



DEBT RECOVERY POLICY (INFORMATION FOR FEE PAYERS)

1 INTRODUCTION

1.1 This policy sets out the procedures to be followed for credit control and recovering outstanding fees. According to Clause 86 of the Parent Contract:

'Fees: may include alone or in combination any of the Registration Fee; Acceptance Deposit; tuition fees; fees for extra tuition; other extras such as school magazine, PTA subscription, before and after school care, clothing and equipment, photographs or other items ordered by the Parents or the Pupil or charges arising in respect of educational visits, or damage where the Pupil alone or with others has caused wilful loss or damage to School property or the property of any other person (fair wear and tear excluded), or bank charges arising from default in Fees payment or late payment charges if incurred.'

1.2 Red House School takes its duty to protect the interests of the pupils and the charity extremely seriously. Working, where possible, with fee-payers, Red House School has robust procedures in place to support current parents in serious and unexpected financial difficulties, and to obtain payment from those able but not willing to find a way to make payment.

1.3 Continued failure to pay fees/extras is unacceptable to the School because:

1.3.1 The fees are properly due to Red House School under the Terms and Conditions to which parents agreed when the pupil started: payment of the fees is their principal obligation in return for which Red House School agreed to provide educational services to your child. As such, payment of the fees is core to the 'deal' struck when parents chose an independent education for their child.

1.3.2 Non-payment is very unfair to the vast majority of parents who do pay the fees on time.

1.3.3 Red House School is under a duty to protect and safeguard the financial interests of the School, including by taking all necessary steps to recover fees from parents in default.

1.3.4 Red House School's Terms and Conditions reflect the custom and practice of independent schools for many generations and together with the letter of offer, the Conditions of Award if applicable, the acceptance form and fees list they form the basis of a legally binding contract between the parents and the School for the provision of educational services. These terms and conditions are intended to promote the education and welfare of pupils and the stability, forward-planning, proper resourcing and development of Red House School. The rules concerning Fees and Notice are of particular importance and are set out at Sections H & I of the Parent Contract.

2 TERMS AND CONDITIONS

2.1 This Policy must be read in conjunction with the latest Terms and Conditions for Red House School – contained within the Parent Contract.

Payment of Fees - Clause 87 of the Parent Contract states:

'Payment of Fees: The Parents jointly and severally agree to pay the Fees applicable to each Term directly to the School. Except where a separate agreement has been made between the Parents and the School for the deferment of payment of Fees, Fees for each Term are due and payable as cleared funds before the commencement of the School Term to which they relate. If an item on the fees invoice is under query, the balance of that fees invoice must be paid.'

Payment of Fees by a Third Party – Clause 88 of the Parent Contract states:

'Payment of Fees by a Third Party: An agreement with a third party (such as an employer, grandparent or step-parent without parental responsibility) to pay the Fees or any other sum due to the School does not release the Parents from liability if the third party defaults and does not affect the operation of any other

of these terms and conditions unless an express release has been given in writing, signed by the Bursar. The School reserves the right to refuse a payment from a third party.'

Exclusion for Non-Payment - Clause 91 of the Parent Contract states:

'Exclusion for Non-Payment: The School reserves the right to exclude the Pupil on 3 days' written notice if Fees are overdue for payment. If the Pupil is excluded for a period of 28 days, he / she will be deemed withdrawn without Notice and a Term's Fees in lieu of Notice will be payable in accordance with Section H. Exclusion in these circumstances is not a disciplinary matter and the right to a Governors' Review will not normally arise. The School may withhold any information, character references or property while Fees are remain overdue but will not do so in a way that would cause direct, identifiable and unfair prejudice to the legitimate rights and interests of the Pupil.'

Late Payment of Fees – Clause 92 of the Parent Contract states:

'Late Payment: Save where alternative provisions for the payment of interest are contained in a separate consumer credit agreement made between the Parents and the School, simple interest may be charged on a day-to-day basis on Fees which are unpaid. The rate of interest charged will be at up to 1.5% per month accruing on a daily basis which represents a genuine pre-estimate of the cost to the School of a default. The Parents shall also be liable to pay all costs, fees, disbursements and charges including legal fees and costs reasonably incurred by the School in the recovery of any unpaid Fees regardless of the value of the School's claim.'

Part Payment of Fees – Clause 93 of the Parent Contract states:

'Part Payment: Any sum tendered that is less than the sum due and owing may be accepted by the School on account only. Late payment charges may be applied to any unpaid balance of Fees, as set out in clause 92.'

Appropriation – Clause 94 of the Parent Contract states:

'Appropriation: Save where the Parents expressly state the contrary, the School shall allocate payments made to the earliest balance on the Fees account. The Parents agree that a payment made in respect of one child may also be appropriated by the School to the unpaid account of any other child of the Parents.'

