

Council Tax Premium

What is a Council Tax premium

Since 1 April 2017, local authorities in Wales have been able to charge a premium of up to an additional 100% of the standard rate of council tax on long-term empty properties and second homes in their areas and from 1 April 2023, the maximum level increased to 300%.

The discretion given to local authorities to charge a premium is intended to be a tool to help:

- bring long-term empty properties back into use to provide safe, secure and affordable homes.
- support local authorities in increasing the supply of affordable housing and enhancing the sustainability of local communities.

Cyngor Gwynedd's current premium charges

Premium	% on top of full flat rate	Date it became effective
Properties that have been empty and unfurnished for over 12 months	100	1 April 2021
Second homes	150	1 April 2023

Number of long-term empty properties and second homes

	March 2023	March 2024
Number of long-term empty properties	1,435	1,480
Number of second homes	5,218	4,990
Number of long-term empty properties liable to pay premium	1,087	1,114
Number of second home properties liable to pay premium	4,199	3,960

Income raised from long-term empty properties and second homes

	2022/23 £	2023/24 £
Total value of council tax demands for premium on long-term empty properties *	1,524,371	1,631,891
Total value of council tax demands for premium on second homes *	8,882,561	11,735,708

* From the total value of council tax demands for premium on long-term empty properties and second homes, the Council makes a prudential provision for; properties transferring to non-domestic rates, premium income that is not likely to be received, collection costs for administering the premium.

How the money raised from the premium is spent

The statutory guidance states that “authorities may use the additional revenue for any purpose, but they are encouraged to use it to help to meet local housing needs, in line with the policy intentions for the premiums.”

Funds are allocated for specific schemes as detailed in the Housing Action Plan ([Cyngor Gwynedd Housing Action Plan 2020/21-2026/27](#)), and subsequent relevant amendments made following Cabinet approval in June 2023 ([Agenda for The Cabinet on Tuesday, 13th June, 2023, 1.00 pm \(llyw.cymru\)](#) – Item 11).

In addition, when the premium on second homes was increased to 150%, an annual budget of £3m was allocated to homelessness, please refer to point 3.7 in the ‘Budget 2023/24’ report that went to the full Council meeting on 2/3/23; [Cyllideb 2023-24 \(Cyngor\) \(S\) \(llyw.cymru\)](#).

The first call on any net surplus above the budget allocation for the year is to fund any overspend in Council departments where the overspend is the result of an increase in the demand for service.