



Debt Recovery for Parents/Carers Policy

October 2021

Version 3

Introduction

In accordance with the funding agreement from the Education & Skills Funding Agency (ESFA), the North Cornwall Learning Trust (the Trust) is required to apply robust financial controls which conform to the requirements of both propriety and good financial management.

To this end the Trust Board and Local Governing Bodies are responsible for ensuring that procedures are in place for the recovery of any outstanding debt. This policy sets out the procedure for debt recovery within the Trust academies and for the write-off of any debt which is deemed to be irrecoverable.

This policy applies to all academy fee paying services including nursery, before and after academy clubs, academy meals, trips and other resources/services sold to parents/carers.

Rationale

This Policy has been compiled recognising the difficulties placed on Headteachers in balancing the social welfare of pupils with the management of the academy budget. This policy is fair and just, and sets out a clear procedure for families. By introducing a zero tolerance debt policy we aim to reduce the risk to parents incurring large debts that they will struggle to pay and minimise the amount of staff time taken in chasing outstanding payments.

As the Academy is responsible for managing payments and arrears for academy meals and other services, these are processed through the main academy budget. Where debts are incurred, the academy budget has to pay for them; this means that the money that should be spent on children's education is used to pay for debts incurred by parents. Every parent will agree that this is unacceptable and we request that all parents give this policy their full support.

Academy Meals

The Academy is under a duty to provide free academy meals to those who are eligible, but there is no obligation beyond this. If arrears exist, the Academy can refuse to continue to provide meals. As most parents appreciate no-one would take their child to a restaurant and expect them to be given food without paying; the same applies at academy.

You may not have to pay for academy lunches if you receive any of the following:

- 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 Pension Credit
- Child Tax Credit (provided you're 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 4 weeks after you stop qualifying for Working Tax Credit
- Universal Credit - if you apply on or after 1 April 2018 your household income must be less than £7,400 a year (after tax and not including any benefits you get)

For further information about applying for a free academy meal please visit Cornwall Council's website or speak to a member of the Academy Office staff.

Parents, please note: it is your responsibility to apply for free academy meals and to ensure that the Local Authority/Academy is kept up-to-date with your circumstances.

Currently, all infant children (Reception, Year 1 and Year 2 pupils) are entitled to a Universal Infant Free Academy meal. This is not the same as a free academy meal from the Local Authority.

Other Services

The Academy provides a number of other services, these include nursery, before and after academy care, dinner money and academy trips. All payments for chargeable services, including academy meals should be made in advance using Academy Money/ParentPay/Aspens online system.

Payment of Services

Parents are required to pay for all services provided by the academy in advance by making an online payment to their child's account on the Academy Money/ParentPay/Aspens system. Cash/cheque or card payments will only be taken in exceptional circumstances. On the Academy Money/ParentPay/Aspens system, separate payment items are listed for every child, for example, academy meals, breakfast club, after academy clubs, nursery, trips etc. Parents can choose how frequently they make payments to the accounts. This could be weekly, monthly or termly.

If you have any difficulty accessing the system please contact the academy office immediately for help.

Debt Recovery

Where payment for services is not received in advance and arrears accumulate longer than **one week**, the following procedures apply:

Informal reminders – Parents will be informally reminded by text/telephone call that monies are owed and that their account needs updating. The Academy Office should establish the nature of the payment delay and obtain agreement from the debtor to clear the balance of the arrears within 7 days – Noting payments for on-going services need also to be kept up-to-date and reminding the parent of the Debt Recovery Policy.

First Formal reminder letter – Where no payment has been received within 7 days following the informal reminder contact with the debtor, the first formal letter will be sent by the Headteacher requesting immediate payment (First Formal Letter – Appendix 1). Parents are able to set up a payment plan to bring the arrears up-to-date by contacting our MAT Finance Officer- Noting payments for on-going services need also to be kept up-to-date and reminding the parent of the Debt Recovery Policy Payment Plan – if payments agreed in the Payment Plan (sufficient enough to cover the ongoing weekly costs and pay off the debts for all services) are made on time, the service provision will continue. If regular payments are not made, the place/service will be withdrawn.

Second reminder letter – Where no payment has been received within 7 days of sending the first letter, the Headteacher will issue the second debtors letter as per Appendix 2. If the debt has not been paid within 5 academy days:

- Academy Meals – Children will not be provided with an academy meal unless it is paid for, except those that are entitled to free academy meals or Universal Infant Free Academy Meals. If a parent genuinely forgets to pay in advance, the academy may grant a debt allowance of 1 meal. However this debt must be paid the next day and future meals must be paid in advanced before any meal is provided. If the debt is not cleared, parents must provide a packed lunch. In a case when a debt payment is not received nor a packed lunch provided, the office will phone the parent to ask them to make a payment online. Otherwise they must provide sandwiches before lunch time. Parents will be asked to provide a packed lunch until the debts are paid in full.
- Out of Academy Care – Parents will be asked to make alternative arrangements for out of academy care. Please note that all out of academy care will be suspended if one service remains in debt. This includes breakfast club, nursery, and after academy provision. Services will be reinstated once the arrears have been paid in full.

