



## Debt Management Policy

October 2024 - ratified by Governors 15.10.24

### ***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 (2021) 'Schemes for financing schools'

This policy operates in conjunction with the other school policies.

### ***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 headteacher.

The headteacher is responsible for:

- The overall implementation of this policy and ensuring that all staff, parents and pupils are aware of their responsibilities.



# STAINING

CE VC Primary School

Staining Road, Staining, Blackpool, FY3 0BW

Tel: (01253) 882983

Email: [bursar@staining.lancs.sch.uk](mailto:bursar@staining.lancs.sch.uk)

Website: [www.staining.lancs.sch.uk](http://www.staining.lancs.sch.uk)

**Headteachers: Jennifer Shoulders and Carla Nugent**

- 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 the school can be determined at short notice.

Parents/carers are responsible for:

- Ensuring that all payable accounts are in credit at all times. The school reserves the right to deny access to paid services e.g. Breakfast and After-school Club if other paid services e.g. school meals/music lessons are in arrears.
- In the case of parents/carers paying for Breakfast and/or After-school Club using Childcare Vouchers or grant schemes, it is their responsibility to ensure that their child's account is in credit until external payment arrangements are finalised.

### 3. *Acceptable 'credit period'*

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.

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.

All debts must be cleared before the pupil leaves Staining CE VC Primary School. As soon as school are notified that a child is leaving, a balance check must be made on that child's account.



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Any debt outstanding must be paid in full, and any credit balance will be refunded.

Year 6 pupils: Letters and notifications will be sent to relevant parents throughout the Summer term informing that all debts must be cleared before the last week of the school year. Any meals or services to be taken in the last week of Summer term must be paid in advance or a packed lunch provided. Outstanding debts will remain on a sibling account where applicable.

#### ***4. Declaring outstanding debt levels***

The headteacher and governing board will review the level of outstanding debts regularly 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 letter 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 the school 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.



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- First formal written reminder (Appendix A)- 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 (Appendix B)- 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 referred to the school's headteacher and governing board (Appendix C).

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

The school 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, the school may consider involving Lancashire County Council's legal services to resolve the issue and recuperate owed funds.

## ***8. Negotiation of debt repayment***

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, the school may consider involving Lancashire County Council's legal services to resolve the issue and recuperate owed funds.





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A debt collection agency may be utilised (commensurate with the size and nature of the debt) upon approval from the Governing Body.

### ***9. Exceptional circumstances and remissions***

The school will ensure that parents of pupils are aware of the help the school can extend to those in financial difficulty. Parents who may be eligible for remissions are those in exceptional circumstances:

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 assistance available will be communicated to the debtor in question and contact will be made via the School Office.

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.



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## Appendix A

Date

Dear

### **SCHOOL MEAL / BREAKFAST AND AFTER SCHOOL CLUB ARREARS - INSERT CHILD'S NAME**

Although the school office has verbally discussed your debt with you, your school meal account remains in significant arrears of over £100. The amount overdue as at today is £XX

If you have difficulty with the payment of these arrears, please contact the School Office on 01253 882983.

If this has been an oversight, please settle the arrears by XX (a week later).

You will appreciate that this situation cannot be allowed to continue. If the arrears are not paid in full by this date, in accordance with Staining CE Primary School Chargeable School Meals Arrears Policy, you may be referred to the Lancashire County Council Legal Team.

Yours sincerely

Mrs Montgomery

School Business Manager



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## Appendix B

Date

Dear

### SCHOOL MEAL / BREAKFAST AND AFTER SCHOOL CLUB ARREARS - INSERT CHILD'S NAME

Further to our previous letter (date) and verbally discussions, and as no payment has been received, please note that your account is now overdue by £XX.

If you are having difficulty with the payment of this debt, please contact me to discuss this further.

In accordance with the Staining CE Primary School Chargeable School Meals Arrears Policy, if full payment is not received by XX, and you have not already started to send your child/ren with a packed lunch AND/OR they are not no longer eligible to come to breakfast or after school club, you will now need to do this.

If we do not receive payment by the date specified above, this matter will be referred to the Lancashire County Council Legal Team.

Yours sincerely

Jennifer Shoulders

Carla Nugent

Headteachers



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Appendix C

Date

Dear

**SCHOOL MEAL / BREAKFAST AND AFTER SCHOOL CLUB ARREARS - INSERT CHILD'S NAME**

Further to my letter of XX, your outstanding debt has not been settled.

The amount overdue in respect of school meals for XX is: £XX

In accordance with the Staining CE Primary School Chargeable School Meals Arrears Policy, this has now been referred to the School Governing Body and may be referred to Lancashire County Council Legal Team.

If you wish to make a payment please settle your account via the School Money App as soon as possible

Yours sincerely,

Jennifer Shoulders

Carla Nugent

Headteachers



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