



## Debt Management Policy

Written on: April 2017

Approved by Governors on: 15 May 2017

Review on: November 2020

## **Mission Statement**

*"...to provide a fun, stimulating and excellent education which enables each child to achieve their full potential, academically, spiritually, emotionally and socially in a safe, Christian environment..."*

## **Introduction**

The effective management of debt is important to the success of any school. The Governors and Senior Leadership team of St Mary's Primary School have a duty to ensure effective use of the school budget to raise standards and maximise the achievement of pupils.

The School Governors always encourage Parents/Carers to contact the Headteacher or Business Manager if they are experiencing any difficulty in meeting their financial commitments to school. In most cases a mutually acceptable agreement can be reached, thus avoiding the need to implement the debt management process. Whenever possible this would be our preferred course of action.

As part of our community cohesion strategy we believe that we have a wider social responsibility. We need to ensure that there is a balance between the competing needs to maximise monetary collection and ensuring that Parents/Carers who may at some time become our debtors are treated in a fair and equitable manner.

In order to ensure that the required balance is applied in the control and recovery of money, the Governing Body has developed a Debt Management Policy.

## **Aims**

The aims of the policy are:

To help our School Governors adopt a consistent approach to debt with a view to eliminating bad debts completely.

To provide clarity and consistency in managing debt and also help Parents and Carers clearly understand what is expected of them when they make a financial commitment.

To effectively pursue all debts owed to the school ensuring that those with the means to pay do so.

To reduce the risk of Parents incurring large debts that they will struggle to pay off.

To ensure that the entire school budget is used to provide educational services to all of our children and not be impacted negatively by bad debts.

To reduce the considerable amount of work of the school office and school management team in chasing up all debts, which has a direct impact on the school budget and resources and ultimately the teaching of our pupils.

## **Scope**

This policy relates to all chargeable activities/events and examples of some of the main ones are:-

School Meals for Key Stage 2 pupils

Music Tuition

Chargeable Extra Curricular activities

School Trips out of school hours Eg Robinwood

Procedure relating to "class curriculum based trips and events" are detailed below.

## **Rationale**

The services provided by school are no different to those provided by any other business; the meals for pupils in Key Stage 2 and other services must be paid for.

Parents will understand that they cannot take their child to a cafe and expect them to be given food without paying or to a music teacher who will teach their child free of charge.

However, a minority of Parents do not pay on time for services offered by the school and despite regular reminders and access to on line statements, continually fail to pay for services taken. This puts the school in the position of potentially subsidising a few families with funding that is intended by law for all children, as well as causing considerable extra work for office staff and therefore cost to the school budget.

## **Principles**

To consider fully the debtor's circumstances and ability to pay and so distinguish between the debtor who won't pay and the debtor who genuinely can't pay.

To ensure that debts are managed in accordance with legislative provisions, transparency and best practice.

To treat the individual consistently and fairly regardless of age, sex, gender, disability and sexual orientation and to ensure that the individuals' right under Data Protection and Human Rights legislation are protected.

## **Roles and Responsibilities**

School will ensure that a copy of the debt policy is available on the school website and a paper copy is available from the School Office upon request.

All optional services provided, including music tuition, residential trips, extra curricular activities (Eg Anna's Dance, John Platt football) must be paid for in advance. The only exceptions to this will be where formal written agreement has been made with the Headteacher or Business Manager.

Parents should not send their child to school and expect to be given access to chargeable activities, without pre-payment, unless a prior arrangement has been made.

## **Practices and Procedures**

### **Curriculum based class trips**

In accordance with the school's charging policy, Parents will be asked to make a voluntary contribution towards the cost of the visit. The School Governors understand that contributions for school trips and class activities can place a severe burden on some families. On most occasions, the trip/event is subsidised by school funds. Parents/Carers will be given the opportunity to pay in instalments. Pupils will not be prevented from participation because of a Parents' inability to pay or make a contribution.

Parents/Carers must however be reminded that on some occasions, the trip/event could be cancelled if we do not receive enough contributions.

### **School Meals**

Parents/Carers who do not want their child to have a school lunch, should provide a healthy packed lunch.

If you think your child may be entitled to free school meals please see appendix 1 at the end of this policy. If in doubt, please ask the staff in the School Office.

School meals for Key Stage 2 pupils must be paid for in advance. Parents/Carers are encouraged to pay online using the secure Parentpay system. This ensures that pupil's accounts are updated as quickly as possible and reduces the risks associated with handling manual payments. It not only allows payments to be made securely but also enables Parents to keep track of their balance to ensure that arrears do not occur. There is the facility to set up notifications to alert Parents when the balance falls below a certain amount thus allowing the account to be topped-up in advance.

