

Stithians Pre-School, Stithians Centre, Stithians, Cornwall TR3 7DH

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Charity Registration No. 1032443

### **Non-Payment of Fees and Debt Collection Policy**

At Stithians Preschool, we are committed to providing high-quality early years education and care, ensuring the wellbeing and development of all children in a sustainable and professional manner. To maintain this standard of care, it is essential that fees for both paid and government-funded sessions are paid in a timely manner. This policy outlines our approach to managing non-payment of fees and debt recovery, in accordance with relevant UK early years legislation and Cornwall Council funding rules. This policy is applicable at all times and at the discretion of the Preschool Manager.

#### **Fee Payments**

1. **Paid Sessions**:  
   * Invoices for paid sessions will be issued monthly in arrears and must be paid by the due date stated on the invoice (within 14 days from issue).
   * Fees for paid sessions are due regardless of absences due to illness, holidays, or other circumstances unless otherwise agreed in writing.
2. **Government-Funded Places**:  
   * From Sept 2025, we accept **15-hour and** **30-hour funded places** for all eligible children from 2 years of age.
   * Funded hours are provided in line with Cornwall Council's guidelines and the **Early Education Entitlement** framework.
   * Parents/carers must ensure that their eligibility for funded hours is up-to-date and provide relevant documentation (e.g., code for 30 hours funding, or confirmation of eligibility for funding) when required.
   * Any additional hours taken over the government-funded entitlement will be charged at the prevailing hourly rate.

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#### **Failure to Pay Fees**

If fees are not paid by the due date:

1. **First Reminder**:
   * The preschool Business Manager will send a written/email reminder within 5 working days following the invoice due date for unpaid fees.
2. **Second Reminder**:
   * If payment is not received after the first reminder, a second reminder will be issued by the preschool Business Manager, along with a request to discuss a repayment plan, particularly if financial difficulties are identified. This will be issued within 10 working days following the invoice due date if payment is not received after the first reminder.
3. **Late Payment Charges**:
   * Overdue invoices (invoices paid more than 14 days after the date of issue) will incur a statutory late payment fee of 8% of the total cost of the invoice, which will be added to any outstanding balance.
4. **Funded Sessions and Non-Payment**:
   * If a parent/carer fails to provide up-to-date documentation for their funded entitlement (e.g., a valid eligibility code for 30 hours or confirmation for funding) by the required date, the full fee for any hours not covered by funding will be charged at the standard rate.

#### **Persistent Non-Payment**

If fees remain unpaid for an extended period (if two invoices remain unpaid):

1. **Suspension of Place**:  
   * The child’s place may be suspended until the account is brought up to date. Suspension will not take place during the government-funded hours (e.g., the child’s free entitlement), but non-payment for any additional paid hours beyond the child’s government-funded hours will result in a suspension of these hours, until payment is made in full.
2. **Termination of Place**:  
   * If non-payment persists, we reserve the right to **terminate** the child’s place at Stithians Preschool, with prior notice in writing.
3. **Next steps for debt collection**:  
   Should fees remain unpaid despite multiple reminders, we may either:
   * refer the debt to a third-party **debt recovery agency**, and any additional costs incurred through this process (including agency fees, legal fees, and court costs) will be added to the total amount owed; or
   * initiate court proceedings to recover the debt through **court action.**

#### **Debt Recovery Process**

If debt collection becomes necessary:

* **Notice of Debt Recovery**: the preschool Business Manager will provide written notice to the parent/carer about our intention to begin formal debt recovery.
* **Legal Action**: If the debt remains unpaid, we may initiate **County Court action** (CCJ), which could impact the parent/carer’s credit rating.
* **Referral to Cornwall Council**: If the non-payment relates to any funded hours, we may also inform Cornwall Council, as per their funding guidelines, and work in conjunction with them to resolve the issue.

