Mill Hill Primary School
Debt Recovery Policy

Contents:

Co-ordinator responsible for the policy in consultation with the staff and governors:

School Business Manager

Reviewed: June 2026
Next Review Date: June 2029

Learning for a lifetime

General requirements

Mill Hill Primary School will take all reasonable measures to collect debts as part of its management of public funds. The school is committed to ensuring that monies due are collected efficiently, effectively and consistently. Any money owed to our school has a potential impact on the school's budget and may affect the resources we can provide to all our children. We trust that parents/carers understand this and will make every effort to avoid owing the school any money.

A debt will only be written off or passed onto the legal team at Hampshire County Council (HCC) after all reasonable measures (commensurate with the size and nature of the debt) have been taken to recover it.

This policy will observe the relevant financial regulations and guidance set out in the Scheme for Financing Schools and any other legal requirements. In particular:

- The Headteacher will not write off any debt belonging to the school which exceeds £100. Debts between £100 and £500 will only be written off with the approval of the Governing Body.
- The Governing Body will not write-off any debt belonging to the school which exceeds £500.
- Any sums above this will be referred to the HCC's Finance Director before writing off.
- A formal record of any debts written off will be maintained and this will be retained for 7 years.
- The school will not initiate any legal action to recover debts but will refer any debts over £100 which it has not been able to collect (unless a decision to write-off the debt is demonstrably a reasonable course of action) to HCC's legal team to take legal or other action to recover the debt.

This policy covers all external customers as well as internal HCC customers and other schools within HCC. All invoices to external suppliers are raised within the HCC finance system and payment terms are 30 days unless stated otherwise.

All payments due for goods and services provided for pupils are to be made through SCOPAY. The school no longer accepts cash payments.

School dinners and contributions towards educational trips should be paid for in advance, wherever possible, and at the latest on the day. Parents/carers encountering difficulties with paying for trips in advance are encouraged to contact the school office to explore instalment options.

Recording of goods or services supplied where payment is not received in advance or 'at the point of sale'

A record will be kept of all such supplies that details what was supplied, the value, the date(s) and the identity of the debtor, e.g. parent, hirer, etc.

Where invoices are raised, these should state the date by which payment is due. In all other cases, correspondence with parents, etc. should indicate the maximum period the school regards as reasonable before payment is overdue, e.g. 'contributions for a school trip should be received by', 'payment for items purchased should be sent to the school office by' etc.

The Headteacher and Governing Body should determine what the reasonable 'credit period' is if this is not otherwise specified.

Procedures for the collection of debt

(see also Appendix 1 specifically regarding dinner money debts)

Initial reminders

Initial reminders may be informal and made either in person (when a parent comes to collect/drop off the child), ParentMail or by telephone. Normally this will be undertaken by the school office.

Trip contributions

Contributions towards the cost of day and residential trips is detailed in our Charging and Remissions policy. The school will encourage parents to contribute towards trips and events, in order to minimise the burden on the school budget.

Hirers

Payments for hiring the school premises are detailed in the school's Lettings policy. The letting invoice must be paid within 30 days of the letting period. Non-payment of the invoice within any agreed time limit will result in further lettings being refused. The Governing Body is required to protect the school from 'bad debt' and will refer debtors to HCC's legal team should the invoice remain unpaid.

First reminder letter

A formal reminder letter will be issued after two weeks from any informal reminder/date of supply. If action is to proceed further, 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 that the debt first became overdue.

Second reminder letter

A second reminder letter will be issued two weeks after the first reminder letter.

Face to face meeting with the Headteacher

If no response is received to the reminders issued, the debtor will be contacted by the Headteacher to discuss how the debt will be settled. The debtor will be advised that the debt may be passed to HCC's legal team and/or the debtor may be advised that they will be required to pay in advance for all future supplies or the supply will no longer be available to them. This decision and its basis will be recorded and the Governing Body will be notified.

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 reminder. If a debtor asks for repayment terms, these may be negotiated at the discretion of the Headteacher/Governing Body. A record of all such agreements will be retained and the settlement period should be the shortest that is judged reasonable.

Costs of debt recovery

Where the school incurs material additional costs in recovering a debt then the Governing Body will decide whether to seek to recover such costs from the debtor. This decision and its basis will be recorded and the debtor will be formally advised that they will be required to pay the additional costs incurred by the school in recovering the debt.

Reporting of outstanding debt levels

The Business Manager will include details of outstanding debts in their finance report for the half-termly Governing Body meetings and any agreed actions will be minuted.

Bad debts

The Headteacher is authorised to write off debts up to £100. Debts between £100 and £500 may only be written off with the written approval of the Governing Body. A record of the write-off, the reason for it, and the approval for it, will be retained in accordance with HCC's retention schedule.

APPENDIX 1

Dinner Money Outstanding Debt Recovery Procedure

Step 1

Every Friday, a ParentMail is sent to all parents/carers with a debt owing for dinners and emails will be sent to any staff members who owe for meals taken.

Step 2

(outstanding debt that is still owed 1 week after Step 1)

The school office will phone parents/carers, informing them of the amount owed and requesting immediate payment in full. A recap of the conversation is sent by ParentMail. Likewise, in respect of staff, the office will speak to them individually in-person.

Step 3

(outstanding debt that is still owed after 2 weeks after Step 1 or where the debt exceeds £20)

The office will phone parents/carers stating that a packed lunch needs to be provided from home until the debt is cleared. If no answer or the lunch is not provided, a school hot lunch will be issued, the cost of which will be added to the child's account and a ParentMail will be sent to confirm this.

The Headteacher will be informed.

The school will log this on the school's internal safeguarding recording system (CPOMS).

Step 4

(outstanding debt that is still owed after 3 weeks after Step 1 or where the debt exceeds £20)

A debt recovery letter will be issued (see Appendix 2), informing parents/carers that the debt is still outstanding and the matter is being referred to the Headteacher.

The Headteacher will decide whether a meeting with the parent/carer should be arranged at this stage.

Step 5

If, following all of the steps above, the debt remains unpaid, a final reminder letter will be issued and a meeting/further meeting (if one has already taken place under Step 4 above) with the Headteacher will be arranged. Minutes of this meeting will be taken. The Headteacher will set out specific repayment requirements and timescales and will outline the consequences of the debt not being paid.

Step 6

If the debt remains unpaid within the timescale specified in Step 5 and is under £100 the debt is taken to the Governing Body and advice is sought.

If the debt remains unpaid within the timescale specified in Step 5 and the debt is over £100, it is referred to HCC's legal team.

APPENDIX 2

Letter to be sent once step 4 reached - see Appendix 1

(Date)

Dear (name),

Child's name: (name) Debt amount: (amount)

I am writing to advise you that according to our records, there is an outstanding dinner money debt of (amount). This is despite previous reminders being issued to you.

In order for (name of child) to continue to receive school lunches, it is important to keep your account in credit at all times. Lunches should be paid for in advance wherever possible.

Please settle your account in full within 7 days. If it is difficult to pay this in one go, please contact the school office to discuss setting up a payment plan. Until the debt is cleared in full, please ensure your child brings in a packed lunch from home so that the debt does not increase.

Please note, this matter has now been referred to the Headteacher to monitor and she may request a meeting with you to further discuss the situation.

If you have any queries, please do not hesitate to contact the school office.

Yours sincerely,

(Name)
(Position in admin office)