



ST LAURENCE CHURCH
JUNIOR SCHOOL

Debt Recovery Policy

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'Learning, Loving and Sharing, guided by Jesus'

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Statement of intent

St. Laurence Church Junior 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.

Whilst this is the case, St. Laurence Church Junior 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 considered to determine the best course of action and whether it is fair and reasonable to pursue the debt in its entirety or if at all. St. Laurence Church Junior 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.

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 (2020) 'Governance handbook'

2. Roles and responsibilities

The Governing Board has delegated the responsibility of recovering debt to the headteacher at the school.

- 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 Full Governing Board:
 - Will regularly review details of its debts and what recovery action is needed.
 - Must be consulted if legal services are required for debt recovery. The Chair of the Board must be informed if any legal action is being pursued.
 - 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 school business manager (or person delegated by the Headteacher to undertake this task) 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.

3. Acceptable ‘credit period’

- 3.1. 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

- 4.1. The headteacher and Governing Board 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 by which it must be paid, there is acknowledgement from the school that the debt has been set up. Debt can be any amount. However, when it surpasses £50 the Headteacher must be notified.

6. Wraparound Care / School Lunches

6.1 **Wraparound Care** As per the agreement and offer letter signed by the parent/carer, we ensure that payment is made a minimum of one week in advance and a credit balance is maintained at all times. Payment is required for all days booked even if the child does not attend, the exceptions being when school is closed. Should the child no longer require a place the parent/carer is to advise the School office at least two weeks in advance, otherwise the parent/carer is still liable for charges. Should the parent/carer fall into arrears and fail to make an immediate payment, the club place will be suspended until the balance is paid. If the balance is not cleared within one week, then the place may be withdrawn. Please see appendix for debt recovery letter templates.

6.2 **School lunch** We recommend that payment is made a minimum of one week in advance and a credit balance is maintained at all times. When a child has a school lunch they go through the school till which registers on iPay. Parents receive an immediate message on the communication app should the parent/carer fall into arrears meaning the child cannot order their lunch. If this is more than £10 and failure to make a payment within one week of receiving this reminder message, a letter will be sent advising the parent/carer that their child will no longer be entitled to a school lunch and that they should send their child to school with a packed lunch. Failure for the parent/carer to provide their child with a packed lunch may result in involving the school's safeguarding officer.

7. Verbal and written overdue payment reminders

- 7.1. **Initial reminder** – informal in-person/telephone/email correspondence by office staff notifying person of debt (date and time should be officially recorded). This is usually made within 7 days of the acceptable credit period being surpassed. **This will be undertaken by a finance administrator / office manager and must be formally recorded (including the method used for the initial reminder).**
- 7.2. **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. 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 via email to the debtor in question. **This will be sent from the Headteacher.**

- 7.3. **Second formal written reminder** – this should come two weeks after the first formal written 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. **This will be sent from the Governing Board.** The letter will determine the timeframe in which a response is required.

8. Failure to respond

- 8.1 If these reminders are not responded to, another letter will be sent to the debtor advising them that the case has been referred to the school's legal advisors and Governing Board. It is then for these parties to agree on a time-frame for a repayment or, if necessary, a payment plan for separate instalments.
- 8.2 If these reminders are not responded to, a Formal Meeting will be held with the Headteacher and members of the Governing Body to arrange a payment schedule.

9. Negotiation of debt repayment

- 9.1. It is expected that the debt should be repaid in full as soon as possible, particularly after repeated reminders. However, this can be negotiated at the discretion of the Headteacher, in consultation with the Governors wherever appropriate, particularly if the circumstances in section ten of this policy apply.

If there is a case where the debtor is deemed to be refusing to pay without sufficient reason, the school may consider involving the council's legal services to resolve the issue and recuperate owed funds including interest and any administrative costs. This strategy would be the last resort but the board would support legal intervention if the school had exhausted all other steps in the policy.

10. Exceptional circumstances and remissions

- 10.1. The school must ensure that parents or carers of pupils or other debtors, are aware of the help the school can extend to those in financial difficulty. Debtors 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)

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

11. Debt recovery costs

11.1. 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.

11.2. The Governing Board will review any case in which a debt may be waived, and come to a final decision based on the value of costs versus value of the debt.

12. Bad Debt Write Off Authorisation Limits

12.1 In line with the Financial Policy and Procedures, any debts written off must be in line with the following limits:

- Up to £150 – Headteacher
- Over £151 – Full Governing Board and refer to Debt Collection Agency

Write off should only be requested once all steps to recover the debt have been exhausted.

13. Monitoring and review

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

14. Appendix – Debt Recovery Letter Templates

1. Initial Debt Letter

Dear

You have an outstanding balance on your WAC / Ipay (delete as appropriate) account. Please see the attached statement. We request that your arrears are cleared by (within 7 days). Failure to do so may result in WAC spaces being suspended.

Should you have any issue clearing the amount in full within the specified time, please contact Mrs Tapper / Mrs Smith by emailing enquiry@stlrcj.bham.sch.uk / WACmanager@stlrcj.bham.sch.uk (delete as appropriate) or calling 0121 464 6499.

2. Suspension of place

Dear.....

Further to my previous letter and statement which are attached for your reference, you have not cleared the outstanding balance as requested / not kept up with the payment plan we had in place / failed to respond (delete as appropriate). Therefore, with immediate effect, your spaces for name of child at WAC are suspended with immediate effect. These will not be reinstated until we are satisfied that payment has been made.

3. Payment plan

Dear.....

As agreed you will clear your outstanding WAC / ipay debt by making the following payments on the dates listed below

e.g. £100 on 10.04.25

You have also confirmed that you are able to keep up with the weekly payments in advance as well as the agreed payments to clear any arrears. Please note that failure to do so will result in your WAC places being cancelled with immediate effect.

Should you find that you have any difficulty making payment, please contact Mrs Tapper / Mrs Smith by emailing enquiry@stlrcj.bham.sch.uk / WACmanager@stlrcj.bham.sch.uk (delete as appropriate) or 0121 464 6499

4. Failure to meet payments on an agreed payment plan

Dear.....

It seems that you have not met the payment terms as agreed in your payment plan. Please contact Mrs Tapper / Mrs Smith by emailing enquiry@stlrcj.bham.sch.uk / WACmanager@stlrcj.bham.sch.uk (delete as appropriate) or 0121 464 6499.

Please note that failure to keep up with your payments as agreed may result in your WAC places being suspended.