

COMMITTEE	GOVERNANCE AND AUDIT COMMITTEE
DATE	13 NOVEMBER 2025
TITLE	COUNCIL TAX COLLECTION RATES
PURPOSE OF THE REPORT	OUTLINE THE EXTENT AND VALUE OF THE LOSS AND HOW THE COUNCIL IS ACTING TO ADDRESS THE SITUATION
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OPERATION	RECEIVING THE REPORT, COMMENTING ON THE CONTENT AND SUPPORTING THE OPERATIONS IN PLACE BY THE DEPARTMENT.

1. PRESENTATION

- 1.1 Council Tax collection rates (within the year) in Gwynedd were the lowest in Wales in 2024/25, with 92.9% of debts collected by the end of the financial year on 31 March 2025. The highest collection rate among Welsh Councils was 97.7% whilst the Council on the next position to Gwynedd (i.e. 21st across Wales) was at 94.1%. See Appendix 1 for more details.
- 1.2 The collection rate of 92.9% includes basic Council Tax plus the Premium on second homes and empty properties. These outstanding debts totalled £8.2m as at 31 March 2025 and that is out of tax due of £116.5m for 2024/25.
- 1.3 A Finance Performance Report was submitted to the Education and Economy Scrutiny Committee on 19 June 2025. It was explained in this report that the Rates Service is subject to a comprehensive Ffordd Gwynedd review and that the Council Tax collection rate for 2024/25 has been identified as a red measure where there is concern about performance. It was noted that the collection rate is lower than it has historically been (94.4% in 2023/24) and also in comparison to other local authorities in Wales. A performance report to the end of October 2025 will be submitted to the Education and Economy Scrutiny Committee on 11 December 2025.

2. BACKGROUND

- 2.1 The table below shows collection rates on the different types of accounts for 2024/25 along with the value of outstanding debts by category as at 31 March 2025.

Accounts	Collection Rates (%)	Value of outstanding debts at 31 March 2025 (£m)
Accounts with Council Tax and Second Homes Premium	87.29	3.1
Accounts with Council Tax and Empty Property Premium	81.41	0.8
Accounts with basic Council Tax only	95.09	4.3
Total	92.93	8.2

- 2.2 It can be seen from the table above that our overall collection rates are affected by the second home and empty property premium, with the debts on accounts that include a premium in addition to the basic tax at £3.9m (£3.1m second homes and £0.8m empty properties) and the debts on basic Council Tax accounts only, at £4.3m. It can also be seen that there is a collection rate of 95.09% on the accounts with basic Council Tax only, which is 2.16% higher than the average of 92.93% across all categories.
- 2.3 Since April 2023, self-catering properties in Wales have to be available for 252 days and let for 182 days a year in order to be included on the non-domestic rates list rather than the Council Tax band. In 2024/25, 692 properties were transferred back to Council Tax with 558 of these properties returned in the second half of the year. A number of them were likely to be transferring from the non-domestic rates list where taxes were not payable, to the Council Tax band where they needed to pay the basic council tax and 150% council tax premium. They were also applications that were being backdated and some of them back to April 2023. As a result, the bills were substantial and therefore remain unpaid at the end of March 2025. By the end of September 2025, a further 395 (134 by the end of September 2024) properties had transferred to the Council Tax band. The Welsh Government is currently consulting on refining the classification of self-catering properties for local tax purposes:

[Proposed refinements to the classification of self-catering properties for local tax purposes | GOV.WALES](#)

The results of the consultation may lead to further changes to the "182 days" rules which would potentially lead to a further change in the situation in the coming year.

- 2.4 The administration of the Premium puts serious pressure on the ability of the Tax Service to carry out its work. There has been a significant backlog of work in the service since the introduction of the Premium in 2018 and continues to represent a huge proportion of the enquiries that the service has to deal with. This in turn has an impact on the service's ability to collect the Council Tax money needed to provide Council services. When the premium was introduced, a budget of £52,600 was received to fund two posts, and additional funding of £114,750 was sought in 2024/25 to fund one new post plus job upgrades across the service following an appraisal.
- 2.5 At the end of Quarter 1 of the 2025/26 financial year Cyngor Gwynedd's Tax collection rate was 28.25% which placed us in 11th place in Wales. This compares to 28% and rank 15 at the end of the same period in 2024/25. At the end of October 2025, we have collected 63.17% compared to 63.55% at the end of October 2024. This slight reduction in the collection rate is likely to be mainly due to the continued transfer of properties to the Council Tax bands from non-domestic rates with the number of properties transferred in the same period last year being two-thirds less (see 2.3).
- 2.6 The table below shows the level of Council Tax inflation in Gwynedd over the last six years, with an inflation increase of 9.54% in 2024/25. Therefore, this may also have been a contributing factor to the reduction in the collection rate and the financial ability of the taxpayers to pay their bills.

	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
Council Tax Inflation (%)	3.90	3.70	2.95	4.95	9.54	8.66

Service Review

- 2.7 The review of the Service referred to in paragraph 1.3 above has identified some of the weaknesses in the Service which have contributed to the decline in the collection rate:-
- A backlog of over three months in responding to emails from taxpayers which meant that many of them were getting into a situation of arrears even before their bills were received, due to a delay in receiving the bill or a delay in setting up payment/direct debit arrangements.

