

NEW WAVE FEDERATION

DEBT RECOVERY POLICY 2026–2027

Adopted by Governing Body: Autumn Term 2026

Review Frequency: Annual

Policy Review Date: 15th October 2026

Next Review Date: Autumn Term 2027

1. Introduction, Aims and Statutory Framework

The New Wave Federation Governing Body has a statutory responsibility to maintain a Debt Recovery Policy which ensures that appropriate procedures are in place to enable the school to receive all income to which it is entitled.

The aims and objectives of this policy are:

- **Statutory Compliance:** To ensure that the Governing Body complies with section 4.11.1 of The Hackney Education Financial Procedures Manual for Schools, which states that 'the Governing Body must have a policy for the collection of any monies due to the school'.
- **Budget Protection:** To safeguard and protect the delegated school budget from preventable losses.
- **Consistent Application:** To apply this policy consistently across all federation schools to ensure debt is dealt with in a timely and structured manner.
- **Service Restriction:** To ensure that further goods or services are not supplied to parents, carers or customers who have not paid for items already received or used.

2. Management, Reporting and Governance

The Headteacher will ensure that the level of outstanding debt is regularly monitored by office staff. Suitable administrative records will be maintained detailing individual debts and the total value of debt owed to the school, ensuring debt levels can be determined at any time and formally reported to the Resources Committee and the Governing Body.

Day-to-day implementation of debt recovery procedures is carried out by the Office Staff and School Business Manager. The Headteacher presents regular reports to the Executive Headteacher outlining any outstanding debts and explaining the recovery procedures followed to date.

3. Specific School Services and Payment Terms

School Meals and Wraparound Care (Breakfast Club, After School Club & 'Our Space')

Payment for School Meals, Breakfast Club, After School Club and 'Our Space' must be paid in advance in accordance with the pricing structure detailed on ParentPay. At the Federation, parents are encouraged to pay on a half-termly or termly basis in advance.

Payments are recorded and reconciled regularly by Office staff. If payment is not received, parents/carers will be sent an automated reminder at the end of each week via the ParentPay text alert system.

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

School Uniform

School uniform sales are operated as a non-profit making service. All monies from sales of school uniform are paid directly into the school budget. Therefore, the standard debt recovery procedures outlined in this policy apply. Payment for school uniform must be paid in full at the time orders are placed.

School Photographs

School photographs represent a valuable source of funding for the school. Parents pay the external photography company directly for photograph orders. The school earns a commission on all photograph sales, which is deposited into the school bank account to contribute towards the cost of pupil-based activities.

Outdoor Education (School Journey)

All children in Key Stage 2 (KS2) have the option to attend an outdoor education centre annually. Parents are notified of the total cost well in advance and are given the opportunity to pay in instalments via ParentPay. Payment must be made in full prior to the departure date. Discounts and Pupil Premium funding support are available for qualifying families.

Premises Lettings

Contracts for the letting of school premises are drawn up between the school and the applicant. Lettings charges reflect the school's actual operational costs for energy, water, lighting, site security, and opening/closing the premises. Full terms are detailed in the school's separate Lettings Policy.

4. Sensitive Approach and Debt Write-Off Rules

A sensitive approach to debt recovery will be carried out by the school at all times, taking specific individual family circumstances into account:

- **Hardship:** Where paying the debt would cause severe financial hardship to the family.
- **Ill Health:** Where recovery action might cause further physical or mental ill health.
- **Timeframe:** Where the debt is so large compared to the person's income that it would take an unreasonable length of time to pay off.
- **Cost-Effectiveness:** Where the total value of the debt is less than the cost of pursuing legal recovery.

The New Wave Federation may reduce or cancel a debt under exceptional circumstances. Write-off of any debt requires the written approval of the Executive Headteacher (using Appendix E). Debts over the value of £500 will be referred to the Resources Committee. Full records of the write-off, the rationale, and formal authorisation will be retained in audit files for 7 years.

5. Debt Recovery Escalation Procedures

Appendix A details the 11-step checklist procedure used specifically for the recovery of dinner debts of over £25.00 (which must be settled within 5 working days).

For all other school debts, the office staff will carry out the following standard 5-stage debt recovery procedure on behalf of the school:

- **Stage 1 — Informal Contact:** Gentle informal contact via telephone, text message, email, or in person.
- **Stage 2 — First Formal Letter:** A formal written statement issued by email or post detailing account arrears (Appendix B).
- **Stage 3 — Second Formal Letter:** A second formal letter delivered via Recorded Post granting 5 working days to clear the debt before service access is restricted or replaced with a simple sandwich (Appendix C).
- **Stage 4 — Headteacher Meeting & Payment Plan:** A third formal letter informing the debtor that a meeting has been scheduled with the Headteacher to establish a binding Debt Payment Plan (Appendix D).
- **Stage 5 — Legal Referral Notice:** Final warning granting 10 working days to pay, prior to Executive Headteacher referral and passing the file to Hackney Education's Legal Department for legal recovery action (Appendix F).

