

## 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 2023/24. 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 varies annually, largely to reflect the gap that existed as a result of the Welsh Government grant settlement. For example, in 2019/20 the tax had to be increased by 5.8%, by 3.9% in 2020/21, by 3.7% in 2021/22 and by 2.95% in 2022/23.
3. This year, by 2023/24 it is recommended that the tax be raised by 4.95%. That would generate £90m of tax (compared to £82.1m in 2022/23), which includes £9m of Premium yield. That would equate to a Council Tax increase of £75.59 for a Band D property, or £1.45 a week. The tax charged by the Police and Crime Commissioner (an increase of 5.14% for 2023/24) and the community councils (% variable) will of course be in addition to this.
4. Over 8,300 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 1% tax would adjust the financial gap we would need to find by around £857,905. Therefore, 3.5% would mean adjusting the financial gap by approximately £3,002,668 whilst 5% would involve adjusting the financial gap by approximately £4,289,525.

5. The increase seen in Gwynedd Council Tax, and the average increase across Wales, since 2016/17 are set out below:

Year	Gwynedd	
	Council	Wales
2022/23	2.95%	2.2%
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%

In 2022/23 Gwynedd Council's Band D Council Tax level was £1,527 while the average tax level for Welsh counties was £1,433.

More information is found in this document: [Council Tax Levels in Wales, 2022-23 \(llyw.cymru\)](#)

6. We do not yet know exactly what the average increase will be across Wales in 2023/24, but the latest information is that there will be quite a wide range across Wales. The proposal to raise the tax by 4.95% 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 4.95% is recommended, which would be a weekly increase of £1.45 or £75.59 annually, with a Band D tax of £1,602.58 for 2023/24.**

## COUNCIL TAX PREMIUM PRODUCTS ON EMPTY PROPERTIES AND SECOND HOMES

8. At the full Council meeting on 1 December 2022, it was decided to continue with the 100% premium on properties that have been empty for 12 months or more for 2023/24 and to increase second home premiums to 150%. It is estimated that the Council will receive £9m of additional income in 2023/24 by raising the premium, and it is intended to allocate £6m of the money in a fund to implement the Housing Action Plan, which will aim to provide housing for young people in our communities, and £3m to the homelessness budget.
9. All income must be incorporated and related expenditure met in the 2023/24 budget.