



Policy Document

Policy Document	
Subject	Debt Recovery Policy
Approval Date June 2020	Review Date June 2021
Signed by: Name: S England Role: Headteacher	Written by: S England

Debt Recovery Policy

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Statement of intent

Ashwell 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, Ashwell 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 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. Ashwell 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.

Signed by:

_____	Headteacher	Date: _____
_____	Chair of governors	Date: _____

1. Legal framework

1.1. This policy will adhere to the relevant legislation and statutory guidance surrounding school payments and debt recovery, including the following:

- DfE (2018) 'Charging for school activities'
- DfE (2018) 'Schemes for financing schools'
- DfE (2017) '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 Resources Committee:

- Will regularly review details of its debts and what recovery action is needed.
- Must be consulted if legal services are required for debt recovery.
- Will adhere to the privacy rights of pupils and their guardians in all cases.
- May decide to leave a case of debt recovery to the decision of headteacher.

2.4. The headteacher/school secretary will ensure:

- Debt reminders are recorded, and those records maintained for a period of seven years – dates and times of letters, phone calls, emails, 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 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 Resources Committee, dependent on the nature and size of the debt.

4. Declaring outstanding debt levels

- 4.1. The headteacher and Resources Committee 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.
- 4.2. 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

- 5.1. Where there is an outstanding payment yet to be received and the acceptable credit period has been surpassed, an official invoice 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

- 6.1. **Initial verbal reminder** – informal in-person/telephone/email correspondence notifying person of debt (date and time should be officially recorded).
- 6.2. **First formal written reminder** – an official, dated letter addressed to the debtor should be written up two weeks after the first informal reminder and should acknowledge that it took place.
- 6.3. **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.

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 to the school's legal advisors and Resources Committee. It is then for these parties to agree on a time-frame for a repayment or, if necessary, a payment plan for separate instalments.
- 7.2. Withholding of Services:
- 7.3. The debtor may be advised that they will be required to pay in advance for a discretionary service or items, or the service or items will no longer be available to them until the amount of debt has been paid in full.

8. Negotiation of debt repayment

- 8.1. 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 Resources Committee, particularly if the circumstances in section nine of this policy apply.
- 8.2. 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.

- 8.3. At its sole discretion the school may agree a payment plan with the debtor. Payment plans will be agreed in writing. Failure to adhere to any payment plan will result in the agreement being cancelled and the standard debt collection procedures will commence.

9. Exceptional circumstances and remissions

- 9.1. The school must ensure that guardians of pupils are aware of the help the school can extend to those in financial difficulty. Guardians 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)

- 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 remissions, details of the different types of bursary available should be sent to the debtor in question.

- 9.3. The Resources Committee is not guaranteed to but may decide to waive or reduce the outstanding debt in these circumstances.

10. Debt recovery costs

- 10.1. In addition to the remission allowances outlined in section nine, 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.

- 10.2. The Resources Committee 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.

- 10.3. Where the school incurs material additional costs in recovering a debt the Resources Committee may decide to seek to recover such costs from the debtor. The debtor will be formally advised in writing that they will be required to pay the additional costs incurred by the school in recovering the debt. This decision and its basis will be recorded and reported to the Resources Committee.

11. Monitoring and review

- 11.1. The school's Debt Recovery Policy will come under review annually, and changes vis-à-vis any updated legislation will be made accordingly.