APPENDIX A: Debt Recovery Records Checklist

Target Arrears: £25.00+ | Procedure for Parents Owing Over £25.00 — Carried out by Office Staff:

1. Check that the school holds the correct residential address to ensure debt letters are received.
2. Check that parents are not entitled to Free School Meals (FSM) and are not claiming qualifying benefits.
3. Send standard first letter (Appendix B) advising parents of the debt and requesting contact.
4. Follow up with a telephone call after one week if no response or payment is received.
5. Send a second letter (Appendix C) advising that hot meals will stop, requesting a packed lunch, and arranging a Headteacher meeting to agree a payment plan.
6. If hot meals continue to be taken without payment, send a standard letter advising that the child will not be given a hot meal and a simple kitchen-prepared sandwich will be provided instead. Follow up with a phone call.
7. Office staff to ensure an up-to-date weekly list of parents owing money is provided to the Catering Team.
8. Office staff to ensure parents are telephoned on every occasion a child is issued a sandwich.
9. Compile complete debt file and submit to Executive Headteacher with ALL paperwork attached evidencing all contact made to recover the debt.
10. Referral made to Hackney Education's Legal Department if appropriate.

APPENDIX B: First Formal Debt Letter

Standard Debt Reminder — Stage 2

Parent/Carer Of: <forename/> <surname/> | Class: <class/>

Address: <address/> | Date: <date/>

Dear Parent/Carer,

I am writing to remind you that according to our records, you have arrears on your child's Dinner Money / ASC / Breakfast Club / Our Space account. In order for your child to continue to receive school lunches and access wraparound care services, it is important to keep your account in credit.

Our records show that for <forename/> <surname/> (Class: <class/>), your current level of debt is: <balance/>.

Please arrange for this balance to be paid as soon as possible. You can check your account balance at any time by logging into your ParentPay account. Please contact the school office if you need your ParentPay account details, if you have queries regarding these arrears, or if you are experiencing difficulty making payments.

Attached are the current prices and fees for Lunches, Our Space, Breakfast Club and After School Club for this half term.

Yours sincerely,

Headteacher

APPENDIX C: Second Formal Debt Letter

2ND DEBT REMINDER — URGENT ACTION REQUIRED

Parent/Carer Of: <forename/> <surname/> | Class: <class/>

Address: <address/> | Date: <date/>

DELIVERED VIA RECORDED POST

Dear Parent/Carer,

Our records show that you have still not paid Dinner Money / ASC / Breakfast Club / Our Space arrears for your child <forename/> <surname/> (Class: <class/>). As at <date/>, your account shows an outstanding debt of <balance/>.

Unfortunately, if this debt is not cleared within 5 working days from the date of this letter, your child will need to bring in a packed lunch and will be unable to access further wraparound services until the debt is cleared in full. If you are unable to supply your child with a packed lunch, our kitchen staff will supply a simple sandwich.

Please arrange for this money to be paid immediately via ParentPay (www.parentpay.com) or in cash at the school office. Once cleared, please ensure your child's account remains in credit.

Yours sincerely,

Headteacher

APPENDIX D: Debt Payment Plan Record Sheet

Record Sheet for Headteacher Meeting:

Pupil Name & Class:	<forename/> <surname/> — Class: <class/>
Arrears Breakdown:	Lunches: £_____ ASC: £_____ Breakfast Club: £_____ Other: £_____ TOTAL DEBT: £_____
Parent/Carer Name & Date:	Parent: _____ Date of Meeting: _____
Meeting Notes & Agreed Repayment Schedule:	Agreed Repayment Plan Details:
Signatures:	Headteacher Signature: _____ Parent/Carer Signature: _____

APPENDIX E: Debt Write-Off / Reimbursement Sheet

Authorisation Record Sheet — Note: All supporting communication evidence must be attached to this sheet prior to submission to the Executive Headteacher.

Name of Pupil & Class:	<forename/> <surname/> — Class: <class/>
Account to be Written Off / Reimbursed:	☐ Lunches ☐ ASC ☐ Breakfast Club ☐ Other
Total Amount to Write Off:	£ _____
All Evidence Attached?	☐ Yes ☐ No (Checklist & logs attached)
Reason for Write-Off / Reimbursement:	Rationale (Hardship / Ill Health / Unrecoverable / Cost):
Authorisation Signatures:	Headteacher Requesting: _____ Date: _____ Authorised by Executive Headteacher: _____ Date: _____

APPENDIX F: Final Debt Recovery Letter (Legal Notice)

FINAL FORMAL NOTICE — LEGAL REFERRAL WARNING

Parent/Carer Of: <forename/> <surname/> | Class: <class/>

Address: <address/> | Date: <date/>

Dear Parent/Carer,

I am writing to you regarding your current levels of outstanding debt with the school and to ask you to clear those debts as soon as possible, as they are directly impacting on the running of the school services we provide. Every effort has been made by the school to make personal contact with you on several occasions to ascertain whether financial difficulties are present; however, all contact attempts have been unsuccessful.

According to our records, you have arrears on your child's ParentPay account that are equal to or over £25.00. Please arrange settlement of the amount owed as soon as possible.

If this debt is not cleared within the next 10 working days from the date of this letter, we will need to take further action, including withdrawing access to all optional school services such as After School Clubs and Play Centres. You will also need to provide a packed lunch for your child.

The matter will then be referred to the Executive Headteacher and may result in the debt being passed to Hackney Education's Legal Department, who may initiate legal action to recover the debt.

Remember, you can check your account balance at any time by logging into your ParentPay account. Please let the school office know if you need help accessing your account.

Yours sincerely,

Headteacher