

## 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 2026/27. 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 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
2025/26	8.66%	7.1%
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 2025/26 Cyngor Gwynedd's Band D Council Tax level was £1,907 while the average tax level for Welsh counties was £1,747.

More information is found in this document: [Council Tax levels: April 2025 to March 2026 | GOV.WALES](#)

4. This year, it is recommended that the tax be raised by 5.17% for 2026/27. That would generate £116m of tax (compared to £108m in 2025/26), which includes £9.9m of Premium yield. That would equate to a Council Tax increase of £98.62 for a Band D property, or £1.90 a week. The tax charged by the Police and Crime Commissioner (an increase of 7.01% for 2026/27) and the community councils (% variable) will of course be in addition to this.

5. Over 8,335 homes in Gwynedd receive some element of support towards their Council Tax through the Council Tax Reduction Scheme, and over 61% 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 2026/27, but the latest information is that there will be quite a wide range across Wales. The proposal to raise the tax by 5.17% is consistent with the situation across north Wales. Every additional 1% tax would adjust the financial gap we would need to find by around £1,100,040. Therefore, 3.5% would mean adjusting the financial gap by approximately £3,850,150 whilst 5% would involve adjusting the financial gap by approximately £5,500,210.
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 informal discussions at members' forums, **a Council Tax increase of 5.17% is recommended, which would be a weekly increase of £1.90 or £98.62 annually, with a Band D tax of £2,006.11 for 2026/27.**

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

8. At the Full Council meeting on 4 December 2025, it was decided to continue with the premium of 150% on second homes and increase the premium on properties that have been empty for 12 months or more from 100% to 150% for 2026/27. It is estimated that the Council will receive £9.9m of income in 2026/27 from the premium, which is an increase of £0.9m. £6.9m 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 2026/27 budget.