

APPENDIX 6

COUNCIL TAX

1. It is a key decision for full Council members to make, in light of the considerations presented here, to establish the exact level of Council Tax increase for 2022/23. The key to this is achieving an appropriate balance between the need to spend on services for the most vulnerable in our society, and the tax increases that are suitable to be levied on the residents of Gwynedd.
2. In the historical assumptions made in our medium-term financial strategy, we used a figure of 3.5%, as an estimate of the average increase in Wales. However, the level that has had to be raised has varied annually to a great extent because the Welsh Government's grant settlement has been disappointing. For example, in 2019/20 the tax had to be increased by 5.8%, by 3.9% in 2020/21 and by 3.7% in 2021/22.
3. This year, by 2022/23 it is recommended that the tax be raised by 2.95%. That would generate £82.1m of tax (compared to £80.9m in 2021/22), which includes £6m of Premium yield. That would equate to a Council Tax increase of £43.76 for a Band D property, or 84p a week. The tax charged by the Police and Crime Commissioner (an increase of 3.68% for 2022/23) and the community councils (% variable) will of course be in addition to this.
4. Over 8,700 of homes in Gwynedd receive some element of support towards their Council Tax, and over 60% of Gwynedd properties are in bands below band D. Every additional 0.1% tax would adjust the financial gap we would need to find by around £79,672. Therefore, 0.5% would mean adjusting the financial gap by approximately £398,359 while 1% would involve adjusting the financial gap by approximately £796,718.

5. The increase seen in Gwynedd Council Tax, and the average increase across Wales, since 2015/16 are set out below:

Year	Gwynedd	
	Council	Wales
2021/22	3.7%	3.6%
2020/21	3.9%	4.6%
2019/20	5.8%	6.2%
2018/19	4.8%	4.9%
2017/18	2.8%	3.0%
2016/17	4.0%	3.6%
2015/16	4.5%	4.3%
Average 2015-22	4.2%	4.3%

In 2021/22 Gwynedd Council's Band D Council Tax level was £1,483 while the average tax level for Welsh counties was £1,403.

More information is found in this document: [Council Tax Levels in Wales, 2021-22 \(llyw.cymru\)](#)

6. We do not yet know exactly what the average increase will be across Wales in 2022/23, but the latest information is that there will be quite a wide range across Wales. The proposal to raise the tax by 2.95% is consistent with the situation across north Wales.
7. The choice between maintaining services and taxation remains a difficult one, of course, and it is up to all members to take stock and come to the balance that they consider appropriate. However, further to several informal conversations at the members workshops, **a Council Tax increase of 2.95% is recommended, which would be a weekly increase of £0.84 or £43.76 annually, with a Band D tax of £1,526.99 for 2022/23.**

COUNCIL TAX PREMIUM PRODUCTS ON EMPTY PROPERTIES AND SECOND HOMES

8. At the full Council meeting on 2 December 2021, it was decided to continue with the 100% premium on second homes and on properties that have been empty for 12 months or more for 2022/23. It is estimated that the Council will receive £6m of additional income in 2022/23 by raising the premium, and the money is set aside in a fund to implement the Housing Action Plan, which will aim to provide housing for young people in our communities.
9. All income must be incorporated and relevant expenditure met in the 2022/23 budget.