Where arrears exist, the parent/carer will be reminded on a weekly basis that they have an outstanding balance and to check their Parentpay account.

Where a debt for school meals remains unpaid after two weeks then Parents/Carers will be asked to provide a pack lunch for their child. This will remain the case until the debt is repaid in full.

Should arrears reach the sum of £75 Parents/Carers will be formally notified to the Local Authority debt recovery team who will take over the debt recovery process. From this point, settlement can no longer be made to the school.

## **Optional School Activities**

### **Music Tuition**

Parents will be asked to sign an agreement each year committing them to the full annual amount. This is payable termly by the dates quoted on the agreement. New starters must pay the first termly instalment before commencing tuition and then termly thereafter. Payments can be made either in full by one payment or instalments using Parentpay online secure payment system.

If payments are not received on time AND there is no formal arrangement with school, then the pupil may be prohibited from attending their lessons until the debt is repaid or a formal agreement is made with either the Headteacher or Business Manager.

### **Chargeable Extra Curricular Activities**

Payment must always be made in advance.

For external providers this will be by cheque payable to the activity provider Eg Anna's Dance or John Platt.

For school activities this will be by cheque payable to St Mary's School.

Clear payment instructions will be given on the letters inviting children to take part.

If payment is not received in advance and no formal arrangement has been made with the Headteacher or Business Manager then the child will not be allowed to take part in the activity.

## **Debt management**

Should debt arise, the Parent/Carer will initially be reminded by text and/or email and asked to settle the account.

Where the debt remains outstanding after a period of 2 weeks, the Parent/Carer will receive a letter requesting immediate settlement or their child will no longer partake in the activity in question.

If no settlement or Parental/Carer contact with an offer to settle has been received within one week then the child will be excluded from the activity. Where the debt remains after a period of 4 weeks, a second and final letter home will be sent via a recorded delivery service.

If no settlement or Parental/Carer contact with an offer to settle has been received, this will be referred to the Headteacher for a decision on how to progress.

Any offer to settle by instalments will be referred to the Headteacher for approval. Should any promised instalment not arrive, then the school will refer the debt to the LA debt recovery team.

Where a deposit or partial payment has been made, but the full balance not paid by the set due date, the Parent/Carer will be contacted to request the balance in full. If this is not immediately forthcoming, then subject to no formal arrangement being made with the Headteacher/Business Manager, payments to date (less any non-refundable deposits) will be returned and the Parent/Carer informed their child is no longer able to take part in the activity.

Should a cheque be returned to school by the bank as "unpaid" then this will be treated as a debt. The Parent/Carer will be asked to settle this immediately and the action outlined above will be followed.

The Headteacher may decide to refer the debt to Local Authority debt recovery team to seek payment or refer the debt to St Mary's Governor Finance Committee.

Where debt is referred to the Local Authority for action, the Parent/Carer will be formally informed by the School that this is the case and that settlement can no longer be made direct to the School, but to the Local Authority team and their agents.

**Individuals that have previously defaulted on payments to the School are not allowed credit facilities and their children may be excluded from taking part in future events/activities.**

In reviewing the action(s) to be followed, the Headteacher may reduce or write off a debt on their individual merits in certain exceptional circumstances. A sensitive approach to debt recovery will be carried out, taking the following into account:

- Hardship - where repayment of the debt would cause financial hardship.
- Ill health - where recovery action may cause further ill health.
- Cost - where recovery of the debt would cost more than the debt itself.
- Loss of contact - in cases where an individual has left the school and there is loss of contact.

## **Policy Communication**

The school will continue to make Parents aware of this policy in the following ways:

A letter to Parents

Reminders in the School's Newsletter

The School Website

# Appendix 1

## Means-tested free school meals

If Parents believe that their children may qualify for entitlement to Free School Meals please contact the office for more details.

***This allowance is a statutory right and it is important that Parents apply for it if they qualify.***

To be eligible for Free School Meals you must be in receipt of one of the following benefits:

Income Support (IS)

Income Based Jobseekers Allowance (IBJSA)

Income Related Employment Support Allowance

The guaranteed element of State Pension Credit

Support under Part VI of the Immigration and Asylum Act 1999

Child Tax Credit (provided you are not entitled to Working Tax Credit) and have an annual income (as assessed by Her Majesty's Revenue and Customs) that does not exceed the current year's level Working Tax Credit during the four-week period immediately after your employment finished, or after you start to work less than 16 hours per week.

Universal Credit