



Neuadd y Sir / County Hall, Llandrindod, Powys, LD1 5LG

QUESTIONS AT ANY TIME TO HEADS OF SERVICE

Response by Head of Service:

Council Tax debt levels at the end of 2019/2020 year was £1.4m. This is the amount of debt that remained uncollected from 2019/2020 and also includes former years debt too. Over several years we tend to collect most Council Tax debt with collection levels for each year rising eventually to 99.5% or higher. Council Tax debt at year end as a proportion of what is collected that year, is quite low at 1.5%.

It is not yet possible to provide an annual comparable debt figure for 2020/21 year as Council Tax debt reduces throughout the year. Also Council Tax recovery action was halted and has been reduced for most of this current year due to the nature of the pandemic, the restrictions in place, and being mindful of the impact on our residents. This means that the current debt figure is £800k higher than it would usually be at this point in the year. Recovery action is now being reinstated.

More significant figures may perhaps be found in the following:-

- Current in year collection level for Council Tax, which is down by 1.2% at this point in the year and this is due to the impact of Covid pandemic. If this is not recovered by year end, that will increase debt levels for Powys. This potential extra debt is valued at approximately £1.12m.
- Powys Council has also seen an increase in eligible claims for Council Tax Reduction Scheme which is the means tested support we give to those residents who are on low incomes. The current caseload increase is 827 claims, which is an 9% increase when comparing to this time last year.

With regard to the lower collection levels, it should be noted that the Income and Awards team supported our customers at the start of the year to offer some payment flexibility through the lockdown, which included rescheduling of their Council Tax payments either over 12 repayments or by moving the payment schedule from June to March. We also provided a money advice service for residents. Assuming those delayed payments are honoured the level of debt will reduce.

The Minister for Finance and Trefnydd announced on Friday that an additional £33.2m funding is being made available to support Council Tax (CT) collection losses, the Council Tax Reduction Scheme (CTRS) & additional business rates relief for 2020/21. This funding will contribute to ease the financial pressure falling on the Council.