Phoenix
FEDERATION

Debt Collection Policy

Chair of Governors: _____
Executive Headteacher: Mr. Dean Gordon NPQEL
Date: APRIL 26

Date to be reviewed: APRIL 2027

BACKGROUND AND INTRODUCTION

The effective management of debt is important to the success of any school. The Executive Headteacher, Headteacher and Governors of The Phoenix Federation 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 recovery of debts, the Governing Body has developed a Debt Recovery Policy. This policy is to give guidance to staff in circumstances where debt has been incurred and there are difficulties in collection or it is deemed uncollectible and therefore written off.

The aims of the policy are:

- to ensure a professional, consistent and efficient approach to debt collection
- to effectively pursue all debts owed to the school, ensuring that those with the means to pay, do so
- to consider fully the debtors 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 individuals consistently and fairly regardless of age, sex, gender, disability and sexual orientation and to ensure that individuals' rights under Data Protection and Human Rights legislation are protected

DEBT RECOVERY AND WRITE-OFF POLICY

The Executive Business Manager collects and recovers the following key sources of income. The most likely causes of debt at the Phoenix Federation are likely to be from:

- Dinner Money
- Overpayment of staff salaries
- Payment for chargeable school trips
- Payment of late collection fees

Non-payment of debt could leave the school vulnerable. Procedures for the management of debt are documented in Lewisham's LA Financial Guidelines.

PREVENTATIVE MEASURES

It is important that the school is not seen to be colluding with parents or individuals in the non-payment of monies owed. Therefore prompt action should be taken. These should include:

School Dinners

We have a duty of following the procedures as set below:

- Reminding parents that school dinners should be paid for in advance via text message and/or letter. This is overseen by the Office and Resources Manager.
- Helping parents make alternative school meal arrangements until their debt is cleared e.g. collecting pupils for home dinners or sending in a packed lunch.

Letter 1:

- Not allowing parents to owe debts of more than 1 week. After one week, we will write to the parents and inform them that the child will need to be sent in with a packed lunch.

Letter 2:

- Sending a second letter for recovery of money owing at the end of the 3 week grace period. This is completed by the Office Manager in liaison with the Executive Business Manager and/or the Headteacher.

Letter 3: Final letter informing parents that the debt will be referred to Lewisham Council Debt Recovery team.

- Two weeks after the second letter, if there is no effort by the parents to make a payment towards the debt, a final letter is sent. This is to inform them that the debt will be sent to Lewisham Council Debt Recovery team.

We will aim to recover all debts owed before a child has left the school. Where this is not possible, the 3 letters process as above will be followed. Debts over £100 will be referred to Lewisham Council Debt Recovery team. Debts below this amount will be proposed as a write-off to the Governors.

The overall responsibility of the debt recovery process belongs to the Executive Business Manager. In the absence of the EBM, the Office Manager will liaise with the Headteacher with recovery of the debts.

Residential School Trip

The payment for school trips can place a severe burden on some families. On most occasions, the trip is subsidised by the school. Parents should be given the opportunity to pay in instalments. Pupils should not be prevented from participation because of a parent's inability to pay or make a contribution (see Charging Policy). Parents must however be reminded that on some occasions, the trip could be cancelled if we do not receive enough contributions.

Overpayment of salaries

- steps should be taken to ensure that information provided to payroll is accurate

- as soon as it is discovered that an over payment has been made, the member of staff concerned should be informed
- a confidential discussion should be held to highlight the overpayment
- arrangement should be made for full or staged payments
- even if the member of staff leaves the school every effort should be made to recover the debt
- if a sum of more than £1,000 is involved, it may be necessary to seek recovery in the small claims court, the Federation will seek advice from the Local Authority in these cases.

Late Collection Fees

- reminding parents that late collection fees need to be paid on the day that they collect the child beyond 3.30 p.m. (Lucas Vale) and 3 p.m. (Grinling Gibbons)
- not allowing parents to owe debts of more than 1 week
- sending formal invoices for recovery of money owing at the end of the 3 week grace period

Debt Recovery

1. We will actively pursue the collection of monies that are owed.

2. As part of our debt recovery strategy, we will try to negotiate mutually satisfactory arrangements to make full settlement

3. Further debt cannot be incurred until settlement has been made especially in the case of dinner money - except in severe hardship cases and at the sole discretion of the Executive Headteacher and Headteacher.

4. As a school, we will take account of the health, well-being and educational needs of our pupils and take steps to ensure that the inability of parents, who on occasions are unable to meet their financial responsibilities due to reasons beyond their control, are not excluded from school activities. Notwithstanding this, the school cannot prejudice its own financial viability in order to provide relief to its debtors.

5. The school will employ external debt collection agents as necessary in pursuit of debts.

6. Where the invoice has not been paid for 30 days from issue, a reminder email will be sent to the debtor.

7. If the payment is not received 2 weeks after the reminder, a further email will be sent.

8. If the debt is still outstanding after a further 2 weeks, his will be referred to debt collection team at the discretion of the Executive Headteacher or Headteacher.

Write Off Limit

Governors have agreed a write off limit of the following:-

- school dinner money over £300 and up to £1000.
- non-payment for residential school journey £200.
- all debts owed by parents of over £300 and below £1000 over 150 days overdue will be reviewed and referred to the Governors' Resources Committee. All non-collectable debt of below £1000 over 365 days overdue will be recommended for write off, once the correct procedure for debt collection has been followed.

Equal Opportunities Implications

The way in which the Federation treats people must be fair and equitable. Adherence to the policy should ensure equality in the Federation's approach to debt recovery.

Community Cohesion and Human Rights Implications

Debt recovery could have human rights implications especially for vulnerable members of the school population such as refugees or asylum seekers and will need to be carefully managed to ensure that the action is appropriate, transparent and proportionate.

Parents will be referred to the following agencies who may be able to provide support with debt.

Lewisham Plus Credit Union

Lewisham Plus Credit Union (LPCU) is a financial cooperative owned by its members. LPCU can help:

- open a credit union current account
- start a savings account
- with personal budget
- with loans.

020 8778 4738 or 020 8461 4721 or email admin@pluscu.co.uk.

Citizens Advice

Citizens Advice can give advice about:

- dealing with debt
- reducing your living costs
- paying fines and arrears.

03444 111 444.

Money Advice Service

The Government set up Money Advice Service to offer free, independent financial advice. Call 030 0500 5000.

National Debtline
Free, confidential advice from National Debtline.
0808 808 4000.

Evelyn 190 Centre
Evelyn 190 Centre offers advice on:

- benefits
- employment
- housing
- debt.

020 8691 7180.

170 Community Project
170 Community Project offers advice on:

- benefits
- debt
- employment
- immigration level 1.

0800 231 54 53.

Lewisham Disability Coalition
Lewisham Disability Coalition offers advice to people who live, work or study in Lewisham who:

- have a disability or long-term health condition
- care for or live with someone with a disability.

They provide advice on:

- housing
- debt
- benefits.

0208 697 0100 or email info@ldcadvice.co.uk.

Lewisham Multilingual Advice Service
Lewisham Multilingual Advice Service offers advice on welfare and debt to people who live in the borough and have English as a second language.
020 8314 5777 or email admin@lmlas.co.uk.

Lewisham Refugee and Migrant Network helps refugees, asylum seekers and migrant communities in the borough. They offer advice on:

- benefits
- homelessness
- housing
- debt issues.

020 8694 0323 or email info@lrmn.org.uk.