

ISLE OF ANGLESEY COUNTY COUNCIL	
Report to:	EXECUTIVE COMMITTEE
Date:	27 JANUARY 2026
Subject:	Council Tax Premium on dwellings that have been unoccupied and substantially unfurnished for a continuous period of at least 12 months (Long-term Empty Properties) – Results of the Consultation
Portfolio Holder(s):	CLLR. ROBIN WILLIAMS – DEPUTY LEADER & PORTFOLIO HOLDER – FINANCE & CORPORATE BUSINESS AND CUSTOMER EXPERIENCE
Head of Service / Director:	MARC JONES – DIRECTOR OF FUNCTION (RESOURCES) / SECTION 151 OFFICER
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Local Members:	n/a
A – Recommendation/s and reason/s	
<p>1. The Executive to note the outcome of the Council Tax Premium Consultation;</p> <p>1.2 Approve Option 5 for implementation from 1 April 2027 - To set the level of the premium based on the length of time the property has been empty from the date the property first became empty, but with a starting premium of 100%; and</p> <p>1.3 The Executive to consider how the associated income should be allocated in line with the Council's strategic priorities.</p>	
To be discussed and confirmed in the Business Meeting of the Executive.	
B – What other options did you consider and why did you reject them and/or opt for this option?	
The options considered are discussed in the report in Appendix 1. Taking account of consultation feedback, affordability and deliverability, Option 5 is considered the most appropriate option.	
C – Why is this a decision for the Executive?	
The setting of the level of the Council Tax premium for 2026/27 for properties that have been unoccupied and substantially unfurnished for a continuous period of at least 12 months, forms part of the Executive's overall budget proposals, which will be agreed by the Executive at its meeting in March 2026 and voted on by the full Council in March 2026.	
CH – Is this decision consistent with policy approved by the full Council?	
Not applicable	
D – Is this decision within the budget approved by the Council?	
The decision, although impacting on the budget for 2026/27, will not result in the incurring of any additional costs or generate any additional income in the 2025/26 financial year. As a result, the decision will not impact on the budget approved by the Council for 2025/26.	

DD – Assessing the potential impact (if relevant):

1	How does this decision impact on our long term needs as an Island?	The decision will increase the level of funding generated through the premium, which can be used to provide financial assistance to local residents to purchase their first home and to provide funding that will allow the Council to address other issues which affect the Island.
2	Is this a decision which it is envisaged will prevent future costs / dependencies on the Authority? If so, how?	The number of long-term empty properties on the Island is negatively affecting the supply of properties for local people to rent or buy. This puts additional pressures on statutory Council services, in particular Housing Services.
3	Have we been working collaboratively with other organisations to come to this decision? If so, please advise whom	The Council has been working with other Welsh councils who are experiencing increasing numbers of long-term empty properties and additional challenges to housing demand, to find solutions to the issue.
4	Have Anglesey citizens played a part in drafting this way forward, including those directly affected by the decision? Please explain how.	The report details the results of a wide consultation that has taken place, which was open to Anglesey citizens as well as long-term empty property owners.
5	Note any potential impact that this decision would have on the groups protected under the Equality Act 2010.	The decision does not impact directly on any groups protected under the Equality Act 2020.
6	If this is a strategic decision, note any potential impact that the decision would have on those experiencing socio-economic disadvantage.	The raising of the premium for long-term empty properties would increase the annual council tax charge for those property owners. These are not considered to be a group that are experiencing socio-economic disadvantage.
7	Note any potential impact that this decision would have on opportunities for people to use the Welsh language and on treating the Welsh language no less favourably than the English language.	

E - Who did you consult? What did they say?

1	Chief Executive / Leadership Team (LT) (mandatory)	
2	Finance / Section 151 (mandatory)	Bethan H Owen, Accountancy Services Manager, deputising on behalf of Marc Jones, Director of Function (Resources) / Section 151 Officer
3	Legal / Monitoring Officer (mandatory)	The Monitoring Officer is a member of the LT.
4	Human Resources (HR)	Not applicable
5	Property	Not applicable
6	Information Communication Technology (ICT)	Not applicable

7	Scrutiny
8	Local Members
9	Any external bodies / other/s

F - Appendices:

- Appendix 1 – Report on Council Tax premium on long-term empty properties
- Appendix 2 – Exceptions from the premium on long-term empty properties

FF - Background papers (please contact the author of the Report for any further information):

1. INTRODUCTION AND BACKGROUND

1.1 Part 7, Section 139 of the Housing (Wales) Act 2014, amended the Local Government Finance Act 1992 and allowed the Council to increase the level of Council Tax charged on long-term empty dwellings, and the Council can specify different percentages for different dwellings, based on the length of time for which they have been long-term empty dwellings. The initial maximum premium was initially set at 100% but, from 1 April 2023, this figure was increased by the Welsh Government (WG) to 300%.

