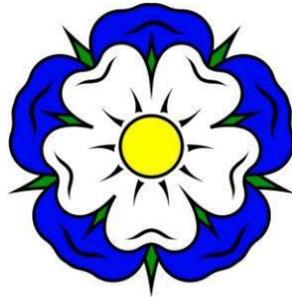


Richmond Hill Primary Academy



Debt Recovery Policy

| | |
|----------------------|--------------|
| Date | 25/03/2019 |
| Written by | Sarah Gorman |
| Adopted by MAT Board | |
| Adopted by LGB | |
| Review Date | 25/03/2022 |
| Version | 1 |

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Statement of intent

Richmond Hill Primary 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 visits, activities and educational extras.

While this is the case, Richmond Hill Primary Academy 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 by which methods it is fairest and most reasonable to pursue the debt. Richmond Hill Primary 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.

While it may appear harsh, it has become necessary for the academy to adopt a zero-tolerance policy on debts, as the level of outstanding debt continues to rise. It is important to remember that any debts incurred by parents/carers are taken directly out of the academy's budget, directly affecting how we provide for our pupils. Therefore, the most equitable/fairest system is to adopt a zero-tolerance policy for all pupils.

It must also be stressed that all payment items must be paid for in advance or at the point of sale (Section two). As all debts incurred are taken directly from the school budget, we insist that all payments are made prior to the services being used, as it ensures we are providing equitable and sufficient services for all who attend Richmond Hill. As school budgets become tighter in the coming years, it is important that we fully account for any services used and monies owed, as this will have a significant effect on the provisions we give to our pupils. We appreciate your assistance in helping us to clear debts, and enabling us to provide experiences and learning materials that will benefit the education of all of our pupils.

Signed by:

| | | |
|-------|--------------------|-------------|
| _____ | Principal | 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 academy **must be made 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 academy will 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 academy's Governing Body:

- 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 Principal.

2.4. The Principal/Business Manager will ensure:

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

3.2. The academy's credit period is:

- For school meals, the point at which the debt reaches £6.60.

- For other balances (visits, etc.), the point at which the deadline for payment has been surpassed by one week.

4. Declaring outstanding debt levels

- 4.1. The Principal and Governing Body 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. If it is determined that changes to debt recovery procedures are necessary, these will be communicated to parents/carers as soon as possible.
- 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.
- 5.3. In the case of any outstanding debts incurred prior to the introduction and communication of this policy; debtors will be given a 30-day grace period in which to clear any outstanding debts. If these are not cleared in the time stated, a payment plan must be agreed between the debtor and the academy. If no payment plan is made/the payment plan is not adhered to, legal action will be sought (as per the debt recovery procedures starting in this section).
- 5.4. In the event that a debtor has an outstanding amount at the time in which their child/children reach the end of their time in the academy (either at the point of moving into secondary school, or by moving to another school), all debts must be repaid within 60 days. If this is not adhered to, legal action will be sought.

6. Verbal and written overdue payment reminders

- 6.1. **'Gentle debt reminder'** – to take place if school meals debt reaches £6.60/one week after payment due date (other balances) – correspondence via text message/printed letter, notifying parent/guardian of debt. The correspondence will detail the debt amount, which is to be paid **within seven days**. Where a child continues to require meals, the academy must establish whether the child is entitled to free school meals. The parent/carer can request for the academy to apply for Free School Meals on their behalf (the academy must receive a signature from the parent/carer to do so). [Appendix 1]
- 6.2. **First formal written reminder and telephone call** – to take place when if debt is not cleared within seven days – an official, dated letter addressed to the debtor will

be sent home, along with a telephone call. The letter will acknowledge the first reminder and, in the case of school meals debt, will inform the parent/carer that they must send their child/children with a packed lunch until the debt is cleared. It is parents' responsibility to ensure their child/children are provided with a meal whether through the paid service or packed lunches. In the case of non-school meals debt, the letter will outline the amounts outstanding and their deadline dates. [Appendix 1]

- 6.3. **Final formal written reminder** – if the debt is still not cleared, and no resolution is forthcoming: the academy will inform the Safeguarding Team and formally write to the parent/carer, explaining that the academy is not obliged to provide a dinner where payment is not forthcoming, or where authorisation for Free School Meals has not been received (Example Letter 2). In the case of non-school meals debt, the letter will outline the outstanding amounts and their deadline dates. [Appendix 1]
- 6.4. **Legal action** – If no correspondence has been received, or no payments made towards the debt, following the procedure outlined above the school will then begin talks with their legal advisors and Governing Body about legal action to recover the debt (Example Letter 3). [Appendix 1]

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 Governing Body (Example Letter 3). It is then for these parties to agree on a timeframe for a repayment or, if necessary, a payment plan for separate instalments. [Appendix 1]

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 Governing Body, particularly if the circumstances in section nine of this policy apply.
- 8.2. Payment plans may be arranged with the Business Manager/Finance team, as outlined in section twelve.
- 8.3. If there is a case where the debtor is deemed to be refusing to pay without sufficient reason, the school may consider involving legal services to resolve the issue and recuperate owed funds.

