

## APPENDIX 6

### COUNCIL TAX

1. It is a key decision for Full Council members to make, in light of the considerations presented in this report, to establish the exact level of Council Tax increase for 2025/26. 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 increase that is 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, largely to reflect the gap that existed as a result of the Welsh Government grant settlement.
3. The increase seen in Cyngor Gwynedd Tax, and the average increase across Wales, since 2016/17 is set out below:

Year	Cyngor Gwynedd	Wales
2024/25	9.54%	7.8%
2023/24	4.95%	5.5%
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 2024/25 Cyngor Gwynedd's Band D Council Tax level was £1,755 while the average tax level for Welsh counties was £1,631.

More information is found in this document: [Council Tax levels: April 2023 to March 2024 | GOV.WALES](#)

4. This year, it is recommended that the tax be raised by 8.66% for 2025/26. That would generate £108m of tax (compared to £98m in 2024/25), which includes £9m of Premium yield. That would equate to a Council Tax increase of £152.02 for a Band D property, or £2.92 a week. The tax charged by the Police and Crime Commissioner (an increase of 6.44% for 2025/26) and the community councils (% variable) will of course be in addition to this.

5. Over 7,950 homes in Gwynedd receive some element of support towards their Council Tax through the Council Tax Reduction Scheme, and over 60% of Gwynedd properties are in bands below band D. In addition, there are a wide range of statutory exemptions and discounts available, which are related to the status of the property.
6. We do not yet know exactly what the average increase will be across Wales in 2025/26, but the latest information is that there will be quite a wide range across Wales. The proposal to raise the tax by 8.66% is consistent with the situation across north Wales. Every additional 1% tax would adjust the financial gap we would need to find by around £997,840. Therefore, 3.5% would mean adjusting the financial gap by approximately £4,778,820 whilst 5% would involve adjusting the financial gap by approximately £6,275,590.
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 arrive at the balance that they consider appropriate. However, further to several informal conversations at the members' workshops, **a Council Tax increase of 8.66% is recommended, which would be a weekly increase of £2.92 or £152.02 annually, with a Band D tax of £1,907.49 for 2025/26.**

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

8. At the Full Council meeting on 5 December 2024, it was decided to continue with the 100% premium on properties that have been empty for 12 months or more for 2025/26 and to continue with the premium of 150% on second homes. It is estimated that the Council will receive £9m of additional income in 2025/26 from the premium. £6m of the money has been allocated to 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 2025/26 budget.