1.2 As at May 2025, there were 805 properties recorded on the Council Tax system which were designated as long-term empty properties. The properties are spread across the Island, with around 25% of all the long-term empty properties in Holyhead and between 5% and 10% in each of Amlwch, Beaumaris, Llanfairpwll, Llangefni and Menai Bridge. The remainder are located in various villages across Anglesey.

1.3 The properties are in the following bands as shown in Table 1 below:-

Table 1
Long-term Empty Properties by Council Tax Band as at May 2025

Band	Number of Properties	% of Properties
A	139	17.3%
B	152	18.9%
C	145	18.0%
D	171	21.2%
E	109	13.6%
F	59	7.3%
G	22	2.7%
H	5	0.6%
I	3	0.4%
Total	805	100.0%

1.4 The Council currently charges a premium of 100% on all long-term empty properties where the property has been empty for a period of 12 months. Some properties are provided an exception from the premium, as follows:-

- Properties being actively marketed for sale or let – exception of 12 months granted;
- Annexes forming part of, or being treated as part of, the main dwelling;
- Dwellings which would be someone's sole or main residence if they were not residing in armed forces accommodation;
- Properties that are subject to major repair work / structural work, providing that the work is on-going and progressing and where the council tax exemption as a property requiring or undergoing major repair work in order to render it habitable has been exhausted, it may be possible to apply for discretionary relief from the premium, where certain conditions are met. This may be extended by a further 12 months if the taxpayer is a first time buyer with a local connection (as defined in the Discretionary Council Tax Relief Policy).

- 1.5 Of the 805 properties, as at May 2025, 589 properties were paying the premium at that point in time, 170 had been empty for less than 1 year and were currently not required to pay the premium until the first anniversary of the property becoming empty was reached, 44 properties had one year exceptions from the premium (structural works, property being marketed for sale or let) and 2 were permanently exempted from the premium (annexes).
- 1.6 The numbers can change during the year as taxpayers sell or let their properties and new properties become empty during the year.
- 1.7 Based on the number of long-term empty properties as at May 2025, the premium would have generated £1.18m in additional income for the Council. However, the actual figure would be lower because taxpayers would have disposed of or let properties prior to the 1 year exception running out. As a comparison, £906k of premium from long-term empty property was raised in 2024/25.
- 1.8 The Housing (Wales) Act 2014 does not specify how the Council should use the additional revenue generated by the premium, but the guidance issued by WG states that:-
 - “The discretion given to local authorities to charge a premium is intended to be a tool to help local authorities to:-
 - Bring long-term empty homes back into use to provide safe, secure and affordable homes; and
 - Support local authorities in increasing the supply of affordable housing and enhancing the sustainability of local communities.”
- 1.9 The premium is not used for specific projects, but is used as part of the overall funding of the Council to provide services. However, the budget does include specific projects which would not be funded if the premium was not raised. This includes £1m in 2025/26 to provide grants and loans to first time buyers.

2. RESULT OF THE CONSULTATION PROCESS

- 2.1 The Executive agreed to undertake a full consultation on a number of options in respect of the long-term empty property premium, in order to provide a greater incentive for taxpayers to bring properties back into use by increasing the financial penalty of keeping a property empty and unoccupied for a long period of time.
- 2.2 The options being considered were as follows:-
 - **Option 1 – No change**
To maintain the long-term empty property premium at its current level of 100%.
 - **Option 2 – To increase the premium to 150% on all long-term empty properties from April 2026**
The premium would increase to 150% for all long-term empty properties that have been empty for more than 12 months and do not qualify for an exception.
 - **Option 3 – To set the level of the premium based on the length of time the property has been empty from 1 April 2026**
To re-set the premium for every property to 0% from April 2026 and to then set the premium based on the time the property has been empty from April 2026. The premium would be set as follows:-

