



Debt Recovery Policy

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1. Introduction

This policy concerns the collection of debts and the approach to be taken in cases of debts arising when parent/carer/staff/visitors/hirer fail to pay for services including school dinners. 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.

The school's debt recovery policy will observe the relevant financial regulations and guidance set out in the Scheme for Financing Schools and any other legal requirements. In particular:

- the Governing Body will approve the write-off of all debts, stocks, stores and surplus assets
- all such write-offs will be recorded in the minutes of the governing body
- a formal record of any debts written off will be maintained and this will be retained for 7 years (the form of this record is specified below).
- the school will seek the legal advice should they consider taking legal or other action to recover the debt.

In general payment for all goods and services supplied by the School should be collected in advance or 'at the point of sale' these can be paid using our online payment platform.

Please note that the school will not issue refunds for school dinners that you have pre-ordered that are not collected unless they are cancelled before 10:00 AM on the same day. Our catering team begins cooking and preparing lunches at 10:00 AM. If your child will be absent from school, including due to a reduced timetable, you must notify the school by 9:15 AM, as per the Attendance Policy, to ensure the lunch order can be cancelled before cooking begins.

If debts are incurred, these have to be paid from the school budget. This means that money which should be spent on all pupils' education in school is used to pay for debts incurred by individual parent/carer/staff/visitors/hirer. The governing body see this as unacceptable and request that all parent/carer/staff/visitors/hirer give this policy their full support.

The procedures to secure the collection of all debts are outlined below and should be followed by all School staff.

2. Acceptable 'credit period'

It is accepted that on occasion arrears may arise for various reasons. However, arrears cannot be allowed to accumulate. In regards to school dinners, debts will not exceed £13.25 or the equivalent of one week's school dinners before steps taken in line with this policy.

The Governing Body must determine the length of time they deem as an acceptable 'credit settlement period' before the debt recovery procedures are applied.

The Governing Body may consider that an 'acceptable' credit period may vary between different income generating activities; for example;

- School lettings;
- Trips and activities
- School Dinners

The Governors may have stipulated a maximum settlement period for school lettings in a separate 'Lettings Policy'. However, in order to ensure a consistent approach and demonstrate transparency, the 'acceptable' period for each activity should be stipulated in this policy.

Debt recovery procedures should be applied in accordance with item 4 of this policy.

3. Reporting of outstanding debt levels

The Headteacher will ensure that the level of outstanding debt is regularly monitored.

Suitable records will be maintained to detail individual debts and the total value of debt to the school in order that it can be determined at any time and reported to the Governing Body.

The Headteacher will review the level of outstanding debts every term to determine whether this level is acceptable and whether action to recover debts is effective.

4. Debt Recovery Procedures

4.1 Where payment from the parent/carer/staff/visitors/hirer has not been received in advance, or 'at the point of sale', the following process should be applied.

A) An invoice should be issued on official school stationery for the full amount in order to officially set up the debt;

Where invoices are raised they should state the date by which payment is due
date/month/year.

- B) In all other cases, such as;
- correspondence with parent/carer/staff/visitors/hirer, the maximum period that the school regards as reasonable before payment is overdue should be clearly stated, for example contributions for a school trip should be received by date/month/year.
 - payment for items purchased should be sent to the school office by date/month/year.
- C) A record of all goods and services will be maintained detailing:
- type of good/services supplied;
 - value;
 - date(s) good/services supplied; and;
 - the identity of the 'debtor', e.g. parent/carer/staff/visitors/hirer, etc.

5. Verbal and Written Reminders

5.1 Details of all reminders, whether verbal or in writing, should be maintained. Where a letter is issued, a copy must be retained on file.

Should a debt need to be taken beyond two reminder letters, formal written evidence may have to be produced.

It is therefore important that at least one, but preferably two, written reminders are sent.

5.12 Initial 'overdue payment' reminder

An initial reminder may be informal and can be made either in person (when a parent/carer/staff/visitors/hirer comes to the school), or by telephone/text.

In general, the Finance & Data Manager will notify the parent/carer/staff/visitors/hirer.

The date of the initial reminder should be recorded.

5.13 First 'overdue payment' reminder letter (Appendix 1)

A formal reminder letter should be issued 2 weeks after the informal *reminder / the date of supply*.

If action is to proceed further, it is necessary to prove that all reasonable attempts have been made to recover the debt, and that these attempts have been made in a timely manner, i.e. at the time that the debt first became overdue.

The date of the initial reminder should be recorded.

5.14 Second 'overdue payment' reminder letter (Appendix 1)

A second reminder letter will be issued 2 weeks after the First Reminder Letter.

The date of the initial reminder should be recorded.

6. Failure to respond to reminders / settle a debt (Appendix 2)

If after 2 reminders, a response or payment is not received, a letter will be sent to the debtor advising them that the matter will be referred to the school's legal advisers. At the discretion of the Headteacher the debtor may be advised that they will be required to pay in advance for all future supplies or the supply will no longer be available to them.

This decision and its basis will be recorded and reported to the Governing Body.

