

	DEBT RECOVERY POLICY
Committee:	Finance and Operations Committee
Approved:	SPRING 2020 V1
Review:	SPRING 2023

Overview

The LEO Academy Trust (the Trust) has adopted a strict no debt policy relating to services provided by its academies, such as school dinners, after school activity clubs, breakfast and extended day clubs. Parents/carers must pay in advance for services provided by an academy using the Trust's online payment system, ParentPay (or its notified replacement).

If debts are incurred, then the academy's budget has to pay for them. This means that any money owed to an academy has an impact on the resources provided to all its children. We hope that parents/carers understand this and will make every effort to avoid owing money.

Debt recovery

The Trust will take all reasonable measures to collect debt as part of its responsibility for management of public funds. This policy will observe the relevant financial regulations and any other legal requirements.

School meals debt

Except those that are entitled to Free School Meals (FSM), children are not provided with a school meal unless it is paid for. If parents/carers believe their child might be entitled to FSM, please contact the academy office for more details. The FSM allowance is a statutory right and it is important that parents/carers use it if they qualify. An academy office will help parents/carers with their application if requested.

Where a parent/carer genuinely forgets to pay for school meals in advance, an academy can grant a grace period of up to 5 school meals (the Grace Meal Debt). The parents/carers will be immediately notified of the issue by telephone by the academy office. Monies in relation to this Grace Meal Debt must be paid as soon as reasonably practicable and in any event by the next school day after the last

meal in the grace period has been provided. If the Grace Meal Debt is not cleared, parents/carers must thereafter either:

- provide a packed lunch; or
- take the child home for lunch.

Unpaid Grace Meal Debt will be recovered in accordance with this policy. In addition, Children's Social Services may also be informed that a parent/carer is not carrying out their responsibility of care by not providing food for their children at lunchtime.

Reporting of outstanding debt levels

The Principal or Executive Principal of each academy will ensure that the level of outstanding debt is regularly monitored. Suitable records will be maintained to detail individual parent/carer debt and the total value of debt to the academy. The Trust will review the level of outstanding debts every term to determine whether levels at each academy is acceptable and whether action to recover debts is effective.

Where a debt has been incurred by a parent/carer, the following process will be applied:

No later than 14 days after the original debt has been incurred and not paid (or the expiry of the grace period for Grace Meal Debt), a reminder letter (the First Letter) will be sent to parents/carers via their child. The parents/carers will be notified of the First Letter by email. The First Letter will request immediate payment of the debt.

If the debt continues to remain unpaid, no later than 7 days after the First Letter was issued, the academy office will contact the parents/carers by telephone to remind them of the outstanding debt as notified in the First Letter.

If the debt continues to remain unpaid, a second letter (the Second Letter) will be issued 14 working after the First Letter requesting immediate payment.

If there is no response to the Second Letter the parents/carers will be invited to meet the Office Manager/Principal to discuss how the debt will be settled. The parents/carers will be advised by the Principal that they will be required to pay in advance for all future services or the services will no longer be available to them. Any agreement to repay the debt by instalments shall be undertaken in accordance with the repayment and negotiation terms set out below and the recovery process will be suspended. The decision and its basis will be recorded and reported to the Trust. If no agreement is reached with the Principal, the Trust can issue an official invoice for the full amount, triggering the Trust's recovery processes.

Subject to the negotiation and repayment terms below, the Trust shall be entitled to commence legal recovery proceedings 10 working days after the Second Letter was issued.

If debt recovery action is to proceed, it is necessary to prove that all reasonable attempts have been made to recover the debt, and that these attempts have been made in a timely manner, i.e. at the time the debt first became overdue.

Recovery timetable

Action	Total Days	Elapsed Days
Invoice	1	1
1 st Reminder	15	14
Telephone Call	23	7
Final Reminder	37	14
Decision made on further activity within 10 days of the end of the final reminder period.		

Negotiation or repayment terms

Parents/carers are expected to settle debts by a single payment. If parents/carers are unable to pay in a single instalment, the Principal may permit repayment in instalments, reduce the debt 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 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 debt – where someone owes more than one debt to the academy. In this situation, an attempt to agree one repayment plan to include all debts will be established.

If a parent/carer requests for repayment terms these may be negotiated at the discretion of the Head. A record of all such agreements entered will be retained by the academy.

In all cases a letter will be issued to the parents/carers confirming the agreed terms for repayment. The settlement period should be the shortest that is judged reasonable. The Trust will decide whether any debtor who has been granted extended settlement terms will be offered any further credit and will, in future, be required to pay in advance.

Failure to meet agreed repayment terms by the parents/carers will result in the Trust commencing legal recovery proceedings.

Acceptable 'Credit Period'

The Trust has determined that a Principal can agree to debts being repaid by a parent/carer over a one-half term period. Thereafter, the debt recovery process in this policy will be followed.

Bad Debts

Write-off any debt up to £250 requires the written approval of the Principal. Debts above £250 will be referred to the Trust. A record of the write-off, the reason for it, and the approval for it, will be retained for 7 years.