



DEBT RECOVERY POLICY

Manager: Headteacher

Reviewed: March 2025
Approved by the Governors: March 2025
Next Review: March 2028

Purpose of the Policy

The purpose of this Debt Recovery Policy is to outline the procedures and responsibilities for managing outstanding debts owed to Shawclough Primary School. This policy aims to ensure that all financial transactions are conducted fairly, transparently, and in accordance with UK legislation, while maintaining positive relationships with children, parents, and the wider community.

Statement of Intent and General Policy

Failure to control debt has an adverse effect on the school's finances and therefore the school endeavours to ensure all reasonable steps are taken to control debts within the school accounts, however in some circumstances debts do occur and this policy takes details the management of debt and write off rules.

Roles and Responsibilities

School Leadership Team

Oversee the implementation of the Debt Recovery Policy.
Ensure compliance with relevant legislation and best practises.
Review and update the policy as necessary.

Finance Officer

Maintain accurate records of all debts and payments.
Communicate with parents regarding outstanding debts.
Implement recovery procedures in line with this policy.

Teaching and Support Staff

Support communication with parents about financial obligations.
Encourage children to understand the importance of financial responsibility.
Parents and Guardians Ensure timely payments for school-related expenses.
Communicate any financial difficulties to the school promptly.

Governing Body

Review the policy and its effectiveness regularly.
Support the school leadership in maintaining financial integrity.

Objectives

The following policy objectives set by the Governors can be stated:

- To detail the management of arrears against accounts, specifically school meals, breakfast and after school clubs
- To detail the parameters under which services would be withdrawn
- To detail the process for recovering debts owed to the school
- To detail the parameters under which debt can be written off and the Governor's responsibility in this process

Management of Arrears

The school has accounts which require regular payments such as school meals and extended care services such as breakfast and after school club. As services are provided against these accounts in some circumstances, when parents fail to maintain payments, these accounts can go into arrears.

Other types of payments would not be allowed to go into arrears and services would not be provided examples of this would be Music Lessons, Nursery Fees and Residential Visits. All other charges are on a voluntary basis, see charging policy.

It is the responsibility of the School Administrator (school meals) and Early Start/Tea Time staff and School Administrator (breakfast and after school club) to ensure that these accounts are carefully managed and that arrears rules are enforced, including withdrawal of service.

In order to manage this the following rules are agreed by the Governing Body:

- All accounts should be kept in order, parent should be issued with a copy of these rules as part of their access to service.
- When account goes into arrears a reminder text should be sent in the first week requesting payment
- If the account remains in arrears for a second week a text or call should be done requesting payment and indicating that if the arrears are not paid then the service may be withdrawn
- If the account remains in arrears for a third week a reminder text or letter should be sent asking for immediate payment and if this is not done the service will be withdrawn from the following week. A phone call should also be made to the parent to ensure that they have received this communication and outline what withdrawal of service means

The Business Manager should be involved in all discussions of service withdrawal and should attempt to meet with the parents to recover the debt, see section below on payment plans

If payment is still not received then the service should be withdrawn. For breakfast club the child will not be accepted and asked to be taken away with the parent. For after school club the parents will be required to collect the child at home time and if this is not done the office staff will call the parents.

For school meals the parents will be asked to provide a packed lunch, if they fail to provide a packed lunch the office staff will call the parents and request that a packed lunch is brought in or child is collected.

If a parent consistently fails to provide a packed lunch parents will be requested to provide meals at home and be required to collect the child at lunch time and return for afternoon registration. Persistent failure to provide either packed lunch or adequate before and after school care will be passed to the Head or to follow up as a 'pastoral concern matter'.

A child will not be allowed back into any service unless all arrears are paid in full and thereafter the account must remain in good order or services may be withdrawn again. The Business Manager will liaise with parents in financial difficulty and help to explain the provision of services such as Free School Meals and Child Tax Credits. They will also discuss payment plans to clear debts with parents, where applicable

Payment Plans

The Business Manager/Head will intervene with any parents where accounts are in arrears and help the family to maintain access to service whilst paying off arrears. School staff can discuss any issues with arrears with the Business Manager. The Business Manager discusses the reasons for the debt and investigates any financial help that may be available. If the Business Manager feels the situation would be helped then a payment plan can be drawn up.

A payment plan ensures that the parent is able to repay the arrears at a level they can afford, whilst still accessing the services they require. A payment plan is an agreement between the school to pay off arrears at a level a parent can afford. When detailing a payment plan a parent must agree to keep up with all future payments as well as paying off the arrears levels as specified. For example if dinner money is £13.50 per week and arrears are being paid off at £6.00 per week then a payment of £15.00 would be required.

A parent must keep up to date with all payments for the duration of the payment plan otherwise service will be withdrawn immediately and arrears would be due. If service is withdrawn the debts remain with the parent, the parent will be liable for the debt. No access to service will be provided again until or debts are cleared, thereafter account must remain in order otherwise service may be withdrawn again.

Debt Collection

The school will use Rochdale Council's debt collection service, through the Finance Department. If a parent fails to pay arrears after a reasonable time a letter should be sent to advise them the debt will be collected via debt collection the following week if the debt is not repaid. Parents will be allowed one further week to pay.

Given the financial cost of recovering debts it is not financially viable to recover some debts as there is a charge incurred for the recovery therefore debts from all sources should be accumulated together and recovered at the same time. For debts that are not able to be collected then the school will continue to send collection letters and enforce withdrawal of service. The debt will remain with the child for the duration of their time at the school. Write-off will only occur when the child leaves the school if failure to recover the money has failed. Debts can be passed to siblings.

In order to recover the debt a debt collection form must be completed and sent to the Council. On receipt of the form the Council will credit the total value to the school; the amount (less the collection charge) should be recorded against the child's records, but marked as a recovered debt. Service should not be reinstated unless confirmation is received that the debt has been repaid in full.

Within the school finance system the income should be allocated back to the income code that the debt was incurred from, the council will also invoice a charge, this would have to be allocated back to wherever the debt came from. The council will invoice the parent and chase the debt for collection through to court action. If the court action is not successful the original debt would then

be sent back to the school, as well as the debt recovery charge. The amount recorded would need to be debited from the account if the debt collection was unsuccessful, the account would remain in arrears. If the parent does pay on receipt to the debt collection letter the recovery charge would have to be written off by Governor's to put the account back into order. If account has a write off against it, it is important that if services are provided again then no arrears should be allowed

Reporting Debt

The School Administrator and Extended Services Staff should, on a half termly basis, provide to the Head and Business Manager a copy of the debtors list.

Writing-Off Debt

Write off of debt would be done once per year at the Resources Sub-Committee. The Head and Committee are able to authorise of the write off of debt of less than £1000. For values in excess of this written approval is required from the Full Governing Body. A report will be provided to the meeting to detail the debt, recovery history and reason for failure to recover.

Signed Head: