

# CYNGOR GWYNEDD'S CABINET



## Report to Cyngor Gwynedd's Cabinet meeting

<b>Meeting date:</b>	19 May 2026
<b>Cabinet Member:</b>	Councillor Huw Wyn Jones, Cabinet Member for Finance
<b>Contact Officer:</b>	Dewi Morgan, Head of Finance
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<b>Item Title:</b>	<b>Allocation of income from the Second Homes and Empty Homes Premium for 2026-27</b>

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### 1. DECISION SOUGHT

- 1.1. Allocate the additional income from the premium on empty properties and second homes to the priority areas set out in Part 4 below.
- 1.2. The Cabinet to commission further work to draw up proposals for the use of the additional premium funding of £914k which relates to 2025/26 and the sum of £4k remaining unallocated in this report.

### 2. THE REASON FOR THE NEED FOR A DECISION

- 2.1. Councils are required to determine the use of the premium in accordance with the Council Tax [Statutory Guidance Council Tax on empty and second homes | GOV.WALES.](#)
- 2.2. The Council has collected income from the premium that was above estimates during 2024/25 which needs to be earmarked to priority areas.
- 2.3. The Council will collect additional income from the increase in the Empty Property Premium from 100% to 150% for 2026/27, which needs to be earmarked for priority areas.

### **3. INTRODUCTION**

- 3.1. Cyngor Gwynedd has powers, under Council Tax legislation, to charge a premium on second homes and long-term empty homes. The premium generates additional income for the Council, and the statutory guidance sets clear expectations about how this income should be considered and used.
- 3.2. As part of the budget setting process for 2026/27, the Council has decided at its meeting in December 2025 to increase the premium on long-term empty properties from 100% to 150%, whilst keeping the Premium on second homes at 150%: [Council Tax Premium Report 2026-27](#)
- 3.3. While the Council's aspiration is to get more empty properties back into use, it is expected that increasing the Premium scale on long-term empty properties will generate an additional amount of income during 2026/27 and in subsequent years.
- 3.4. At the end of each financial year officers of the Finance Department recognise the actual income accrued from the Council tax premium and where an amount is in excess of what has been budgeted, the Cabinet decides on its use.
- 3.5. The purpose of this report is to seek a Cabinet decision for the allocation of this additional income to priority areas of work for 2026-27 onwards.
- 3.6. The impact of the current premium income allocations to priority areas is outlined in part 5 of the report that went to the Full Council in December 2025: [Council Tax Premium Report 2026-27](#).

### **4. RATIONALE AND JUSTIFICATION FOR RECOMMENDING THE DECISION**

#### Context

- 4.1. The Council's Plan states that "Gwynedd Glyd" is one of the 8 priority areas during 2023-2028 with a clear ambition to ensure that every person in Gwynedd has access to a suitable and quality home that is affordable and improves their quality of life.
- 4.2. We will achieve this ambition through specific projects relating to the implementation of the Housing Action Plan to increase the supply of housing for local people; and a package of interventions to address the control of second homes and short-term holiday accommodation and their adverse impact on the ability of the people of the county to access homes in their communities and the sustainability of communities.
- 4.3. Income from the premium is allocated towards the execution of these projects in attendance.
- 4.4. Since 2018 when the premium was introduced in Gwynedd the council has followed the following principles in allocating it to specific purposes and areas
  - a) alignment with the statutory guidance on the use of premium income;
  - b) alignment with the objectives set out in the Council's Plan

### Budget to be considered

- 4.5. The additional income from increasing the empty property premium to 150% will depend on the number of properties concerned, changes in occupancy patterns (e.g. bringing empty homes back into use) and Council Tax collection rates.
- 4.6. Based on the above it is estimated at the start of 2026/27 that this amount will be **£893,700**, as reported in the Council 2026/27 Budget: [COUNCIL - 2026-27 Budget](#) (As can be seen in the *Additional Expenditure Requirements* table in paragraph 3.1).
- 4.7. When considering the November Budget Review on [20 January 2026](#), Cabinet decided to transfer £2.089 million from the Financial Strategy Support Fund to the Council Tax Premium Fund, mainly to reflect accumulated inflation. At the time, it was **£328,400** remaining to be allocated: [Appendix 3 Reserves](#). This report also seeks the Cabinet's decision to allocate this amount.
- 4.8. This report, therefore, seeks a decision by the Cabinet to allocate a total of **£1,222,100**.