Number of Years Empty from April 2026	Premium Charged
Less than 1 year	0%
Between 1 and 2 years	25%
Between 2 and 3 years	50%
Between 3 and 4 years	75%
Between 4 and 5 years	100%
Between 5 and 6 years	125%
Between 6 and 7 years	150%
Between 7 and 8 years	175%
Between 8 and 9 years	200%
Between 9 and 10 years	250%
Over 10 years	300%

- **Option 4 – To set the level of the premium based on the length of time the property has been empty from the date the property first became empty**

The initial level of the premium would be determined based on the number of years since the property became empty, e.g. if a property has been empty since 1 April 2021, the premium from 1 April 2026 would be 125% (based on the premiums as set out in Option 3).

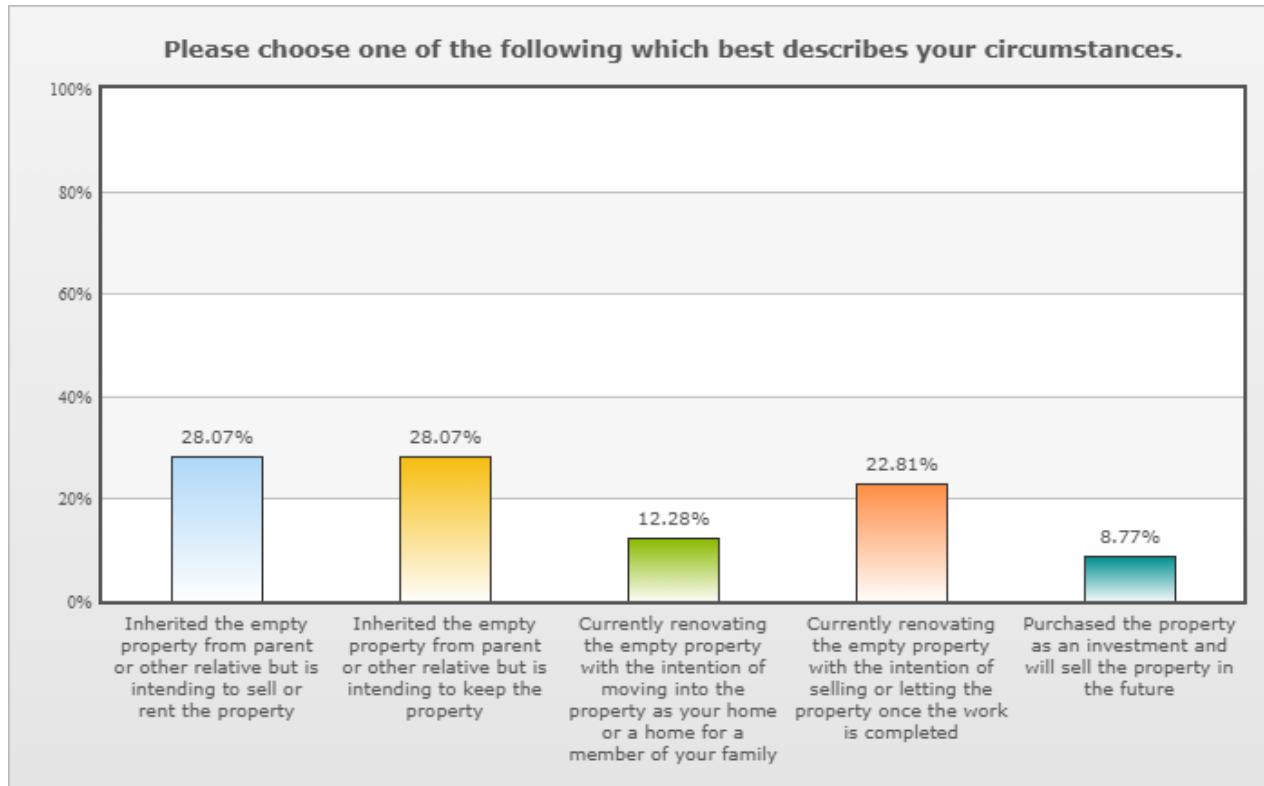
- **Option 5 – To set the level of the premium based on the length of time the property has been empty from the date the property first became empty, but with a starting premium of 100%**

The initial level of the premium would be determined based on the number of years since the property became empty. The premium would be set as follows:-

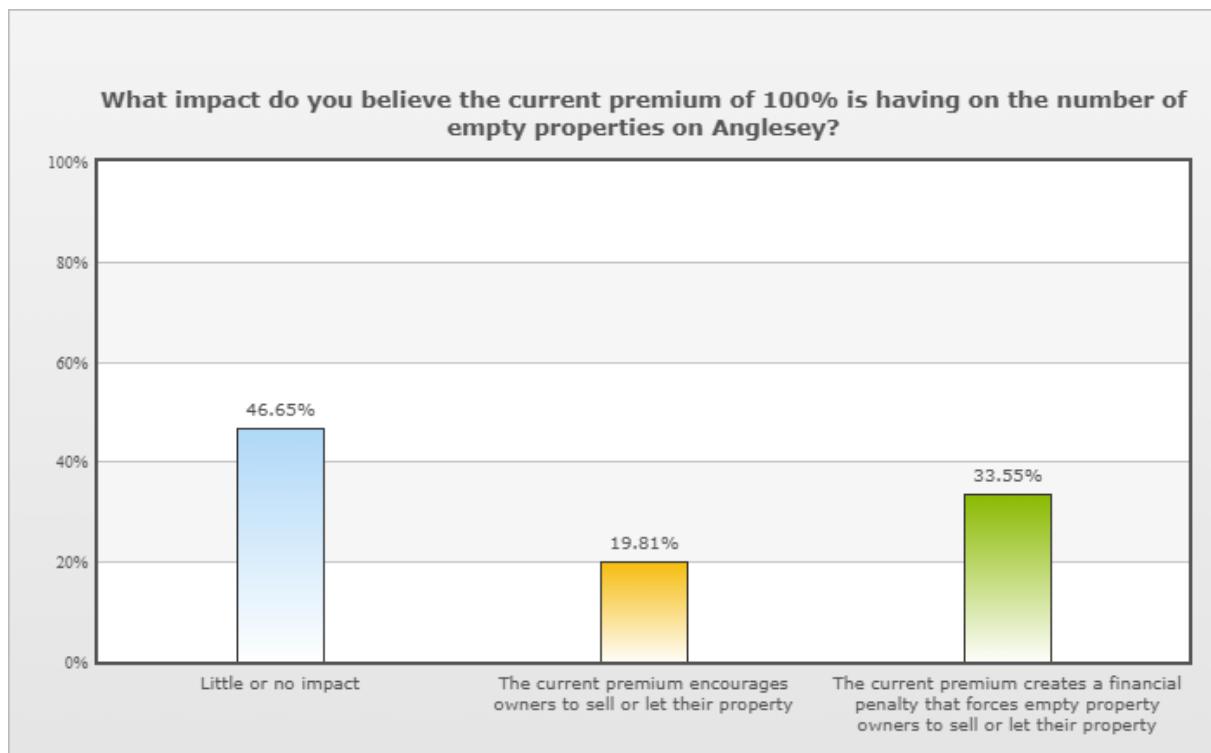
Number of Years Empty from April 2026	Premium Charged
Less than 5 years	100%
Between 5 and 6 years	125%
Between 6 and 7 years	150%
Between 7 and 8 years	175%
Between 8 and 9 years	200%
Between 9 and 10 years	250%
Over 10 years	300%

- 2.3 The consultation opened on 29 September 2025 and closed on 7 November 2025. In total, 449 responses were received to the consultation, 136 partially completed and 313 completed in full.
- 2.4 Each respondent was asked to provide the Council with their post code. Of the 313 who provided this information, 288 (92.01%) were residents of Anglesey and 25 (7.99 %) had their main residence outside of Anglesey.
- 2.5 Respondents were asked whether they owned a long-term empty property on Anglesey, with 55 (17.89%) responding yes and 257 (82.11%) responding no. The figure suggests that approximately 7% of the current owners of long-term empty properties responded to the consultation.

2.6 Respondents were asked to best describe their circumstances, with 57 responding as follows:-

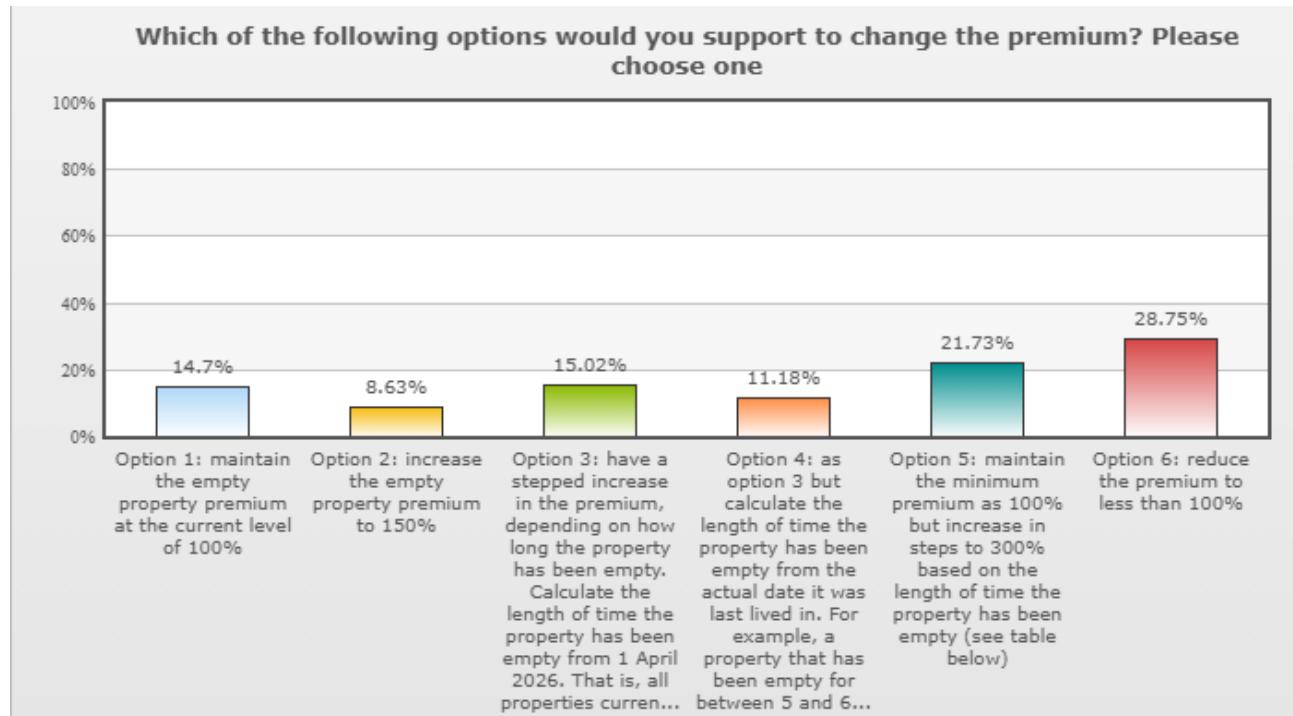


2.7 The consultation asked people's opinion on what impact they believed the current premium is having on the number of long-term empty properties on Anglesey (313 responded):-



2.8 The figures in the above table suggest that over half of respondents consider the premium to either encourage or force long-term empty property owners to sell or let their property.

