



Bishop Chadwick Catholic Education Trust

Debt Recovery Policy

Document Management:

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Next Review Date: September 2024

Statement of intent

Bishop Chadwick Catholic Education Trust (the "Trust") 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.

While this is the case, the Trust must have a policy in place to ensure the repayment and recuperation of any outstanding debts incurred by any Academy within the Trust on behalf of a pupil. The Trust 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 if at all. The Trust 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'

2. Roles and responsibilities

- 2.1. As a general rule, to avoid incurring debts, payments for materials and services provided by the Academy 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 Academy must formally record any information gathered and actions taken – data which is to be kept by the Academy for a period of seven years.
- 2.3. The Headteacher, supported by the Trust's Central Finance Team:
- Will regularly review details of its debts and what recovery action is needed.
 - Must consult the Chief Financial Officer if legal services are required for debt recovery.
 - Will adhere to the privacy rights of pupils and their guardians in all cases.
- 2.4. The Headteacher, supported by the Academy Business Lead 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.
 - The level of outstanding debt owed to the Academy can be determined at short notice.

3. Acceptable 'credit period'

- 3.1. In the case of a debt, the Headteacher together with Chief Financial Officer (or a delegated member of the Central Finance Team) 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, dependent on the nature and size of the debt.

4. Declaring outstanding debt levels

- 4.1. The Academy Business Lead, supported by the Trust Central Finance Team will review the level of outstanding debts every month 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 on which it must be paid by, there is acknowledgement from the Academy that the debt has been set up.

6. Verbal and written overdue payment reminders

- 6.1. **Initial verbal reminder** – informal in-person/telephone/email correspondence notifying person of debt (date and time should be officially recorded).
- 6.2. **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.
- 6.3. **Second formal written reminder** – this should come 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

- 7.1. If these reminders are not responded to, another letter will be sent to the debtor advising them that the case has been to the Academy's legal advisors and Trust Board. It is then for these parties to agree on a timeframe for a repayment or, if necessary, a payment plan for separate instalments.

8. Negotiation of debt repayment

- 8.1. It is expected that the debt should be repaid as soon as possible, particularly after repeated reminders; however, this can be negotiated at the discretion of the Chief Financial Officer, particularly if the circumstances in section nine of this policy apply.
- 8.2. If there is a case where the debtor is deemed to be refusing to pay without sufficient reason, the Academy may consider involving the Trust's legal services to resolve the issue and recuperate owed funds.

9. Exceptional circumstances and remissions

- 9.1. The Academy must ensure that guardians of pupils are aware of the help the Academy can extend to those in financial difficulty. Guardians 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
 - Working Tax Credit run-on – paid for four weeks after they stop qualifying for Working Tax Credit
 - Universal Credit

In a case where there is, or it is suspected that there is, an overdue debt from a family who may qualify for remissions, the Trust Board is not guaranteed to, but may decide to waive or reduce the outstanding debt in these circumstances.

10. Debt recovery costs

- 10.1. 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.
- 10.2. The Trust 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.

11. Monitoring and review

- 11.1. The Trust Board will review this policy tri-ennially, and changes relating to any updated legislation will be made accordingly.
- 11.2. The Trust Board will communicate any changes to this policy to all relevant stakeholders.
- 11.3. The next scheduled review date for this policy is September 2024.