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 Free School Meals 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. The Governing Body is not guaranteed to but may decide to waive or reduce the outstanding debt in exceptional 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 Governing Body 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

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.

12. Payment Plan Scheme

12.1. If financial hardship as occurred, in order for the academy to recover debts, payment plans can be considered as a final option in debt recovery. The decision to start a payment plan is at the discretion of the academy (Example Payment Plan). [Appendix 2]

12.2. A payment plan is an agreement signed by the parent/carer and the academy to agree the amount of debt owing on that particular date, and to agree an amount to be paid each week/month to fully clear the debt within an agreed timeframe.

12.3. Pupil(s) may remain on school dinners while payment plans are in effect, which must be paid in full alongside the payments determined by their plan. However, if payments are missed, the pupil(s) will be required to commence alternative lunchtime arrangements. This will be communicated via either text or a formal letter. The parent/carer may also be required to attend a meeting with the Business Manager/Finance team, which will be determined by the level of debt arising

Example – Gentle Debt Reminder

School Meals Balances:

Balance reminder for <consumerforename /><consumersurname />: your school meals balance is <balance />. Please clear any outstanding amounts within the next seven days. Thank you

Other Balances:

Balance reminder for <consumerforename /><consumersurname />: the balance for <service/> has exceeded the assigned due date for payment. Please clear any outstanding amounts within the next seven days. Thank you

Example Letter 1 – School Meals Balances:

<miscontactname/>
<consumeraddress/>

Dear <miscontactname/>

Pupil: <consumerforename/> <consumersurname/> Class: <class/>

We are writing regarding the current level of outstanding school meal debt that is showing on your ParentPay account. As of <date/> the amount you owe for meals taken is <balance/>.

We have previously informed you of arrears on your account via text or printed communication, on [Date of 'Gentle Reminder'].

The debt amount falls outside of the credit limits set in our Debt Recovery Policy and, as a result, we would now request that your child is provided with a packed lunch until the debt is cleared.

The current cost of a school meal is £2.30 per day or £11.50 per week.

We care very much about all of the children at Richmond Hill and endeavour to do our best to ensure the level of service your child receives is not disrupted. It is parental responsibility to ensure meals are provided daily either by paid school meals, packed lunch or home agreement.

If you think you may qualify for Free School Meals, please visit the website www.doncaster.gov.uk/freeschoolmeals for more information and to apply.

Since Richmond Hill must fund all meal debts from the allocated budget, it is essential that all payments are up to date so that the quality of the service provided to all pupils is maintained.

Please arrange to pay the outstanding debt via ParentPay or PayPoint using the barcode below.

If you have any queries regarding these arrears or if you have difficulty making payment please contact the Academy Office to discuss this further.

We must take the opportunity to remind you that the School reserves the right to seek further advice from a legal representative to recover the outstanding debt.

Yours sincerely
Sarah Gorman
Business Manager
<paypointbarcode/>

Example Letter 1 – Other Balances:

<miscontactname/>
<consumeraddress/>

Dear <miscontactname/>

Pupil: <consumerforename/> <consumersurname/> Class: <class/>

We are writing regarding the current level of outstanding debt that is showing on your ParentPay account. As of <date/> the amount you owe is:

[Details of amount(s) outstanding]

We have previously informed you of arrears on your account via text or printed communication, on [Date of 'Gentle Reminder'].

We care very much about all of the children at Richmond Hill and endeavour to do our best to ensure the level of service your child receives is not disrupted. It is parental responsibility to ensure that services are paid for in a timely manner.

Since Richmond Hill must fund all debts from the allocated budget, it is essential that all payments are up to date so that the quality of the service provided to all pupils is maintained.

Please arrange to pay the outstanding debt via ParentPay or PayPoint using the barcode below.

If you have any queries regarding these arrears or if you have difficulty making payment please contact the Academy Office to discuss this further.

We must take the opportunity to remind you that the academy reserves the right to seek further advice from a legal representative to recover the outstanding debt.

Yours sincerely

Sarah Gorman
Business Manager
<paypointbarcode/>

Example Letter 2 – School Meals Balances:

<miscontactname/>
<consumeraddress/>

Dear <miscontactname/>

Pupil: <consumerforename/> <consumersurname/> Class: <class/>

We are writing regarding the current level of outstanding school meal debt that is showing on your ParentPay account. As of <date/> the amount you owe for meals taken is <balance/>.

