

WEST DUNBARTONSHIRE COUNCIL**Report by Chief Education Officer**

Committee: Educational Services Committee 21 June 2023

Subject: Debt Management in Education Establishments Policy**1 Purpose**

- 1.1** The purpose of this report is to seek Committee's approval for the introduction of a debt management policy in West Dunbartonshire's Education establishments.

2 Recommendations

- 2.1** It is recommended that Committee:
- a) Approves the introduction of the debt management policy (Appendix A) in West Dunbartonshire's Education establishments in August 2023.
 - b) Agrees to write off historic debt accumulated in pupil accounts by parents and carers until the introduction of the debt management policy, but to continue to pursue staff debt.

3 Background

- 3.1** Debt is a pressing issue facing many people in our communities. West Dunbartonshire Council offer a range of useful information about the Cost of Living - <https://www.west-dunbarton.gov.uk/benefits-and-grants/cost-of-living/>
- 3.2** Where individuals or families find themselves in debt, Working4U offer support with money, debt and benefits issues. More information about this service can be found at <https://www.west-dunbarton.gov.uk/jobs-and-training/working4u/money/>
- 3.3** In June 2017 Members approved the introduction of 'ParentPay', an online payments system for schools across West Dunbartonshire. The purpose of this system was to make any payment transaction easier, and reduce the need for cash handling in our establishments. The greatest volume of payment transactions relate to school meals, but over time the system has been utilized for other functions such as school trips and excursions, breakfast clubs and purchasing items of school uniform.
- 3.4** Following a pilot in March 2018, rollout began in geographical areas for our schools in January 2019. Rollout of the online payments system was interrupted by the pandemic and recovery, but it has now been introduced into all of our Schools and Early Learning and Childcare Centres.

- 3.5** By rolling out a centralized service for online payments, we were able to standardize procedures across establishments, and bring to light inconsistencies in how any debt was handled by establishments.
- 3.6** Prior to the online payments system, primary schools had their own individual approaches to managing payments for school meals. For children not in receipt of a free school meal, schools would signpost families to the application process to find out if they were eligible. For those not eligible, they would be expected to pay for their school meal, or come to school with a packed lunch.
- 3.7** Our secondary schools had a cashless catering system in place, making it possible for our young people to bring cash to school to top up an account linked to their Young Scot card. This allowed them to use their Young Scot card or PIN code at the point of sale in the school cafeteria to purchase a meal. ParentPay linked to this cashless catering system to make it easier for parents to top up the account online, and not require young people to bring cash to school. Some young people in secondary bring a packed lunch, whilst some choose to go out to local shops at lunchtime.
- 3.8** Where it was recognized that a child or young person did not have money for a lunch, each school developed their own solution, and dealt with any instances of debt on an individual case by case basis.
- 3.9** Where families were struggling to pay for school meals, they would be directed to services through Working4U that could help. In some cases, the school fund would help with hardship at the discretion of the Head Teacher, or in the case of our denominational schools, the parish would also discretely assist.
- 3.10** Our Schools and Early Learning & Childcare Centres have robust processes in place to ensure no child goes without a meal. It is important to ensure this remains our priority.

4 Main Issues

- 4.1** With the introduction of ParentPay, we now have an auditable solution for tracking any debt being accumulated by parents and carers in relation to the cost of the school day; the ability to put in place an agreed policy to manage this debt, and to signpost individuals and families to help that we can provide.
- 4.2** Understandably, the level of debt in the system fluctuates according to both payments into the system and transactions. Some parents and carers choose to credit their account on a regular basis, whilst others credit their account when the balance becomes low. For some, paying into their ParentPay account loses out in priority due to other financial pressures or challenges they may be facing.

- 4.3** At the time of reporting, there is -£48,494.61 of active debt in the system. This is broken down as follows:

Active Debt	-£48,494.61
Staff Account Debt (active)	-£589.54
Number of Staff Accounts in debt	48
Number of Staff Accounts over £20.00 in debt	6
Pupil Account Debt (active)	-£47,905.07
Number of Pupil Accounts in debt	1,219
Number of Pupil Accounts over £100.00 in debt	124
Overall Debt*	-£76,168.92
Inactive Debt	-£27,674.31
(Number of inactive pupil accounts in debt)	681
(Number of inactive staff accounts in debt)	15

* 'Overall Debt' is the total amount of debt recorded in the system. The difference between active and overall is attributed to staff and pupils who have left WDC and whose accounts are no longer active.

- 4.4** At the time of reporting, Pupil Account debt ranges from -£0.01 to -£960.16, and fluctuates according to any payments into the system and any transactions made.
- 4.5** At the time of reporting, Staff Account debt ranges from -£0.13 to -£84.06. A range of measures has already been taken to eradicate this. It should be noted that the majority of staff debt can be attributed to Christmas lunches – the one time of the year where a high volume of staff have a school lunch, but for the rest of the year bring their own lunch to work.
- 4.6** From December 2022 until February 2023, our implementation and use of ParentPay was audited. The objective of this audit was to provide management and the Audit Committee with an assessment of the adequacy and effectiveness of the governance, risk management and controls over the key risks faced by the Council in relation to ParentPay. The outcome was reported to the Audit Committee on the 3rd May 2023. The audit identified three actions:

1. **Lack of Formalised Debt Recovery Guidance** – guidance will be developed which will provide clear procedures and a standard approach, for all staff dealing with debt recovery in schools (Amber – in progress)
 2. **Management of Debt within Establishments** – Heads of Establishments will instruct all staff who require to pay for meals through ParentPay that this must be done in a timely manner, and that debt will not be built up at any time. This will be managed and monitored by Heads of Establishments on a regular basis. (Amber – in progress)
 3. **Lack of Awareness & Inconsistent Practices** – refresher training will be provided to those establishments identified as having a training need. (Green - complete)
- 4.7 Appendix 1 details our suggested approach to manage debt, bringing it into line with our approach of managing any other corporate debt.
- 4.8 Debt accumulated in the system to date has been in the absence of any debt management policy. It is recommended that historic debt recorded in the system prior to the adoption of a debt management policy be written off, but that officers continue to pursue staff debt.

5 People Implications

- 5.1 There are no direct people implications arising from this report.

6 Financial & Procurement Implications

- 6.1 There are no procurement implications arising from this report. Should the recommendations be accepted, West Dunbartonshire Council would be agreeing to write off the overall debt in the ParentPay system prior to the start of the new academic session in August 2023.

7 Risk Analysis

- 7.1 Failure to manage debt accrued through school activities provides an inequitable experience for citizens. Bringing school debt into line with other corporate debts ensures debt is being treated equitably across council services. Failure to manage debt risks reputational damage, and our ability to manage finances.

8 Equalities Impact Assessment

- 8.1 An equalities impact assessment has been carried out.

9 Consultation

- 9.1** Legal, Democratic and Regulatory Services and Section 95 Officer have been consulted with on the content of this paper.

10 Strategic Assessment

- 10.1** The use of an online payments system is consistent with the Council's objectives to make innovative use of information technology and provide efficient and consistent service delivery. Our process to manage debt is aligned with our objective to ensure our Council is adaptable and focused on delivering best value for our residents.

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Date: 17 May 2023

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Appendices: Appendix 1: Debt Management in Education Establishments Policy

Background Papers: Audit Committee 8 May 2023 – Internal Audit Plans 2022/23 – Progress to March 2023 ([link](#))
Educational Services 6 March 2019 – Online Payment System for Schools ([link](#))
Good Practice Principles for School Meal Debt Management – COSLA, 20 February 2023 ([link](#))

Wards Affected: All

