Parkway Primary School

Debt Recovery Policy

Updated Autumn 2026

Contents

1. General requirements

The school will take all reasonable and proportionate measures to recover debts as part of its responsible management of public funds, while treating debtors fairly and sensitively. 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.

The school's debt recovery policy will observe the current London Borough of Bexley Scheme for Financing Schools, the school's financial procedures and any other relevant legal or Local Authority requirements. Delegated write-off limits and approval routes will be checked against the current Scheme before any debt is written off. In particular:

- the Governing Body will not write-off any debt belonging to the school which exceeds £100.

  Any sums above £100 will be referred to the Director of Children and Young Peoples Services for approval for write-off.

  The formal agreement of the Local Authority's Director of Finance and Resources (Section 151 Officer) will be obtained before a debt exceeding £1,000 is written off. (If any debtor has a number of debts which together exceed the write-off limit then these will be treated as a total amount).

  Debts greater than £1000 can only be written off by the Executive member for finance on advice of the section 151 officer.
- a formal record of any debts written off will be maintained and this will be retained for 7 years (the form of this record is specified below).
- the school will not initiate any legal action to recover debts, but will refer any debts which it has not been able to collect (unless a decision to write-off the debt is demonstrably a reasonable course of action) to the Council's Legal Services Section to consider taking legal or other action to recover the debt.
- the school will NOT write off any debt belonging to the Local Authority or another third party. Where ownership of a debt or responsibility for collection is unclear, the school will seek advice promptly from the Local Authority or relevant provider.

In general payment for all goods and services supplied by the School should be collected in advance or 'at the point of sale'.

The procedures to secure the collection of debts are outlined in sections 3 to 9 of this policy and should be followed by all relevant school staff.

2. Acceptable 'credit period'

The Governing Body will determine an acceptable credit settlement period before the debt recovery procedures are applied. Payment terms will be made clear to the debtor at the point the charge is raised or on the invoice.

The Governing Body may consider that an 'acceptable' credit period may vary between different income generating activities; for example;

- School lettings;
- School Meals;
- Trips and activities.

The Governors may have stipulated a maximum settlement period for school lettings in a separate 'Lettings policy'. To ensure a consistent and transparent approach, payment should normally be made by the due date stated on the invoice, booking agreement or other written communication. Where no separate payment terms have been agreed, payment will normally be due within 14 calendar days of the invoice or written request for payment.

Debt recovery procedures should be applied in accordance with item 4 of this policy.

3. Reporting of outstanding debt levels

The Headteacher, supported by the 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 Resource Committee.

The School Business Manager will review outstanding debts at least monthly and escalate significant, aged or disputed debts to the Headteacher. A summary will be reported to the Resources Committee at appropriate intervals.

(Monitoring of outstanding debts may be differentiated by type, e.g. if school meal debts prove more of a problem than those for lettings of premises then the frequency and degree of monitoring should reflect this)

4. Debt Recovery Procedures

4.1 Where payment has not been received in advance, at the point of sale, or by the agreed due date, the following process should be applied.

(a) Where appropriate, an invoice will be issued for the full amount in order to formally record the debt. The invoice will clearly state the amount due, what the charge relates to, the payment due date and how payment can be made.

(b) In all other cases, such as;

- correspondence with parents, etc. the maximum period that the school regards as reasonable before payment is overdue should be clearly stated, for example contributions for a school trip should be received by (date)
- payment for items purchased should be sent to the school office by (date)
- If payment is not forthcoming the process detailed in 4.1(a) should be applied.

(c) A record of all goods and services will be maintained detailing:

- type of good/services supplied;
- value;
- date(s) good/services supplied; and;
- the identity of the 'debtor', e.g. child, parent, hirer, etc.

5 Verbal and Written Reminders

5.1 Details of all reminders, whether verbal or in writing, should be maintained. Where a letter is issued, a copy must be retained on file.