### Recommended use.

- 4.9. In addition to the context set out above we need to consider the following:
  - a) increase and higher number of enquiries about the premium remain a challenge;
  - b) further legislative changes to the tax regime in 2026-27 may lead to more enquiries/appeals;
  - c) the number and timing of appeals to the Valuation Office putting pressure on residents and administration in the Taxation Service;
  - d) notice to terminate the Welsh Government's empty housing grant from September 2026 means that there is no income stream for the realisation of the Housing Action Plan's empty housing targets.
- 4.10. It is recommended that the income to be considered be allocated as outlined in the table on the next pages, to accommodate what has been set out in 4.4 and 4.8 above.
- 4.11. This will provide greater support to bring empty homes back into use and mitigate other impacts arising from a high level of empty homes, and second homes, in our communities, including the impact on local facilities and service delivery (Community Fund to maintain the sustainability of communities; the appearance of communities; the enforcement of empty properties etc). It also recognises the significant pressures placed on the Council's administration in coping with the premium and the side effects of legislative changes in the area.

Permanent Amount £	One-Time Amount £	Description	Effect
150,000		<p><b>Community Fund</b></p> <p>To maintain the sustainability and facilities of communities affected by the high number of vacancies, second homes and the housing crisis</p> <p>(Economy and Community Department)</p> <p>The fund will support capital and revenue projects that:</p> <ul style="list-style-type: none"> <li>• safeguarding and strengthening vital community infrastructure</li> <li>• maintain local services in areas with a high concentration of second homes</li> <li>• increase community use throughout the year</li> <li>• ensuring the long-term financial viability of community assets</li> <li>• use of empty buildings for a community purpose</li> </ul> <p>This is not a general economic growth fund, nor is it a small activity grant.</p> <p>It is a fund focused on resilience and community structure.</p>	<ul style="list-style-type: none"> <li>• Supporting 5–8 projects to support communities</li> <li>• Protect or strengthen 3–5 community assets</li> <li>• Increase year-round occupancy in 3–4 areas</li> <li>• Create 3–5 community (can be sustainable) part-time jobs</li> <li>• Attracting £150k–£300k match investment</li> </ul>

Permanent Amount £	One-Time Amount £	Description	Effect
200,000		<p><b>Staffing costs (Housing Department – Enforcement Team and Empty Houses)</b></p> <p>Increase the existing staffing capacity of the vacant housing team (1 member of staff) to 3 permanent staff.</p>	<ul style="list-style-type: none"> <li>• To address the increase in applications for empty housing grants, which has increased from 3 per month to 18 per month (an increase of 180 applications per year)</li> <li>• Enable elements such as compulsory sales to be achieved</li> <li>• Supporting 90 families to own or bring empty properties back into use in their communities</li> <li>• Significantly reduce request and enquiry processing time</li> <li>• Bring problematic, long-term vacant houses back into use.</li> </ul>
60,000		<p><b>Report and Preparatory Work Grant</b></p> <p>Establish a fund to cover the costs of asbestos reports, wood and moisture reports and EPC on properties in receipt of grant or loan financing.</p> <p>The reports ensure investment protection and maximise the funding of the Empty Homes grant and subsequent loans.</p>	<ul style="list-style-type: none"> <li>• Ensuring that an empty property is safe and suitable for completion of renovations comes through a subsequent grant/loan.</li> </ul>

