



Devonshire Primary Academy Bad Debt Policy



Adopted by Governors/HT: HT
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Person responsible for policy: E Jowett

Bad Debt Policy

The purpose of this policy is to clarify a procedure for the management of any bad debts that arise within the academy setting. From 01/09/19, Devonshire Primary Academy adopted a 'no debts' policy relating to the following services:

Breakfast/Dragonflies After School Club

£3.00 per session (Breakfast Club)

£6.00 per session (After School Club)

Pupils will be unable to attend Breakfast and After School Clubs, unless each session is paid for in advance.

Music Lessons

£3.00 per session

Pupils will be unable to attend Music lessons, unless sessions are paid for one half-term in advance.

Preschool

£12.00 per session

Pupils will be unable to attend Preschool for additional sessions, unless payment for a week's worth of sessions is received in advance of the date it is required. Pupils will still be permitted to attend Preschool for their 15-hour entitlement (either all AM sessions or all PM sessions each week), but will not have access to the additional hours. Parents of Preschool children will be required to sign a 'Terms and Conditions' form at the beginning of the academic year to confirm their understanding of, and agreement to, these rules.

Trips/Residential Visits

Variable amount

Trips and residential visits may be cancelled if payment from all attending is not received in advance of the date of the trip. Residential visits may also be cancelled for individual pupils if all other payable accounts (e.g. School Meals, Music Lessons) are not kept in credit at all times.

School Meals

£2.00 per meal

Pupils may not be provided with a full school meal unless payment for a week's worth of dinners is received in advance, except those who are entitled to free school meals. This may include providing children with an alternative to the full school meal ordinarily offered. At our discretion, Devonshire Primary Academy may grant an allowance of one meal to pupils whose parents/carers we believe have genuinely forgotten to pay for a school meal. However, the debt must be paid the next day. If the debt is not cleared, parents/carers must provide a packed lunch. In a case where neither a debt payment is received nor a packed lunch provided, the school office will telephone the parents and ask them to come to school with the money or a packed lunch. If the debt is not cleared within seven days of the debt being incurred, the Headteacher reserves the right to commence the academy's debt recovery process and to begin legal proceedings against the parent/carer to recover the debt. The Headteacher may also inform Blackpool Local Authority that the parent/carer is not carrying out their responsibility of care by not providing their child(ren) with a meal at lunchtime.

Parents/carers should ensure that all payable accounts are in credit at all times. The academy reserves the right to deny access to paid services (e.g. Breakfast and Dragonflies After School Club) if other paid services (e.g. School Dinners/Music Lessons) are in arrears.

All debts will be recorded and non-payment will be followed up by issuing reminders as outlined below:

Step One: Within one week of arrears – Academy Letter to Request Payment (Letter Sent Home with Child)

- School Dinners - Parents/carers will be requested to provide a packed lunch for their child(ren) until the debt has been cleared and future dinners have been paid for in advance.
- Breakfast & Dragonflies After School Club – Parents/carers will be advised that their child(ren) will be unable to attend the Out of School Provision until the debt has been cleared and future sessions have been paid for in advance. Parents/carers will also be requested to collect their child at the end of the school day.
- Music Lessons – Parents/carers will be advised that their child(ren) will be unable to attend Music Lessons until the debt has been cleared and future sessions have been paid for in advance.
- Preschool – Parents/carers will be advised that their child(ren) will be unable to attend Preschool until the debt has been cleared and future sessions have been paid for in advance.

Step Two: Within the same week of the Academy Letter to Request Payment – Phone Call

Parents/carers will receive a phone call requesting payment for accounts in arrears. This will most often take place for Dinner Money accounts, since this is a daily charge.

Step Three: 21 days after date of the Academy Letter to Request Payment - Initial Legal Letter (Letter Posted)

The Initial Legal Letter is sent when the academy has still not received payment, despite the previous reminders. This letter details the dates during which the debt has been accrued and advises parents/carers that they have two weeks from receiving the letter in which to clear the entire amount of the debt. Parents/carers are also advised at this stage that failure to clear the accounts in arrears, or to contact the academy to discuss their financial situation, may result in the academy commencing legal proceedings.

