

Three Counties Academy Trust



Debt Recovery Policy

F14

Last updated: 01 September 2023

Review Date: 31 August 2024

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Statement of intent

Three Counties Academy Trust (TCAT) 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, TCAT must have a policy in place to ensure the repayment and recuperation of any outstanding debts incurred by TCAT on behalf of a pupil in any of our schools. TCAT 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. TCAT 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 has due regard to all relevant legislation and statutory guidance including, but not limited to, the following:

- DfE (2018) 'Charging for school activities'
- DfE (2018) 'Schemes for financing schools'

This policy operates in conjunction with the following TCAT and school policies:

- Business Continuity Policy
- Data Protection Policy
- Finance Policy
- Reserves and Investments Policy
- Conflicts of Interest Policy
- Anti-fraud and Corruption Policy
- Records Management Policy

2. 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 Executive Team

The Executive Headteacher/CEO in collaboration with the Executive Team 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 TCAT can be determined at short notice

3. Acceptable credit period

In the case of a debt, the Governing Board 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 Board, dependent on the nature and size of the debt.

4. Declaring outstanding debt levels

The Executive Headteacher/CEO, Chief Finance Officer and Governing Board will review the level of outstanding debts every Finance Committee Meeting 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 starting from section five of this policy.

5. Debt recovery procedures

Where there is an outstanding payment yet to be received and the acceptable credit period has 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 will be acknowledgement from TCAT that the debt has been set up.

6. Verbal and written overdue payment reminders

Overdue payment reminders are outlined below:

- **Initial verbal reminder** – informal in-person, telephone or email correspondence notifying the individual of debt with the date and time officially recorded
- **First formal written reminder** – an official, dated letter addressed to the debtor which will be written up two weeks after the first informal reminder and will acknowledge that it took place
- **Second formal written reminder** – this will arrive 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

7. Failure to respond

If overdue payment reminders are not responded to, another letter will be sent to the debtor advising them that the case has been to the TCAT's legal advisors and Governing Board.

It is then for these parties to agree on a timeframe for a repayment or, if necessary, a payment plan for separate instalments.

TCAT expects 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.

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

8. Negotiation of debt payment

It is expected that the debt will be repaid as soon as possible, particularly after repeated reminders; however, this will be negotiated at the discretion of the Governing Board, particularly if the circumstances in section nine of this policy apply.

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

9. Exceptional circumstances and remissions

TCAT will ensure that parents of pupils are aware of the help TCAT, through our schools, can extend to those in financial difficulty. Parents 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 have an annual gross income of no more than £16,190
- Working Tax Credit run-on – paid for four weeks after they stop qualifying for Working Tax Credit
- Universal Credit – if they apply on or after 1 April 2018, their household income must be less than £7,400 a year (after tax and not including any benefits that they receive)

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

The Governing Board is not guaranteed, but may decide, to waive or reduce the outstanding debt in these circumstances.

10. Debt recovery costs

In addition to the remission allowances outlined in the Exceptional circumstances and remissions section of this policy, 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.

11. Monitoring and review

This policy will be reviewed in line with the published schedule at the front of this document and at any point material changes require it by the Executive Headteacher/CEO and Chief Finance Officer in conjunction with the Governing Board. Any changes made to the policy will

be amended by the Executive Headteacher/CEO and will be communicated to all members of staff.

The next scheduled review date for this policy is 31st August 2024.

Signed by:

_____ Executive
Headteacher/CEO Date: _____

_____ Chair of Governing
Board Date: _____

Schedule of revisions

Version #	Detail	Actioned by	Date