be officially recorded).
- First formal written reminder – an official, dated letter addressed to the debtor written up two weeks after the first informal reminder including an acknowledgement that the initial verbal reminder took place.
- Second formal written reminder – this will 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.

The academy will inform parents that debts should be repaid as soon as possible, particularly after repeated reminders; however, delayed payments can be negotiated in exceptional circumstances.

Failure to respond

If these reminders are not responded to, another letter will be sent to the debtor advising them that the case has been to the governing board. It is then for the board to agree on a timeframe for a repayment or, if necessary, a payment plan for separate instalments.

Negotiation of debt repayment

It is expected 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, particularly if the exceptional circumstances apply.

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

Exceptional circumstances and remissions

In line with the academy Charging and Remissions policy, parents/carers who can prove they are in receipt of the following benefits may be exempt from paying certain costs (including the cost of board and lodging related to residential visits):

- Income Support
- Income based Job-seekers Allowance
- Income related employment and support allowance
- Support under part VI of the Immigration and Asylum Act 1999
- Guaranteed Element of State Pension Credit
- Child Tax Credit (where the person is not receiving Working Tax Credit as well and have an annual gross income of no more than £16,190)
- Working Tax Credit run-on
- Universal Credit

The academy is always willing to discuss individual cases of hardship and will seek to support by way of agreement of a payment plan.

The governing board is not guaranteed to but may decide to waive or reduce the outstanding debt in these circumstances.

Withdrawal of services

Where debt is incurred, it is at the discretion of the academy to withdraw access to services until payment is made or an agreed payment plan is in place. In the case of debt in relation to school meals parents will be required to provide a packed lunch for their child.

Debt recovery costs

In addition to the remission allowances outlined, 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.

Monitoring and Review

This policy will be monitored annually to ensure appropriate organisation and arrangements are in place to control financial risk.

This will be undertaken through internal quality assurance processes by the senior team, the Governing board and/or an external audit team to support the academy and provide feedback to ensure that effective organisation and arrangements are in place.

Appendices

N/A