Ludlow Junior School

Debt Recovery Policy

Approved FRAR 07.05.2025

To be reviewed FRAR summer 1 2025.2026

Introduction

Any money owed to the school has an impact on the budget and may affect the resources we can provide to all children. We hope that parents understand this and will make every effort to avoid owing the school money.

The school will take all reasonable measures to collect debts as part of its management of public funds and will make all parents aware of the procedures by publishing the policy on the school website.

School Lunch

School lunches should preferably be paid on a Monday for meals required in that week. However, payments can be made on any day but MUST be in advance of pupil meals being taken. The pupil account should always have a credit balance maintained. If your child orders a meal where there is no credit balance, you can expect to receive a telephone call from the office team asking you to top up your credit using the online payment system, or to provide your child with a packed lunch for the day. If you are unable to meet either request, your child will be provided with a packed lunch from the kitchen, this being chargeable at the daily rate, allowing a day's grace period to bring the account into a credit balance. Should a parent/carer fall into arrears of more than one week, we will write with a request for immediate payment (Appendix 1). If payment is not made within one week of receiving the reminder letter, a further letter will be sent (Appendix 2) advising that your child will no longer be entitled to a school lunch and that packed lunches should be provided going forward. The outstanding balance will be escalated to the finance officer who will invite you (Appendix 3) to discuss the circumstances, and to arrange a payment.

Reporting of outstanding debt levels

The Executive Head Teacher/School Business Manager will ensure that the level of outstanding debt is regularly monitored. Suitable records will be maintained to detail individual debts and the total value of debt to the school in order that it can be determined at any time and reported to the Finance Resources, Audit and Risk (FRAR) Committee and/or Full Governing Body. (FGB) The FRAR and/or FGB will review the level of outstanding debts every term to determine whether this level is acceptable and whether action to recover debts is effective. Details of all reminders will be maintained in school. Where a letter is issued, a copy must be retained in file.

Negotiation of Repayment Terms

Debtors are expected to settle the amount owed by a single payment as soon as possible after receiving the first 'overdue payment' reminder. Failure to meet any repayment terms will result in the school taking possible legal action.

However, if people are unable to pay;

The School may reduce or cancel a debt in certain circumstances. A sensitive approach to debt recovery will be carried out, taking the following factors into account.

- Hardship – where paying the debt would cause financial hardship
- Ill health – where our recovery action might cause further ill health
- Time – where the debt is so large compared to the person's income that it would take an unreasonable length of time to pay it all off
- Cost – where the value of the debt is less than the cost of recovering it
- Multiple debts – where someone owes more than one debt to the school. In this situation an attempt to agree one repayment plan to include all debts may be established

- If a debtor requests 'repayment terms' these may be negotiated at the discretion of the Executive Head Teacher/School Business Manager. A record of such agreements entered into will be retained. In all cases, a letter will be issued to the debtor (Appendix 4) confirming the agreed terms of repayment. The settlement period should be the shortest that is judged reasonable. The Executive Head Teacher/School Business Manager will decide whether a debtor who has been granted extended settlement terms will be offered further 'credit' in future, and there may be a requirement in this instance for an advance payment.

Costs of Debt Recovery

Where the School incurs additional material costs in recovering a debt then the FRAR Committee and/or FGB will decide whether to seek to recover such costs from the debtor. The debtor will be formally advised in writing (Appendix 5) that they will be required to pay the additional costs incurred by the school in recovering the debt. This decision and its basis will be recorded and reported to the FRAR and/or FGB.

Bad Debts

Write off of any bad debts between the values of £250 and £2,500 requires the minuted approval of the FRAR Committee, debts over the value of £2,500 will be referred to the FGB.

A record of the write off, the reason for it, and the approval for it, will be retained for 7 years.

No Recourse to Public funds

Families with no recourse to public funds, for example are ineligible for free school meals, despite their financial limitations, can apply for discretionary funding to support their school meals only. This support is capped and not for extended use.