2.9 The consultation then asked which option they would support to change the premium (313 responded):-

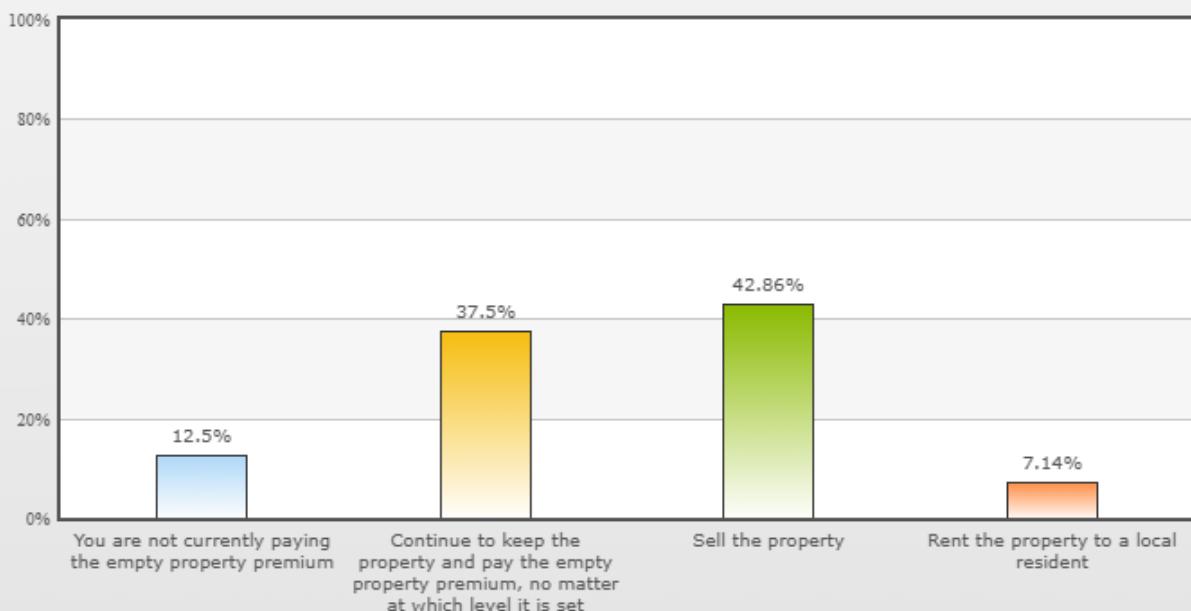


2.10 The figures in the above table suggest that the vast majority agrees with charging the premium at least in line with the current level of 100%, with options 3, 4 and 5 offering a stepped increase approach to charging the premium being supported by approximately 48% of the respondents collectively.

2.11 When asked to what rate they would reduce the premium, 91 responded with various rates, with approximately 27% suggesting a premium rate of 50%, and 46% suggesting a premium rate of 0%. Several comments were made suggesting that no premium should be charged as local services are not being used by long-term empty properties.

2.12 The consultation then asked what they would do with their long-term empty property premium if the long-term empty property premium was raised from its current level of 100% (55 responded):-

What would you do with your property if the empty property premium was raised from its current level of 100%?

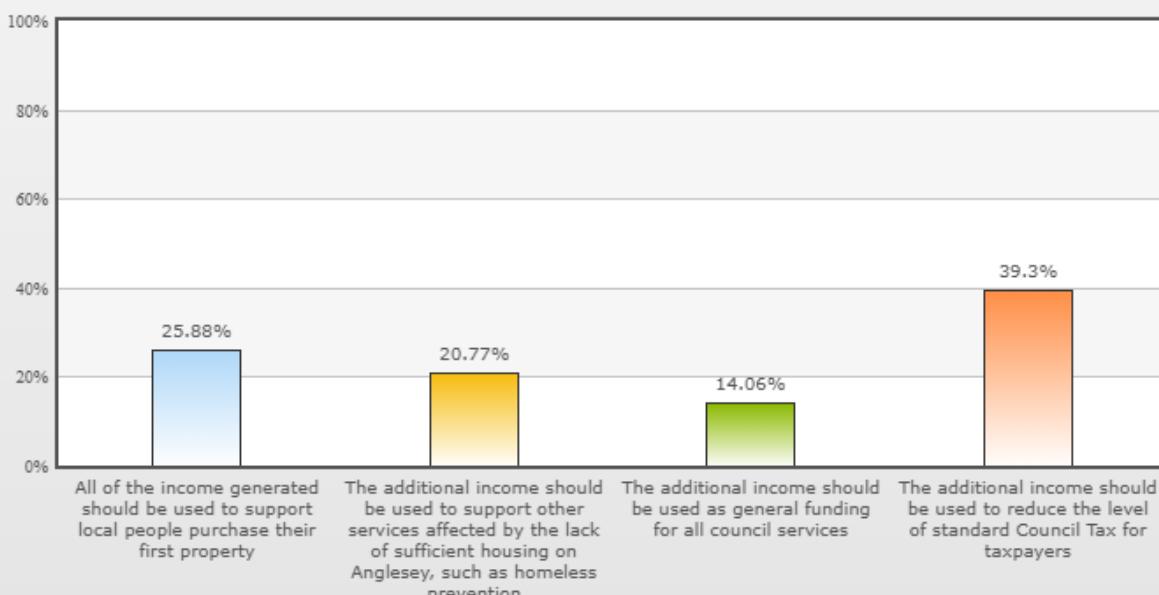


2.13 The above table suggests that increasing the premium would encourage / force long-term empty property owners to sell / let their properties.

2.14 When asked at which percentage of premium they would sell or rent their property, if the long-term empty property premium increased, 28 responded, with 22 responding that they would sell or rent if the premium was increased to 125%, 3 would sell or rent if the premium was increased to 150% and 2 would sell or rent if premium was increased to 200%.