Should a debt need to be taken beyond two reminder letters, formal written evidence may have to be produced.

It is therefore important that at least one, but preferably two, written reminders are sent.

5.2 Initial 'overdue payment' reminder

An initial reminder may be informal and can be made either in person (when a parent/guardian comes to collect/drop off the child), or by telephone.

In general, the School Administrator, School Business Manager or Finance Assistant will contact the debtor in a courteous and proportionate manner. The date and method of the initial reminder will be recorded.

5.3 First 'overdue payment' reminder letter

A formal written reminder should normally be issued approximately one week after the informal reminder where payment or an agreed response has not been received.

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. The date of the initial reminder should be recorded.

5.4 Second 'overdue payment' reminder letter

A second written reminder will normally be issued approximately one week after the first written reminder if payment or an agreed response has not been received. The date of each reminder will be recorded.

6 Failure to respond to reminders / settle a debt

If, after two written reminders, payment or an agreed response has not been received, a final letter will be sent setting out the amount outstanding, the action required and the next steps. Where appropriate, and subject to the current Bexley Scheme for Financing Schools and Local Authority advice, the matter may then be referred to the Council's Legal Services or other authorised recovery route.

At the discretion of the Headteacher, Resources Committee or Governing Body, the debtor may be required to pay in advance for future optional goods or services, or an optional service may be withdrawn where this is lawful and appropriate. Essential educational provision and statutory entitlements will not be withheld because of debt.

This decision and its basis will be recorded and reported to the Governing Body / Resource Committee.

7 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.

Where a debtor is unable to pay, the school will take a sensitive and proportionate approach.

The school may agree revised repayment arrangements and, where permitted under the current Scheme for Financing Schools, may consider reducing or writing off a debt in appropriate circumstances. Factors to be considered include:

- 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 debt – where someone owes more than one debt to the School. In this situation an attempt to agree one repayment plan to include all debts will be established.

Debtors are expected to settle the amount owed by a single payment as soon as possible after receiving the first 'overdue payment' reminder.

If a debtor requests for 'repayment terms' these may be negotiated at the discretion of the Governing Body / Resource Committee / Head Teacher.

A record of all such agreements entered into will be retained.

In all cases, a letter will be issued to the debtor confirming the agreed terms for repayment.

The settlement period should be the shortest that is judged reasonable.

The Head Teacher / Resource Committee / Governing Body will decide whether any debtor who has been granted extended settlement terms will not be offered any further 'credit' and will, in future, be required to pay in advance.

This decision and its basis will be recorded and reported to the Governing Body / Resource Committee

8 Costs of debt recovery

Where the school incurs material additional costs in recovering a debt then the Head Teacher / Resource Committee / Governing Body will decide whether to seek to recover such costs from the debtor.

The debtor will be formally advised in writing 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 Governing Body / Resource Committee

9 Bad debts

This debt recovery policy should be read alongside the current London Borough of Bexley Scheme for Financing Schools and the school's financial procedures.

Write-off of any debt requires the written approval of the Resource Committee / Governing Body up to a maximum of £100.

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

10 Review & Implementation Dates

The governing body will regularly review this policy and associated procedures, to ensure its continuing appropriateness and effectiveness. The review will take place in consultation with the Head Teacher, staff and parents.

The outcome of the review will be communicated to all those involved, as appropriate.

Revision of the above Policy was completed by:

Robert Celino-Stock Autumn 2026

After consultation and agreement by Parkway Staff, this Policy was adopted by the School Governing Body and therefore implemented by the school.

Next Review Date: Autumn 2027

Appendix 1

RECORDS OF DEBTS WRITTEN OFF

Debtor	Details of debt	Amount (£)	Invoice reference and date *(where applicable)*	Reason for write-off *(including brief details of measures taken to secure payment - as appropriate)*	Authorisation of write off – name and signature of the authorising individual and date. *Cross reference to entry in the accounts where applicable*