

Debt Recovery Policy



Approved by: Full Governing Body

Date: November 2025

Last reviewed on: October 2025

Next review due by: November 2026

Statement of Intent

The Governing Body is committed to taking all reasonable measures to collect debts as part of its management of public funds. 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.

Aims

1. To ensure there is a fair, transparent and consistent procedure for the recovery of debt
2. To reduce the amount of debt which individuals can accrue before decisive action is taken
3. To ensure the financial viability of the nursery school by ensuring debt is not accrued

Responsibility

The responsibility for managing the debt process lies with the School Business Manager, supported by the office team. Our expectation is that customer invoices are raised and paid when due. This policy sets out the process for a small group of non-payers and how this is managed and reduced.

General requirements

Payment for all goods and services supplied by the nursery school should be collected in advance or 'at the point of sale'.

Haven Nursery School will take all reasonable measures to vigorously collect debts.

The nursery school itself 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 (via the Credit Control Team) to consider taking legal or other action to recover the debt.

Acceptable 'credit period'

All invoices raised must be fully paid within 14 days of the date of the invoice. In respect of parents/guardians taking a childcare place, this is clearly stated in the Terms and Conditions. The Terms and Conditions also state that a late payment fee may be applied where invoices become overdue.

Reporting of outstanding debt levels

The School Business Manager (SBM), supported by the admin office team, will ensure that the level of outstanding debt is regularly monitored, in line with internal procedures.

The SBM will review the level of outstanding debt every month to determine whether action to recover debts is effective and action is taken accordingly. Termly reports will be given to the Full Governing Body.

Debt Recovery Procedures

1. Customer invoices are sent out monthly. They are raised with an effective date of the 1st of the month and accounts are charged in advance, e.g. January 2025 charges are invoiced with an effective date of the 1st January 2025. The payment deadline for these invoices is 14 days.
2. After the 14 days has passed, any invoices which have not been paid will be sent a reminder letter. This letter requests payment is made within the next 7 days.
3. At the end of the 7-day period, any invoices still unpaid will be sent a suspension letter, suspending the child/ children from attending for any hours that incur a charge. In exceptional circumstances, as determined by the Headteacher, a payment plan may be set up.
 - a. Following consultation with the Head teacher, pupils will be suspended from any attendance which attracts a further payment. This will be in place until the debt is cleared in full. In line with our terms and conditions, at the point

of suspension snack must be provide by the parent/ carer, following our snack menu, so as not to incur a consumable charge.

- b. If the circumstances around the debt, as determined by the Headteacher, allow for a Payment Plan and following discussions with the parent, a letter will be sent setting out the terms. This plan needs to be signed by the parent to acknowledge they agree to it. If these terms are followed, no further action is needed. If the terms are not followed, the process will be reinitiated at the suspension stage.
4. If payment is not received in full a referral letter to HCC Debt Recovery team will be sent.
5. The debt will be referred to HCC who will commence their debt recovery process.
6. If the debt remains unpaid, it may be referred for legal recovery, which could include court proceedings.

Late Payment Charges

Haven Nursery School reserves the right to charge late payment fees, as set out in our terms and conditions. The debtor will be advised in their invoice if such a fee has been applied.

Write Off

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.

In these circumstances:

- All write offs must be carried out with the full knowledge of the Credit Control Team at County Treasurers.
- A formal record of any debts written off will be maintained and this will be retained for 7 years.
- Any parent who has previously had debt written off, will not be entitled to take any parent funded hours or provision for any subsequent children.

Policy Review

This policy will be reviewed and approved annually by the Full Governing Body.