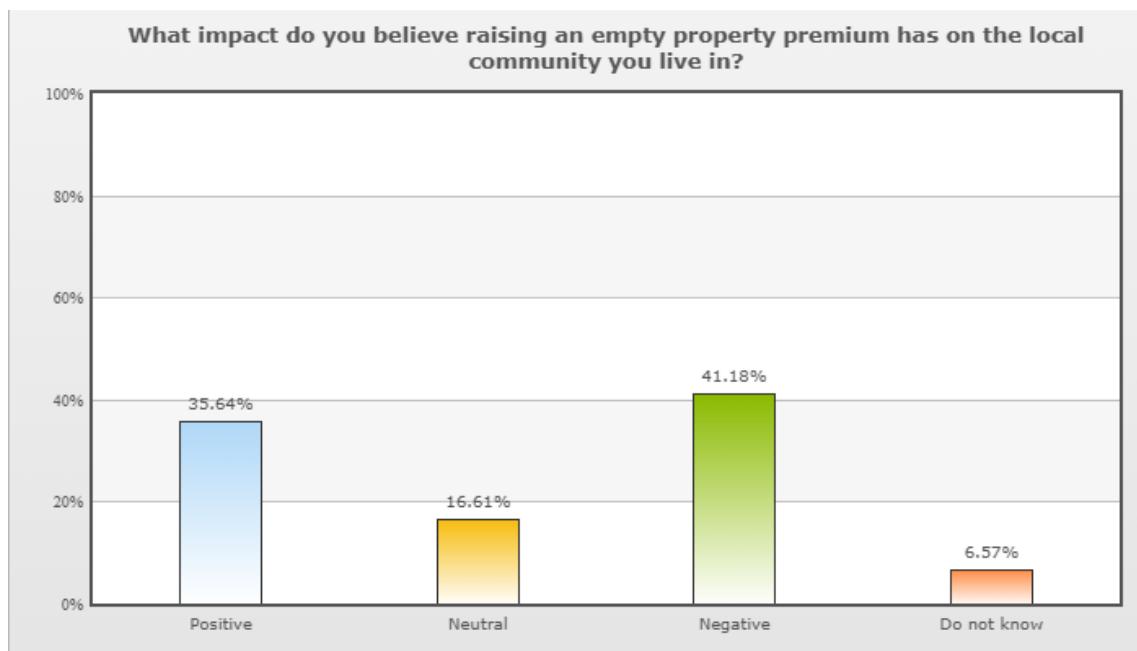
2.15 Respondents were also given the opportunity to choose a statement that best described their opinion on the use of the premium (313 responded):-

How should Isle of Anglesey County Council use the additional income if the change to the current empty property premium resulted in increased income for the council?



2.16 The table above suggests that the majority would favour the additional income to be used to reduce the standard Council Tax for taxpayers.

2.17 The final question asked was what impact they believed raising a long-term empty property premium has on the local community they lived in (289 responded):-



2.18 The above table suggests that over 50% believed that raising a long-term empty property premium has either a positive or neutral effect on their local community, with 41.18% of the opinion that it has a negative effect.

SUMMARY OF GENERAL POINTS MADE

GENERAL POINT MADE	NUMBER OF RESPONSES
Impact of current premium of 100% on number of long-term empty properties on Anglesey	
Little or no impact	146
The current premium encourages owners to sell or let their property	62
The current premium creates a financial penalty that forces long-term empty property owners to sell or let their property	105
The Isle of Anglesey County Council currently uses £1m of the income generated from the long-term empty property premium and second home premium to provide grants and loans to first time buyers to help them buy or renovate their home. Opinion on best use of premium.	
All of the income generated should be used to support local people purchase their first property	118
More than the current level should be used	43
The current level is sufficient	73
Less of the income should be directed to support local people purchase their first property	79
How should the Isle of Anglesey County Council use the additional income if the change to the current premium generated additional income to the Council	
All of the income generated should be used to support local people purchase their first property	81
The additional income should be used to support other services affected by the lack of sufficient housing on Anglesey, such as homeless prevention	65
The additional income should be used as general funding for all Council services	44
The additional income should be used to reduce the level of standard Council Tax for taxpayers	123
Impact of raising long-term empty home premium on the local community	
Positive	103
Neutral	48
Negative	119
Do not know	19