7. Safeguarding

Remember that pupil wellbeing should always be your concern. In cases of debts relating to school dinners, if there's any indication that the pupil won't have anything to eat at lunch unless the school provides a meal, these sanctions may not be appropriate. Parents not providing enough food for their child could also be a sign of neglect, which is a safeguarding issue, as set out in Keeping Children Safe in Education 2024 (page 12). If you suspect that a pupil is not eating enough at home, do not limit their access to school meals but speak immediately to your DSL about your concerns.

8. Negotiation of repayment terms

Invite the parent in for a meeting with the Headteacher or another senior leader.

However, if people are unable to pay;

The School may reduce or cancel a debt in certain circumstances. A sensitive approach to debt recovery will be carried out, taking the following factors into account.

- Hardship – where paying the debt would cause financial hardship.
- Ill health – where our recovery action might cause further ill health.
- Time – where the debt is so large compared to the person's income that it would take an unreasonable length of time to pay it all off.
- Cost – where the value of the debt is less than the cost of recovering it.
- Multiple debt – where someone owes more than one debt to the School. In this situation an attempt to agree one repayment plan to include all debts will be established.

Debtors are expected to settle the amount owed by a single payment as soon as possible after receiving the first 'overdue payment' reminder.

If a debtor requests 'repayment terms' these may be negotiated at the discretion of the Headteacher.

A record of all such agreements entered into will be retained.

In all cases, a letter will be issued to the debtor confirming the agreed terms for repayment.

The settlement period should be the shortest that is judged reasonable.

The Headteacher will decide whether any debtor who has been granted extended settlement terms will not be offered any further 'credit' and will, in future, be required to pay in advance.

This decision and its basis will be recorded and reported to the Governing Body.

If experiencing financial difficulty, the parent/carer/staff/visitor/hirer may make a claim for the remission of charges which should be addressed to the Headteacher and will be considered confidentially on an individual basis.

If the issue relates to financial hardship, give information about local bodies that can help to relieve financial burdens, such as:

- Local charities (e.g. food banks)
- Local religious organisations
- National debt charities (e.g. StepChange)

If by the end of the meeting you haven't reached a satisfactory result, or if the parent refuses to attend the meeting, consider sending them the letter provided in the next section.

9. Costs of debt recovery

If conversations with the parent/carers/staff/visitors/hirers and meetings in school have not helped, the school may seek expert legal advice. Note that you're not necessarily taking action yet - instead, the advice can help you decide what the appropriate next steps are. This might mean pursuing the debt through the small claims court (which can be used for debts up to £10,000).

Where the school incurs material additional costs in recovering a debt then the Governing Body will decide whether 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 Governing Body.

10. Bad debts

This debt recovery policy should be cross-referenced to the Scheme for Financing Schools.

Write-off of any debt requires the written approval of the Governing Body.

A record of the write-off, the reason for it, and the approval for it, will be retained for 7 years.

10. Policy Review

This policy will be reviewed and approved annually by the Governing Body.

Appendix 1: First & Second 'overdue payment' reminder letter

[Insert date]

Dear [name]

Overdue Payment Letter

Following our conversation/text/letter on [insert date of conversation and if this is second, details of first letter and date], I am writing to remind you of the outstanding [insert amount of money] owed to the school for [insert source of debt, such as school meal costs]. [Insert details of why this letter has been sent, such as:

- We have not yet received payment from you towards reducing this debt.
- We have noticed that you haven't kept up with the payment plan as agreed in our conversation.]

You can pay the debt in full using [insert payment method details here]. Alternatively, we can set up a weekly/monthly payment plan to pay the debt off in installments of [insert amount per week or month]. To do this, please contact the school office.

[If the debt results in any sanctions, such as pupils having to be given packed lunches until meal costs are settled or being unable to attend a school trip, insert details of this here.] [In a case when payment is not received nor a packed lunch provided, we will phone to ask you to come to school with either the money or a packed lunch before lunch time.]

If you are experiencing financial difficulty you may make a claim for the remission of charges which should be addressed to the Headteacher and will be considered confidentially on an individual basis.

If by [insert deadline] you haven't either paid off the debt or contacted us to set up a payment plan, we will invite you to a meeting to explore options to help you pay the amount above. If you don't attend or if we don't reach a satisfactory result together, we may seek legal advice on recovering the debt.

Our school budget is intended to support children's learning, and we cannot use it to cover debt owed to the school.

Thank you for your help and understanding. Please don't hesitate to contact me if you have any questions or difficulties complying with this letter.

Yours sincerely,

[Insert name and contact details]

Appendix 2: Second 'overdue payment' reminder letter

[Insert date]

Dear [name],

I am writing to you following [insert dates of any letters sent or meetings had concerning the debt].

Your outstanding debt is [insert amount]. As we have not received payment from you to settle this cost, I have no option but to refer this outstanding debt to our advisers to see what legal action we can pursue to recover it.

We will continue to offer support where practical. If you would like to hear more about the support available or meet again to discuss options, I would be more than happy to do so. You can contact the school at [insert contact details].

We will contact you in due course over the action we will take, which could include making a claim in the small claims court.

To prevent this, please contact the school office immediately to discuss steps you can take to repay the debt.

[Inset if the debtor will be required to pay in advance for all future supplies or the supply will no longer be available to them.]

Yours sincerely,

[Insert name]

Appendix 3: Records of Debts

[illegible]