3 INVOICING AND MONITORING

- 3.1** The Head of Finance and Compliance is responsible for ensuring that all pupils in school are properly billed.
- 3.2** The Head of Finance and Compliance is responsible for credit control and liaison with parents in terms of late payments.
- 3.3** The Head of Finance and Compliance (whilst maintain anonymity) reports on individual debtors to the Management Committee of the Board of Governors on a half-termly basis.

4 DEBT COLLECTION

- 4.1** Unless an agreement has been confirmed in writing by Red House School, before or during the process, or the Head of Finance and Compliance is made aware of extraordinary pastoral circumstances that impact on payment, such as, the death of a parent, the Head of Finance and Compliance will use set-down procedures as a guide.
- 4.2** The School will do its very best to support those fee payers where it is made aware of extraordinary pastoral circumstances.

5 LETTERS

- 5.1** As part of the procedures, the Head of Finance and Compliance may write to debtors. These letters will include:
 - Amount outstanding
 - Reference back to any relevant previous communications
 - Invoice date and number
 - Clear statement of what action will follow if debt remain unpaid – the second letter will include referral to the Head of Finance and Compliance consulting with the Head and School's Pastoral Team prior to an exclusion letter
 - Statement asking for their clear payment proposal
- 5.2** The Head of Finance and Compliance's letter is the most serious step and includes exclusion if monies owed are not paid, and the process that will follow if not paid.

5.3 Red House School, whilst concerned at having to adopt this approach, accepts that in circumstances where the parents are not eligible for bursary support and the fees remain unpaid, it may be unlikely that the matter will be resolved without the threat of contract cancellation and/or the commencement of formal debt collection proceedings.

6 CREDIT (INSTALMENTS)

6.1 Red House School does not have permission from the Financial Conduct Authority (FCA) to enter into regulated credit agreements.

6.2 An agreement by the School to accept payment of current and/or past and /or future fees by instalments is concessionary and will be subject to separate agreement(s) between the parents and the School and will only be agreed in exceptional circumstances for a limited period of time. Where there are inconsistencies between these terms and conditions and those of any instalment agreement or invoice issued by the School to the parents (as applicable), the terms and conditions of the instalment agreement or the invoice shall prevail. Please refer to Clause 95 of the Parent Contract for full details.

6.3 Alternatively, in association with market-leading school fee finance provider - School Fee Plan - www.sfpschoolfees.co.uk you can apply online to pay your school fees by monthly instalments (www.myschoolfeeplan.com/RedHouseSchool-TS20). Credit is subject to status. Terms and conditions apply.

7 FEES IN LIEU OF NOTICE

7.1 In circumstances where the parents have not given a term's written notice, fees in lieu of notice means fees in full at the rate applicable for the next term following withdrawal and not limited to the parental contribution in the case of a bursary or other award or concession. One term's fees in lieu of notice represents a genuine pre-estimate of the School's loss in these circumstances, and sometimes the actual loss to the School will be much greater. This rule is necessary to promote stability and the School's ability to plan its staffing and other resources.

8 FORMAL STEPS TO RECOVER DEBT

8.1 When a dialogue with parents does not result in the outstanding fees being paid and, if deemed appropriate by the Head and the Head of Finance and Compliance, the School will take formal steps to recover the debt owed. However exceptional it may be for the School to issue formal court proceedings to recover unpaid school fees, the school will need to have undertaken Pre-Action Protocol for Debt claims for Court proceedings to be commenced.

8.2 The School will seek guidance from its Legal Provider to ensure it complies with the legal guidance.

9 BURSARIES

9.1 The School's Bursary Scheme includes both admissions bursaries for the parents of new pupils and hardship bursaries for parents whose financial position worsens unexpectedly once their child is already at the School. The Scheme is designed to assist parents or prospective parents on low incomes, who for financial reasons might otherwise be unable to send or continue to send their child to the School.

9.2 Bursaries are means tested and are awarded on an annual basis to parents who are financially eligible and who meet the application requirements set out in the policy. Due to the limited financial resources of the School not all applications may be successful. The amount available for allocation will vary from year to year and consequently the school retains an absolute discretion as to the number of awards each year. Similarly, the School has absolute discretion to remove awards.

9.2 The terms on which a bursary is offered and accepted will be notified to parents at the time of offer. A copy of the School's Bursary Policy is available on the School website or from the School on written request.

10 SUMMARY

10.1 The chasing of debt is a very difficult and frequently upsetting process for the school staff as well as the debtor. The School wishes to avoid this and support parents to ensure fees are paid.

10.2 Parents should at all times ensure the School is informed at the earliest opportunity of any financial reason some or all the fees cannot be paid in a timely manner; it is only in this way that the School can explore some options with the parents(s).

8.3 Sadly, where fees/extras remain unpaid, the School must take robust measures to support the sustainability of Red House School and the educational and pastoral provision to all our pupils.

Reviewed by: Dr R Ashcroft & Mr C Staniford
June 2024

Ratified by: The Board of Governors
June 2024