- Delay in sending reminders in 2024/25 due to long-term illness of a member of staff.
- Although Court had made liability orders, there was a delay before they were transferred to the enforcement company.
- The resources of the Recovery Team have halved over the past five years, and the two experienced officers who remained there have retired or is retiring. Although a Recovery Officer was recently advertised, the applications received did not meet the essential requirements of the job.

3. NEXT STEPS

3.1 We accept that this is not a situation we want to be in and the need to change our arrangements has already been identified, a review is underway and steps are being put in place to strengthen our recovery arrangements. Some of the operations that have been identified and implemented so far are:-

- The “Ffordd Gwynedd” Review was commissioned under the leadership of the “Ffordd Gwynedd” Senior Adviser. The review has been valuable to the service with a large number of actions identified and now recorded in a detailed Action Plan. Some of them have been implemented and others are in the pipeline and the Plan will be updated and reviewed regularly. We are also working on managerial data to enable us to identify areas that need attention and prioritising moving forward.
- In April 2025, we appointed a new position of Team Leader. This has been seen as a vital position for the structure and this post has been core for the service over the past six months.
- As part of planning for the future workforce, a Tax and Benefits Professional Trainee along with a Tax Apprentice were appointed during the year.
- Staff turnover levels have been high over recent years and it has been difficult to attract and retain staff at the salary level on offer. The jobs have been evaluated and a number of the pay scales have increased as a result.
- Over the period May 2025 to July 2025, three experienced tax agency officers were appointed to assist with the work backlog. While one of their contracts will expire in mid-November, the contract for the other two will be extended, while continuing to monitor and assess the need on a regular basis. Although this is only a temporary arrangement, we have seen great benefit from them and have benefited from their experiences, not only in the area of tax administration, but in specialist areas of recovery and systems as well.
- The email backlog is down to 185 messages by November 2025 and the oldest awaiting response is now just 10 days old. This is a significant

improvement from the 3,500 emails outstanding at the start of the current financial year. It will not be possible to remove the email backlog altogether as enquiries will increase significantly during the year at times when reminders and summonses will be released. Therefore, our priority at the moment is to reduce the backlog of work while also taking steps to introduce electronic ways of working in order to improve efficiency and the service given to customers. Using technology to automate as much of the officers' work as possible, in order to free up their time to focus on collecting the money and increasing the collection rates. Automating the procedure of receiving Council Tax income by direct debit will free up half a job in itself, and the hope is to have this in place before the end of the calendar year. We are also looking to increase the numbers who are willing to accept electronic correspondence along with the option of submitting forms online with the hope of reducing the need for them to contact us by phone and email.

- Re-examine the use made of the digital imaging system to ensure that we are using it to its full potential, as well as ensuring that any correspondence on it has been processed.
- There was a backlog of over 500 cases where Council Tax bills were returned as the holder named on the bills no longer lives in the property. A student was appointed over the summer to clear this work with a view to handing over the work to the administrative team from now on, with the training currently taking place.
- We are in the process of reviewing our structures for all of the Finance Department's recovery work and a financial bid for 2026/27 has been submitted for this. In addition, despite our failure to appoint a Recovery Officer, we were able to appoint two Assistant Recovery Officers.
- We also took advantage of the recovering experience of one of the agency officers, who is currently assisting on specific tasks in this field.
- A detailed timetable has been put in place for sending reminders in 2025/26. In addition, we are looking at our delegation arrangements so that officers are available to operate during the absence of key officers.

3.2 To date in 2025/26 we have received 2,018 liability orders, valued at £4.7m, and there will be a further application to the court on 26 November 2025, for 939 liability orders, valued at £2.3m. While a high percentage of them are relevant to 2025/26, a proportion of them also apply to previous years. Our priority with these this year is to ensure that there is no delay before the cases are submitted to the enforcement company in order to maximise the taxes collected during the year. As mentioned in 2.7, this delay in 2024/25 was partly responsible for the reduction in collection rates.

4. RECOMMENDATION

- 4.1 Receiving the report, commenting on the content and supporting the operations in place by the Department.

Appendix 1

Council for Wales Tax Collection Rates 2024/25

Local Authority	Collection Rate (%)
Neath Port Talbot	97.7
Flintshire	97.2
Denbighshire	97.1
Conwy	96.7
Carmarthenshire	96.4
Powys	96.3
Rhondda Cynon Taf	95.9
Monmouthshire	95.7
Vale of Glamorgan	95.7
Newport	95.7
Wrexham	95.6
Caerphilly	95.5
Ceredigion	95.5
Bridgend	95.3
Anglesey	95.3
Pembrokeshire	95.1
Cardiff	94.8
Torfaen	94.6
Merthyr Tydfil	94.6
Swansea	94.5
Blaenau Gwent	94.1
Gwynedd	92.9

Source: https://stats.gov.wales/en-GB/04eb4d05-55ab-4c1c-80fa-627fa809fc14?page_size=100&filter%5BYearCode%5D.202425%5B%5D=202425&filter%5BDescCode%5D.8%5B%5D=8&dataViewsChoice=filter