As communicated on [Date of letter 1], this level of debt falls outside of the credit limits set in our Debt Recovery Policy. Unfortunately, following on from our previous text/printed communication, the amount is still outstanding.

It is parental responsibility to provide meals for pupils, whether via payment for school meals, packed lunches, or home agreement. As this provision is not forthcoming, the matter will be assessed and sent to the Safeguarding Team for further advice.

Please arrange to pay the outstanding debt via ParentPay or PayPoint using the barcode below, as a matter of urgency.

If you have any queries regarding these arrears or if you have difficulty making payment please contact the Academy Office to discuss this further.

We must take the opportunity to remind you that the School reserves the right to seek further advice from a legal representative to recover the outstanding debt.

Yours sincerely

Sarah Gorman
Business Manager
<paypointbarcode/>

Example Letter 2 – Other Balances:

<miscontactname/>
<consumeraddress/>

Dear <miscontactname/>

Pupil: <consumerforename/> <consumersurname/> Class: <class/>

We are writing regarding the current level of outstanding debt that is showing on your ParentPay account. As of <date/> the amount you owe is:

[Details of amount(s) outstanding]

As communicated on [Date of letter 1], this level of debt falls outside of the credit limits set in our Debt Recovery Policy. Unfortunately, following on from our previous text/printed communication, the amount is still outstanding.

It is parental responsibility to provide payment for services provided by the academy. As this provision is not forthcoming, the matter will be assessed and sent to the Safeguarding Team for further advice.

Please arrange to pay the outstanding debt via ParentPay or PayPoint using the barcode below, as a matter of urgency.

If you have any queries regarding these arrears or if you have difficulty making payment please contact the Academy Office to discuss this further.

We must take the opportunity to remind you that the School reserves the right to seek further advice from a legal representative to recover the outstanding debt.

Yours sincerely

Sarah Gorman
Business Manager
<paypointbarcode/>

Example Letter 3 – All Balances:

<miscontactname/>
<consumeraddress/>

Dear <miscontactname/>

Pupil: <consumerforename/> <consumersurname/> Class: <class/>

We are writing regarding the current level of outstanding debt that is showing on your ParentPay account. As of <date/>, the amount(s) outstanding is/are:

[Details of amount(s) outstanding]

Despite our best attempts to recover the amounts listed above, no payments have been forthcoming. As a result, this matter has been passed on to our legal advisors.

Yours sincerely

Sarah Gorman
Business Manager
<paypointbarcode/>

Example Payment Plan

Debt Payment Plan

This agreement relates to the outstanding debt relating to pupil(s)

(Name of child/children).....

The following amounts are outstanding as of [DATE]:

[SERVICE] - £xx.xx

Total: £xx.xx

Overall total debt owed to academy (DATE): £xx.xx

Name of Parent(s)/Guardian(s).....

I/we agree to pay the amount stated above in [monthly/weekly] instalments of £.....

I understand that if I do not make the agreed payments as stated above and agreed in the meeting held with Sarah Gorman on [DATE] that the school have the right to seek further advice relating to this debt.

.....Signature of Parent(s)/Guardian(s)

I/we will provide my child/children with a packed lunch and continue to make the agreed payments towards this debt until it is cleared

.....Signature of Parent(s)/Guardian(s)

***NOTES**

I agree with all the terms of the agreement above.

.....Signature of Parent(s)/Guardian(s)

Staff agreeing to this payment plan Sarah Gorman

Example Payment Plan Statement of Payments Made

[DATE]

Dear [NAME]

Following our recent meeting regarding your payment plan, please see below for details of payments made between the dates [DATES].

We would like to take this opportunity to thank you for working alongside the school to clear the outstanding amount(s) on your account.

| Date | Pupil | Class | Amount Paid |
|------|-------|-------|-------------|
| | | | |
| | | | |
| | | | |

Yours sincerely

Sarah Gorman

Business Manager

Example Payment Plan Statement of Payments Missed

[DATE]

Dear [NAME]

Following our recent meeting regarding your payment plan, could we please remind you that you have agreed to make [weekly/monthly] payments of £xx.xx.

Unfortunately, these payments have not been made. *[As a result, we would ask that you provide your child/children with a packed lunch until the amounts have been cleared. – if necessary]*

| Date | Pupil | Class | Amount Outstanding |
|------|-------|-------|--------------------|
| | | | |
| | | | |
| | | | |

Yours sincerely

Sarah Gorman

Business Manager