3 FINANCIAL IMPACT OF THE DIFFERENT OPTIONS IN RESPECT OF THE LONG-TERM EMPTY PROPERTY PREMIUM

- 3.1 In order to understand the financial impact on the Council of increasing the premium, it is important to understand that the income from the premium does not affect the sum received as Aggregate External Finance (AEF) from WG.
- 3.2 Any income generated from the premium is additional funding for the Council.
- 3.3 The following table shows the difference in income generated from various options for premiums by year:-

INCOME GENERATED FROM VARIOUS OPTIONS FOR PREMIUMS BY YEAR					
Year	Option 1	Option 2	Option 3	Option 4	Option 5
0	£1,183,341	£1,775,012	£0	£986,086	£1,584,022
1	£1,335,569	£2,003,354	£333,324	£1,309,506	£1,656,951
2	£1,335,569	£2,003,354	£666,647	£1,632,642	£1,765,611
3	£1,335,569	£2,003,354	£999,971	£1,945,162	£1,950,612
4	£1,335,569	£2,003,354	£1,333,295	£2,249,959	£2,249,959
5	£1,335,569	£2,003,354	£1,666,618	£2,559,541	£2,559,541
6	£1,335,569	£2,003,354	£1,999,942	£2,893,386	£2,893,386
7	£1,335,569	£2,003,354	£2,333,266	£3,293,668	£3,293,668
8	£1,335,569	£2,003,354	£2,666,589	£3,733,945	£3,733,945
9	£1,335,569	£2,003,354	£3,333,237	£3,988,985	£3,988,985
10	£1,335,569	£2,003,354	£3,999,884	£3,999,884	£3,999,884
Total	£14,539,034	£21,808,552	£19,332,773	£28,592,765	£29,676,564
Total Excl Year 0	£13,355,693	£20,033,540	£19,332,773	£27,606,678	£28,092,542

3.4 The following table shows the difference in income generated from Option 1, which is no change to the current premium:-

Difference from Option 1, No Change				
Year	Option 2	Option 3	Option 4	Option 5
0	£591,671	-£1,183,341	-£197,255	£400,681
1	£667,785	-£1,002,246	-£26,063	£321,382
2	£667,785	-£668,922	£297,072	£430,042
3	£667,785	-£335,598	£609,593	£615,042
4	£667,785	-£2,275	£914,389	£914,389
5	£667,785	£331,049	£1,223,972	£1,223,972
6	£667,785	£664,373	£1,557,817	£1,557,817
7	£667,785	£997,696	£1,958,099	£1,958,099
8	£667,785	£1,331,020	£2,398,376	£2,398,376
9	£667,785	£1,997,667	£2,653,416	£2,653,416
10	£667,785	£2,664,315	£2,664,315	£2,664,315
Total	£7,269,517	£4,793,739	£14,053,730	£15,137,530

3.5 As can be seen from the table above, if option 3 or 4 was selected, there would be a loss in income initially.

3.6 Option 5 will generate additional income in year 1 of approximately £400k. With all options, there is the potential for the increase in premium to actually make the owners sell or let the property, i.e. the primary purpose of the premium, and so income levels could be lower than noted in the report. There is also the risk that the owners may try and avoid the higher premium by furnishing the property and classifying it as a second home, where the premium remains at 100%, or they strip out the property and try to get it taken off the Council Tax list. These risks are applicable to all the options, but are mitigated to some extent by the fact that we only include 80% of the properties in the taxbase.

4 CONSIDERATION ON HOW TO USE THE ADDITIONAL INCOME

4.1 Assuming that the chosen option generates around £400k initially, this additional income could be used to support priority areas aligned with the Council's strategic objectives, including, but not limited to:-

- Addressing housing supply and availability;
- Provide additional capacity for Housing Services to help first time buyers to purchase or renovate a house on Anglesey;
- Support service pressures associated with the prospective changes in the local economy;
- Contributing to wider place-based or community sustainability initiatives.

Exceptions from the premium on long-term empty properties

- **Class 1:** dwellings being marketed for sale – this exception is time-limited for 12 months
- **Class 2:** dwellings being marketed for let – this exception is time-limited for 12 months
- **Class 3:** annexes forming part of, or being treated as part of, the main dwelling
- **Class 4:** dwellings which would be someone's sole or main residence if they were not residing in armed forces accommodation