#### **Communication and Support**

We understand that families may face financial difficulties. If you are struggling to pay fees:

* **Contact us early**: We encourage parents/carers to contact us as soon as possible to discuss the issue. The preschool Business Manager can be reached by email at [finance@stithianspreschool.org.uk](mailto:finance@stithianspreschool.org.uk) and will be happy to discuss payment of fees with you.
* **Payment Plans**: We are happy to set up a reasonable **payment plan** (see Appendix 1) to help families manage their fees. Please discuss this with the preschool Business Manager: [finance@stithianspreschool.org.uk](mailto:finance@stithianspreschool.org.uk).
* **Government Assistance**: We can also guide families to available support services, including the [**Childcare Choices website**](https://www.childcarechoices.gov.uk/) for details on government schemes such as tax-free childcare, and assist with any documentation needed for continued funding eligibility.

#### **Safeguarding Considerations**

As set out in the **EYFS Statutory Framework** and **Working Together to Safeguard Children**, a child’s welfare remains our top priority. Any decisions regarding the suspension or termination of a place due to non-payment will be made with full consideration of the potential impact on the child, and we will work sensitively with families to minimise disruption.

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#### **Review and Communication**

This policy is agreed by the preschool Committee, and will be applied at the discretion of the Committee working in conjunction with the Preschool Manager. This policy is shared with all parents/carers at registration and is reviewed annually or when there are changes in local authority funding or legislation. By signing the childcare agreement, parents/carers accept responsibility for timely payment of fees and agree to the terms of this policy.

Adopted by the Manager and Committee …Sept 2025…..………………

Date to be reviewed …July 2026……….…………….

Signed on behalf of Committee ……J Fletcher (Chair)……………………

Manager signature …………………………………………………………….

Date signed: ……………………………………………………………………

**Appendix 1:** Payment Plan Agreement Parties

This Payment Plan Agreement (the “Agreement”) is made effective as of **(insert date here)** by and between **(insert name here and address) (the “Debtor”)** and **Stithians Preschool at The Stithians Centre, Church Road, Truro, TR3 7DH (the “Creditor”)**, both of whom agree to be bound by this agreement.

**Representation and Warranty**

The Debtor hereby represents and warrants that this Agreement, as well as the repayment schedule, have been created in a way that the Debtor believes they can satisfy the Creditor's demands without further interruption notwithstanding an additional change in circumstances.

**Debt**

The Debtor agrees to settle the owed amount of **£XXXX** (the "Deficiency") and wishes to make payment. This Agreement does not relinquish any unpaid amounts and should there be a violation of this Agreement by the Debtor, the Creditor's rights to the Deficiency will remain in effect.

**Settlement**

The Debtor shall pay the full amount of **£XXX** by **(insert date here)**. Failure to make this payment voids this agreement and childcare services will cease from **(insert date here)**. The remaining balance shall be paid in instalments of **£XXX** on every Friday each week, until payment is made in full, without any extra charges or interest, notwithstanding charges for any services delivered from **(insert date here)** which will be payable in full within 15 days of date of the invoice.

**Payment Method**

The Debtor shall make the payment to the Creditor with the address set forth above through bank transfer.

**Warranties**

The two parties agree to no longer hold each other responsible for the existing debt, apart from any issues regarding the conditions of this contract. In addition, the Creditor will delete any credit record of the Debtor after the Agreement is completed.

**Acceleration upon Breach**

If the Debtor does not meet the payment requirements of this Agreement, after five days of not making the payment, the entire amount of the Deficiency will be immediately due and childcare services will be withdrawn.

**Modification**

No modification or amendment to this Agreement shall be valid unless in writing and signed by both parties.

**Successors and Assigns**

This Agreement will be applicable to and beneficial to both parties involved as well as their successors and assigns.

**Applicable Law**

This Agreement and its provisions are to be determined in accordance with United Kingdom law without regard to its conflicts of laws principles.

**Acceptance**

The Debtor hereby accepts and agrees to the terms of this Agreement.

**Signature**

IN WITNESS WHEREOF, each of the Parties has executed this Agreement as of the day and year set forth below.

**On behalf of Stithians Preschool**

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Signature

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Print

\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Date

**Debtor**

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Signature

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Print

\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Date