# Council Tax Premium

## What is a Council Tax premium

Since 1 April 2017, local authorities in Wales have been able to charge a premium of up to an additional 100% of the standard rate of council tax on long-term empty properties and second homes in their areas and from 1 April 2023, the maximum level increased to 300%.

The discretion given to local authorities to charge a premium is intended to be a tool to help:

- bring long-term empty properties back into use to provide safe, secure and affordable homes.
- support local authorities in increasing the supply of affordable housing and enhancing the sustainability of local communities.

## Cyngor Gwynedd's current premium charges

| Premium | % on top of full flat rate | Date the current % became effective |
|---|---|---|
| Properties that have been empty and unfurnished for over 12 months | 150* | 1 April 2026 |
| Second homes | 150 | 1 April 2023 |

**The rate on long-term empty properties prior to 1 April 2026 was 100%.*

## Number of long-term empty properties and second homes

| | March 2023 | March 2024 | March 2025 | March 2026 |
|---|---|---|---|---|
| Number of long-term empty properties | 1,435 | 1,480 | 1,499 | 1,466 |
| Number of second homes | 5,218 | 4,990 | 5,504 | 5,485 |
| Number of long-term empty properties liable to pay premium | 1,087 | 1,114 | 1,070 | 1,056 |
| Number of second home properties liable to pay premium | 4,199 | 3,960 | 4,347 | 4,273 |

## Income raised from long-term empty properties and second homes

| | 2022/23 £ | 2023/24 £ | 2024/25 £ | 2025/26 |
|---|---|---|---|---|
| Total value of council tax demands for premium on long-term empty properties * | 1,524,371 | 1,631,891 | 1,701,367 | 2,035,354 |
| Total value of council tax demands for premium on second homes * | 8,882,561 | 11,735,708 | 15,723,702 | 16,774,448 |

* *From the total value of council tax demands for premium on long-term empty properties and second homes, the Council makes a prudential provision for; properties transferring to non-domestic rates, premium income that is not likely to be received, collection costs for administrating the premium.*

## How the money raised from the premium is spent

The statutory guidance states that "authorities may use the additional revenue for any purpose, but they are encouraged to use it to help to meet local housing needs, in line with the policy intentions for the premiums."

The additional income raised in Gwynedd is allocated for specific schemes as detailed in the Housing Action Plan (Cyngor Gwynedd's Housing Action Plan (2020/1 – 2028/9) - Cyngor Gwynedd).

In addition, when the premium on second homes was increased to 150%, an annual budget of £3m was allocated to homelessness, please refer to point 3.7 in the 'Budget 2023/24' report that went to the full Council meeting on 2/3/23 Cyllideb 2023-24 (Cyngor) (S) (llyw.cymru).

The Cabinet has also approved further commitments:-

- January 2026 (Agenda for The Cabinet on Tuesday, 20th January, 2026, 1.00 pm – item 9)
- May 2026 (Agenda for The Cabinet on Tuesday, 19th May, 2026, 1.00 pm – item 9)
- July 2026 (Agenda for The Cabinet on Tuesday, 7th July, 2026, 1.00 pm – item 12)