If a place at after academy club has been withdrawn: parents must be aware that if your child is not collected 30 minutes after academy finishes; your child will be provided with a place in wraparound care which will incur a further recoverable charge OR reported to Social Services.

Third reminder letter– Where no payment has been received within 7 days of sending the second letter, the Headteacher will issue the third and final debtors letter prior to legal action which will be sent recorded delivery as per Appendix 3. If the debt has not been paid within 7 days:-

Possible legal action – Where no payment has been received within 7 days of the third and final letter the matter will be reviewed by the Headteacher and MAT Finance Officer/CFO with subsequent referral to solicitors where it is considered to be the most appropriate course of action. The debtors will be informed in writing. Please note that the Headteacher reserves the right to take legal action to recover debts.

Waiving of Debts

The waiving of debts is at the discretion of the Governing Body and CFO. A debt may be waived when it is believed the debtor is experiencing serious financial hardship. Please contact the academy if you feel this applies to you.

Waiving of Debts procedure – If, after every effort has been made to collect the debt and legal action is considered impractical or has been unsuccessful, individual bad (irrecoverable) debts may be written off in accordance with the following procedures:

- Initial approval must be given by both the Chair of LGB and CFO
- The write-off must be approved by the Trust Board Business Committee and then reported at the next meeting of the Trust Board
- The Academy will retain a Bad Debt Write-Off Summary.

The Academy is responsible for notifying the EFA of any debt written off that exceeds the delegated limited as per the Academies Financial Handbook.

Academy Support

We hope that by implementing this policy, we are able to help you, as parents, manage your payments better and, at the same time, ensure that our available budget is used to enhance your

children's learning. The chasing of debts is also extremely time-consuming for our staff. Time spent checking debts and sending out letters takes our staff away from other duties at academy that would benefit all children. We request that all parents and carers work with us to avoid unnecessary time spent chasing debts by making regular payments, in advance, for our services.

This policy will be kept in the academy office and parents will be informed of the policy in occasional newsletters, academy Prospectus and academy website. Hard copies of the policy will be available on request. This policy will be reviewed bi-annually by the Trust Board of the North Cornwall Learning Trust.

If you would like this in a different format please contact the academy

Version and Date		Action/Notes
1.0	March 2019	Author: Michele Bacchus
2.0	March 2021	Reviewed: Michel Bacchus
3.0	October 2021	Reviewed: Jo Godding

Policy Reviewed:	October 2021
Next Review:	October 2023

Appendix 1 – First Debtors Letter

Date

Debtor Name

Debtor Address

Dear (Name)

First Debtors Letter - Debtors details (Insert academy service and child name)

This is a reminder that there is an overdue balance of £(X) on your account. This comprises of: (Insert invoice numbers and amounts).

You have exceeded our normal credit terms and payment within 7 days is requested.

If you wish to talk to the Academy Office about the overdue balance please call (academy telephone number) during academy hours.

Yours sincerely

(name)

Headteacher

Appendix 2 – Second Debtors Letter

Date

Debtor Name

Debtor Address

Dear (Name)

Second Debtors Letter - Debtors details (Insert academy service and child name)

Despite previous correspondence there remains an overdue balance on your account of £(X). This comprises:

(Invoices and amounts)

If we do not receive payment within the next 7 days we shall have no alternative but to take the necessary steps to recover the amount owing to us and we will unfortunately have to suspend your access to services until the arrears have been paid in full or a payment plan has been agreed with the academy. This may mean: *Please select which option applies below*

- **Academy Meals** – You will need to provide a packed lunch until the debts are paid in full.
- **Out of Academy Care** – You will need to make alternative arrangements for out of academy care. Please note that all out of academy care will be suspended if one service remains in debt. This includes breakfast club, nursery, and after academy provision. Services will be reinstated once the arrears have been paid in full.

If a place at after academy club has been withdrawn: parents must be aware that if your child is not collected 30 minutes after academy finishes, your child will be provided with a place in wraparound care which will incur a further recoverable charge OR reported to Social Services.

If you wish to talk to the Academy Office about the overdue balance please call (academy telephone number) during academy hours.

Yours sincerely

(name)

Headteacher

Appendix 3 – Third/Final Debtors Letter

Date

Debtor Name

Debtor Address

Dear (Name)

Third/Final Debtors Letter - Debtors details (Insert academy service and child name)

Despite previous correspondence there remains an overdue balance on your account of £(X). This comprises:

(Invoices and amounts)

If we do not receive payment within the next 7 days we shall have no alternative but to take legal action to recover the amount owing to us. We have suspended your access to services with immediate effect and access will only be reinstated once the arrears are paid in full. This means:

Please select which option applies below

- Academy Meals – You will need to provide a packed lunch until the debts are paid in full.
- Out of Academy Care – You will need to make alternative arrangements for out of academy care. Please note that all out of academy care will be suspended if one service remains in debt. This includes breakfast club, nursery, and after academy provision. Services will be reinstated once the arrears have been paid in full.

If a place at after academy club has been withdrawn: parents must be aware that if your child is not collected 30 minutes after academy finishes, your child will be provided with a place in wraparound care which will incur a further recoverable charge OR reported to Social Services.

If you wish to talk to the Academy Office about the overdue balance please call (academy number) during academy hours.

Yours sincerely

(name)

Headteacher