Permanent Amount £	One-Time Amount £	Description	Effect
500,000		<p><b>Landlord Grants or Empty Homes Support</b></p> <p>The purpose of this grant will be to support empty homeowners to become landlords and to make use of empty properties to contribute to increasing the supply of affordable rental homes.</p> <p>Under the scheme, to be eligible for consideration the property will have to be vacant for over 6 months and the grant would fund 75% of the costs up to a maximum of £20K.</p>	<ul style="list-style-type: none"> <li>• Bringing 25 empty homes back into use will add to the ambition of 282 that already exists through the Housing Action Plan.</li> <li>• Supporting 25 family units.</li> </ul>
50,000		<p><b>Problematic Vacant Property Enforcement Cost Fund</b></p> <p>Allow the Enforcement Team to carry out remediation work on problematic, long-term vacant properties to make them safe, and follow up with a Forced Sale process.</p> <p>The money will contribute towards any costs of receiving expert advice for technical cases.</p>	<ul style="list-style-type: none"> <li>• Start a mandatory sale process on 2 -3 long-term problematic vacant properties.</li> </ul>
10,000		<p><b>Networking Forum</b></p> <p>Work with partners and stakeholders to raise awareness of the Council's plans and services to help more Gwynedd residents bring empty properties back to local use</p>	<ul style="list-style-type: none"> <li>• Hold 4 workshops a year, with house auctioneers and private landlords</li> <li>• Carrying out research to identify opportunities</li> </ul>

<b>Permanent Amount £</b>	<b>One-Time Amount £</b>	<b>Description</b>	<b>Effect</b>
	78,500	<b>Online Taxation Forms System</b> Expenditure to insert a system for online tax returns to facilitate residents to submit information about their accounts, information about their change of circumstances etc. (Finance Department)	<ul style="list-style-type: none"> <li>• Able to receive and deal with enquiries in digital form and 24 hours a day.</li> <li>• Improve the speed of response and processing of taxpayer requests.</li> </ul>
63,900		<b>Maintenance of Online Taxation Forms System</b> An annual charge for the maintenance of the IT system. (Finance Department)	As above.
106,000		<b>Recovery Service</b> Appointment of 2 x Recovery Officers to increase capacity to tackle debt and arrears recovery (Finance Department)	
<b>1,139,900</b>	<b>78,500</b>	<b>Total Amount</b>	

4.12. **The above commitments total £1,218,400** of the funding of £1,222,100 (paragraph 4.8), leaving £3,700 remaining uncommitted. This will be allocated along with approximately £914,075 of funding above the existing commitments which is relevant to 2025/26 (see the 2025/26 outturn report which is a separate item on the Cabinet's agenda).

## **5. NEXT STEPS AND TIMETABLE**

- 5.1. If Cabinet decides to fund the schemes outlined in the table above, they will be implemented in 2026/27.

## **6. ANY CONSULTATIONS CARRIED OUT PRIOR TO THE RECOMMENDATION OF THE DECISION**

### Impact Assessment

- 6.1. An Equality Impact Assessment was completed to align with the original decisions to increase the premium.

### THE WELL-BEING OF FUTURE GENERATIONS (WALES) ACT 2015

- 6.2. There is a duty to act in accordance with the principle of sustainable development, which is to seek to ensure that the needs of the present are met without jeopardising the ability of future generations to meet their needs.
- 6.3. In acting in accordance with this general duty the Council needs to consider the importance of long-term impact, being integrated, inclusive, collaborative and preventive in the development and implementation of the proposal before it.
- 6.4. In accordance with the requirements of the Act, Cyngor Gwynedd has adopted well-being objectives. Particular attention is drawn to the following objectives:
- Communities that thrive and thrive for the long term
  - Healthy and Independent Residents with a Good Quality of Life
- 6.5. The current Premium funds the Council's Housing Action Plan, which is a proactive attempt to strengthen the sustainability of those communities within Gwynedd that have a high number of second homes and long-term empty homes.
- 6.6. The Council's Housing Strategy sets out the vision of "Ensuring that the people of Gwynedd have access to a suitable and high-quality, affordable home that improves their quality of life".
- 6.7. The Strategy identifies five objectives that had to be met if the Council was to achieve this vision:
- Nobody is homeless in Gwynedd
  - Social housing available to everyone who needs one
  - Everyone's home in Gwynedd is affordable for them
  - Tai Gwynedd is environmentally friendly
  - Homes have a positive influence on the health and well-being of the people of Gwynedd.
- 6.8. The Housing Action Plan includes a number of projects which, taken together, deliver on these objectives.

## Statutory Officers' Comments

### 6.9. Chief Finance Officer's comments:

I have worked with the Cabinet Member to prepare this report and confirm the contents.

### 6.10. Monitoring Officer's comments:

Allocating and prioritising the income from the premium is a matter for the Cabinet to decide. I am willing to accept that the recommendation is appropriate and aligns with the flexibility contained in the Statutory Guidance.