Step Four: 14 days after date of Initial Legal Letter - Follow-Up Letter (Letter Posted)

The Follow-Up Letter is sent when the academy has still not received payment, or been contacted by the parent/carer to discuss their financial situation. The letter requests the presence of the parent/carer at an appointment with the Headteacher to discuss a Repayment Plan.

Parents/carers are advised to contact the academy to confirm their attendance or to request to rearrange the appointment. Failure to attend the appointment, or to contact the academy, will result in the academy commencing legal proceedings, which would include claiming interest on the debt and claiming the cost of the court fees.

Step Five: 7 days after date of Follow Up Letter - Letter Before Action (Letter Posted)

The Letter Before Action requests that parents/carers contact the academy within two weeks of receiving of it. Failure to contact the academy, will result in the academy commencing further legal proceedings, which would include claiming interest on the debt and claiming back the cost of the court fees.

Step Six: Legal Action to Commence

Legal Action may consist of the following:

CCJ (County Court Judgement)

A County Court Judgment (CCJ) is a type of court order in England, Wales and Northern Ireland that may be registered against you if you fail to repay money you owe. If you receive a County Court claim form, you have the right to talk to a [free debt advice service](https://www.moneyadviceservice.org.uk/en/tools/debt-advice-locator) right away (advice can be found at <https://www.moneyadviceservice.org.uk/en/tools/debt-advice-locator>). You will have 14 days to reply from the date of receiving a claim form. If you ignore the letter or notice, the court will still issue the judgment but they won't be able to take your financial circumstances into account. The court can issue a judgement by instalments, where you pay the debt off over time, or a judgement forthwith, where the whole amount you owe is due immediately. If you admit the claim and make a monthly offer of payment, it's likely that you'll receive a judgement by instalments. The monthly repayment rate will be set by the court using the information you provided in your admission form. If you don't respond to the claim and the court can't take your circumstances into account, they'll still enter a judgement against you, which is called a judgement in default. In both cases, you can ask the court to look at this again if the repayments are more than you can reasonably afford and this is called a redetermination. If you receive a CCJ and don't keep to the terms it sets out, the academy can ask the court to enforce the debt. There are several ways that the court can do this, including bailiff action, a Charging Order and an Attachment of Earnings Order.

A Warrant of Execution

This gives court bailiffs the authority to seize goods from the defendant's home or business to sell at auction. Ordinarily, the bailiffs would send the defendant a letter saying he/she must pay any outstanding money within seven days. If the money is not paid, the bailiffs would call at the home address of the defendant.

The defendant has the right to ask for a warrant to be "suspended" – for example, if the defendant is making an offer of payment. If the academy does not agree to a suspension of a warrant, the defendant and the academy will then be told when to attend court.

An Attachment of Earnings Order

The academy would send an Attachment of Earnings Order to the defendant's employer. The order would tell the employer to deduct a certain amount from the defendant's earnings and send it to a collection office. This money would then be sent to the academy. The court would decide whether the defendant must pay all outstanding money or complete a form to give detailed information about their income and outgoings, called a "Statement of Means". If the defendant does not return a Statement of Means form, the court may issue an arrest warrant. A court officer would decide how much the defendant can afford to pay.

The defendant can ask for the order to be suspended if they do not want the court to contact their workplace and, if the court agrees, it would ask the individual to make regular payments direct to the academy. An order cannot be made if the defendant is unemployed or self-employed; a firm or limited company; in the army, navy or air force; or a merchant seaman.

A Third Party Debt Order

This is an order that freezes money held in the defendant's bank account. The money that the academy is owed is then paid to the academy from the defendant's account. The academy would

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use Form N349 to apply to the court and, if the judge is happy, they would make an interim third party debt order. The defendant's bank account would be frozen before they received a copy of the order.

A Charging Order

This prevents the defendant selling assets, such as their house or investments, without paying what is owed to the academy. The order would put a "charge" on the defendant's assets.

Bankruptcy

If the amount the academy is owed is more than £750, the academy may apply to make the defendant bankrupt using a "bankruptcy petition". The court can make a bankruptcy order against someone who fails to pay their debts.