



Higher Failsworth Primary School

Debt Management Policy

April 2016

'Working together for an Education for Life.'

Date Adopted:	April 2016
Date of Review:	April 2018
Policy Reference Number:	P25
Staff Member:	Steve Sanderson
Governor:	Mr Martin Breslin Chair of Finance and premises committee

HIGHER FAILSWORTH PRIMARY SCHOOL

Debt Management Policy

A. Introduction

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

As part of our community cohesion strategy, we do however believe that we have a wider social responsibility. We need to ensure that there is a balance between the competing needs to maximise income collection and ensuring that parents/carers who are historically shown to be 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 debts, the Governing Body has developed a Debt Management Policy.

B. Aims:

The aims of the policy are:

- **To help our school to adopt a consistent approach to debt with a view to eliminating it completely. It provides clarity and consistency in managing debt and will also help parents and carers clearly understand what is expected.**
- To effectively pursue all debts owed to the school.
- 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.
- To reduce the considerable amount of work of the school office and school management team in chasing up accrued debts, which has a direct impact on the school budget and resources.

C. Scope

This policy is specifically directed to those services and optional residential trips that the school organises for the school community. Procedure relating to “class curriculum based trips and events” are detailed below and there is a separate appendix 1 which deals with school meal debt, which the school helps the Local Authority to manage.

D. Rationale

The services provided by school are no different to those provided by any other business and the meals 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 significant 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 decline 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.

E. 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 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

F. Roles and Responsibilities

1. School will ensure that a copy of the debt policy is available on the school web site and in the school reception.
2. All services provided including dance lessons, mobile phone locker provision, and Breakfast Club and after the school club "Aiming High" places must be paid for in advance. The only exceptions to this will be where formal agreement has been made with either the Headteacher or Deputy Headteacher.
3. No child should be sent to school with no money in their Parentpay account and expect to be given access to chargeable dance lessons, access to Breakfast club care or after school "Aiming High Club" care", unless a prior arrangement has been made as detailed in 2 above.
4. Parents who don't want their child to have a school lunch, should provide a healthy packed lunch.

G. Practices and Procedures

1. Curriculum based class trips.

For such class trips, parents will be asked to make a voluntary contribution. School understands 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 the school. Parents/carers should be given the opportunity to pay in instalments. Pupils should not be prevented from participation because of parents' inability to pay or make a contribution.

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

2. Purchase of optional school activities.

This covers optional residential trips (e.g. Robinwood), chargeable Dance lessons or similar activities Breakfast Club before school care and Aiming High club after school care for example.

Payment should always be made in advance through Parentpay or via Paypoint with a school event barcode. Paypoint barcodes can be obtained by request to the school office and can normally be issued on demand.

For residential trips, 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/Deputy Headteacher, payments to date (less any non-refundable deposits) will be returned via Parentpay and the parent/carer informed their child is no longer on the trip list.

For chargeable lessons and clubs, children will not start until payment has been made unless formal arrangement being made with the Headteacher/Deputy Headteacher.

H. Debt management

1. Where debt arises, the parent/carer will be informed by text and/or email of the debt and asked to settle this.

2. Where the debt remains after a period of 3 weeks, the parent/carer will receive a letter requesting immediate settlement or their child can no longer partake in the activity in question.

3. Where the debt remains after a period of 6 weeks, a second and final letter home will be sent via a recorded delivery service.

4. If no settlement or parental/carer contract with an offer to settle has been received, this will be referred to the Headteacher for a decision on how to progress following a second and final letter home that has not met with settlement. Any offer to settle by instalments will be referred to the Headteacher for approval. Should any promised instalment not arrive, then the normal process would be for the school to refer the debt to the LA finance team.

5. The Headteacher may decide to refer the debt to Local Authority finance team to seek recovery or may decide to write off the debt.

6. Outstanding debt of up to £50 may be written-off by the Headteacher provided that the appropriate follow-up actioned outlined above has been taken and the details of the debtor, amount written-off and the reason for no further action being taken is reported to the Finance Committee for information at their next meeting.

In reviewing the action(s) to be followed, the Headteacher may reduce or write off a debt on their individual merits in certain 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 a loss of contact.

7. 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.

8. Individuals or organisations that have previously defaulted on payments to the school are not allowed credit facilities.

I Policy communication

The school will make parents aware of this policy in the following ways:

- A letter to parents
- Reminders in the school's newsletter
- The school website

This will ensure that all parents get the same message in a consistent way. This will be done at least once each year, more often when it is first introduced.

Appendix 1. Local Authority School meals.

All school meals should be paid for in advance on Parentpay.

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.

Once arrears reach the sum of £25.00, they are formally notified to the Local Authority finance team who will take over the debt recovery process. From this point, settlement can no longer be made to the school.

The school will adjust the parents/carer Parentpay balance to zero and any payments received via Parentpay will be credited to future meals only.

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 you apply for it if you qualify.

To be eligible for Free School Meals you must be in receipt of one of the following benefits:
Income Support
Income Related Jobseekers Allowance or Income Related Employment Support Allowance
The guaranteed element of Pension Credit
Support under Part VI of the Immigration and Asylum Act 1999
Child Tax Credit – Without Working Tax Credit