



MANCHESTER
CITY COUNCIL

Council Tax Service

Revenues and Benefits Unit

Write off Policy Document 2026/27

1. Purpose of document

All Council Tax debt is considered recoverable and the Council Tax Service will make all necessary efforts to collect Council Tax due. However, there will be limited circumstances when it is appropriate to either write off a debt or consider the write off of monies owed to the Council. Some of these are covered by statute or an instruction by the courts (remission) and other areas will be considered by local management in accordance with agreed policy.

This document outlines the Council's policy and approach to Council Tax debt for either remission or write off. It ensures that the Council's approach to these processes is consistent and complies with relevant legislation.

2. Situations when write off may be appropriate

This document covers the Council's policy and approach in the following areas:

- Remission by the Court;
- Imprisonment (warrant of commitment issued);
- Bankruptcies and liquidations;
- Death of the chargepayer;
- Absconders who cannot be traced;
- Small balance and where the amount uneconomical to collect;
- Summons costs where it is not appropriate to recover; or
- Miscellaneous reasons

2.1. Remission by the Court

If a Magistrate finds that the failure to pay the amount due is not 'blameworthy' and the debtor is unable to pay the debt, they can remit the debt. Remission may be in part or for the full amount of the debt. Even though a debt (or debts) may be remitted, liability for subsequent years will continue. Following the decision of the Magistrate, we will process the write off and store a copy of the Court Remission Sheet on our files.

2.2. Imprisonment (warrant of commitment issued)

If a debtor is committed to prison for non-payment, the debt has to be written off once the full term (less any allowance for good behaviour) has been served. No further recovery action can be taken in relation to the relevant amount as the statutory enforcement process has come to an end. Liability for subsequent years and for any debts covered by separate Liability Orders will continue.

2.3. Bankruptcies and liquidations

In the event of a successful bankruptcy petition (or successful winding-up proceedings for limited companies), once the court has made an order no other recovery action can be taken to recover the debts that are covered by the order. Subsequent Council Tax liability is unaffected.

These debts are only written off if the insolvency practitioners report that there are no assets out of which the creditors can be paid.

In the majority of bankruptcy and insolvency cases where the Council has not instigated the action, there is little or no dividend payable to the Council. On receipt of the statement of affairs from the Trustee or Liquidator, it is usually clear how much, if any, is available for creditors. After taking into account any payments received or due, the balance is then written off as irrecoverable.

2.4. Death of the chargepayer

In the majority of cases the debt remains collectable, either from a jointly liable person or from the estate of the deceased chargepayer. However, in certain circumstances it is not possible to collect, and the debt will be written off, commonly where there are no assets within the estate, or in rare cases, where a debtor dies intestate or where we cannot trace who the legal executors are.

Where there are assets and the executors fail to make the necessary payment to clear any debt, the Council will take separate action to recover this debt (civil enforcement proceedings).

2.5. Absconders who cannot be traced

There are occasions when residents abscond leaving debts. The Council will make reasonable efforts to trace the debtor, including;

- A check by the Council Tax Service using internal and external tracing tools;
- Passing the debt to an Enforcement Agency to see if they can trace the debtor through their internal processes; and
- Passing the debt to an external tracing agency for a thorough check of all available databases that can be used to trace debtors.

Where these actions are unsuccessful, the council may write off the debt after a number of years.

2.6. Small balances/amounts uneconomical to collect

Legal enforcement proceedings are taken for money owed in excess of £25. On occasions where debtors have left the area, it is considered uneconomic to pursue these small balances beyond the issue of copy bills. These debts are written off on an annual basis.

If a debtor comes back into Manchester or is subsequently traced, the debt is raised and recovery action continues using all available remedies.

3. Other write-off situations

3.1. Summons costs where it is not appropriate to recover

When the debt is being written off for one of the reasons described above legal fees and costs incurred in the recovery process are always written off separately for accounting purposes.

There are a small number of cases that are taken to court and subsequently issued to Enforcement Agents where the liability is incorrect, but the Council was unaware of this at the time the action was taken. In correcting the liability, the Council may cancel the costs providing we are satisfied that the chargepayer is not 'blameworthy'.

Where debtors have two or more sets of summons costs added in one year (because their liability has increased due to changes to discounts or Council Tax Support), the Council will consider writing off the additional sets of costs if it will encourage the debtor to make and maintain an arrangement. The Council will also consider writing off summons costs if it will help support the debtor back to work.

3.2. Miscellaneous

The Council has some debts that are not cost effective to pursue and are written off. These will be exceptional in nature and approved by the City Treasurer with full details held on file.

4. Processing a write-off request

This is covered by separate staff procedure notes using appropriate computer system transaction codes so that the reason for the write off can be identified and monitored.

5. Management checks

The Council Tax Service has a range of management controls to ensure that debt is only written off in accordance with this policy document. The controls and management checks include:

- Any write-off greater than £25 but less than £2,000 is prepared by a Council Tax Officer, checked and signed off by a Team Manager and then processed by a Technical Officer. The Revenues Manager or nominated deputy examines and countersigns all write off amounts over £2,000.
- A bulk write-off of smaller balances on closed accounts over six years old where no payments have been received for 12 months takes place towards the end of the financial year. The City Treasurer confirms the parameters to be used before the write-off is done.

6. Policy Review

This procedure will be reviewed on an annual basis in order to ensure it remains valid, effective and relevant.