BROMSGROVE DISTRICT COUNCIL

Cabinet 16 September 2026

Discretionary Council Tax Reduction Policy 2026/27

Relevant Portfolio Holder	Councillor S Nock
Portfolio Holder Consulted	Yes
Relevant Assistant Director	Debra Goodall Assistant Director Finance and Customer Services
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Wards Affected	All
Ward Councillor(s) consulted	No
Relevant Council Priority	
Non-Key Decision	
If you have any questions about this report, please contact the report author in advance of the meeting.	

1. RECOMMENDATIONS

The Cabinet RECOMMEND that:-

i) The revised section 13A(1)(C) policy be approved and adopted.

2. BACKGROUND

2.1 The council has the power under section 13A(1)(C) of The Local Government Finance Act 1992 (LGFA '92) to reduce the amount of council tax that a person is liable to pay. The power may be exercised on a case-by-case basis or by determining a class of case in which the liability will be reduced.

2.2 The existing policy for determining section 13A(1)(C) reductions was adopted from 1st April 2024 and is due to be reviewed.

2.3 The review has considered representations made by the Marie Curie charity, which has advocated for council tax discounts for individuals living with terminal illness, and specific guidelines for support for people with terminal illness has been incorporated into the draft policy.

3. OPERATIONAL ISSUES

3.1 The existing policy sets out when officers will use discretionary powers to provide case-by-case reductions. Guidelines for the assessment and award of discounts for Worcestershire County Council care leavers, support under Government's flood recovery framework, ad-hoc

Government supports schemes, and reductions in cases of exceptional hardship are set out within the policy.

3.2 The revised policy includes guidelines for reductions where the liable person for council tax has been diagnosed with a terminal illness.

3.3 The terminal illness support has been considered following representation made by the Marie Curie charity, which has requested local councils provide a 100% discount to people who have received a diagnosis of terminal illness.

3.4 Marie Curie has proposed the discount because around 110,000 people die in poverty each year in the UK. The charity states that a terminal diagnosis often brings lost income and higher living costs, and council tax relief could provide significant financial support.

3.5 The revised policy sets out that where the liable person has been diagnosed with a terminal illness then a discount of up to 100% will be considered. The reduction will not be available for second homes or empty homes, and when assessing reductions consideration will be made to the financial circumstances of the household.

3.6 The policy intends to balance appropriate support for people with terminal illness with the financial costs of providing relief and the financial position of the household receiving relief. A blanket policy to apply 100% relief to all taxpayers facing terminal illness would mean granting support to individuals with the ability to pay their council tax liability, to taxpayers who own multiple dwellings, and to taxpayers of unoccupied homes or second homes.

3.7 The policy intends to provide a flexible approach to the assessment of support in cases of terminal illness and will allow the council to work with the individual to maximise the support they are receiving, including support from energy providers and charitable organisations, ensuring they are not solely reliant on the provision of a council tax discount.

3.8 Discounts will be considered where a medical professional has confirmed terminal illness by completion of an SR-1 form. Applicants will normally be required to claim all relevant statutory support, including council tax support, before a discretionary award is considered. Where, following the assessment of support, a liability remains, consideration will be given to the wider financial circumstances of the household, including the ability to pay or where appropriate to defer payment of the liability.

3.9 When assessing the ability to pay the factors that will be considered are:

- Whether the taxpayer is the sole resident of their home and whether there are assets available that would enable council tax liability to be deferred until a later date.
- Whether the household has capital resources of more than £16,000, excluding the value of their home.
- Where household income exceeds £35,000 per annum.

These factors are not intended to operate as absolute limits but will assist officers in determining whether it is reasonable for the household to contribute towards their council tax liability. The proposed thresholds broadly reflect eligibility criteria used within other forms of means-tested or targeted Government support and provide officers with a consistent framework for assessing ability to pay
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3.10 In developing the proposed approach consideration has been given to how other billing authorities have responded to calls for additional support for residents living with a terminal illness. The use of Section 13A(1)(C) powers is discretionary and approaches vary between authorities; a review of current practice provides context in considering the balance between financial support for vulnerable residents and appropriate use of public funds.

3.11 Worcestershire authorities, Wyre Forest District Council, Wychavon District Council, Malvern Hills District Council and Worcester City Council, do not currently provide support to residents with a terminal illness. Taxpayers would be required to apply for council tax support, and where a council tax liability remained, they may make an application for support under exceptional hardship schemes.

3.12 Bristol City Council and Manchester City Council have recently introduced specific support schemes for residents with a terminal illness.

3.13 The Manchester scheme provides a full reduction in liability upon production of an SR-1 form for a resident of the dwelling and does not require consideration of the wider financial resources available to the household.

3.14 The Bristol scheme limits support to residents that are liable for council tax and allows for a proportional relief based on the number of jointly and severally liable taxpayers i.e. where the terminally ill resident is solely liable for council tax 100% support is provided, where two people are jointly and severally liable support would be reduced to 50%.

3.15 The proposed Bromsgrove scheme retains an assessment of the household's financial circumstances. This ensures that support can be targeted to households experiencing financial hardship because of terminal illness, whilst avoiding the provision of automatic relief to households with significant income, capital or assets.

3.16 The proposed policy is considered to strike a balance between providing compassionate support to residents with a terminal illness and maintaining effective use of public funds. The scheme retains discretion to award up to 100% relief. Unlike schemes that limit relief to a proportion of the liability attributable to the terminally ill person, the scheme recognises that the finances of couples who live together as spouses or as civil partners are typically shared. This enables support to be determined by reference to the financial position of the household.

3.17 The council tax legislation provides a route of appeal to the Valuation Tribunal against decisions to refuse to provide support under 13A(1)(C). The policy will provide officers with a framework for making decisions on a case-by-case basis from households requesting discretionary support.

3.18 The other key changes in the revised policy are:

Clarification of legislative context

Revised policy adds references to Collection Fund Directions and clarifies the cost of any discretionary reduction is borne entirely by the billing authority.

Expanded Detail on Relief Categories

Care Leavers: Worcestershire County Council must confirm care leaver status. The policy now explains proportional discounts for joint liability more clearly.

Flood Recovery Framework: Includes detailed eligibility criteria, conditions and duration of relief.

Evidence and Applications Process

The revised policy provides a clearer list of evidence requirements, improving transparency and consistency.

Backdating and Appeals

Structured appeal steps and timelines have been added to ensure fairness and clarity for applicants.

4. FINANCIAL IMPLICATIONS

4.1 The Collection Fund (Council Tax Reductions) (England) Directions 2024 require billing authorities to transfer the costs of reductions under 13A(1)(C) from the general fund to the collection fund. This means that the full costs of all 13A(1)(C) reductions are met by the billing authority.

4.2 An agreement with Worcestershire County Council is in place which ensures that the authority is reimbursed for the costs of care leaver reductions for WCC care leavers.

4.3 No data is available on the precise number of council taxpayers living with a terminal illness. The population of the Bromsgrove District is approximately 102,000, and data indicates that there are around 1,100 deaths each year. Whilst no reliable data exists detailing the number of residents that would be eligible for support the districts ageing population, and the prevalence of conditions such as cancer mean that it can be assumed that a continuing group of residents will meet the SR1 end-of-life criteria.

4.4 Only a proportion of the SR-1 cohort will be liable for council tax and require discretionary support and therefore the actual number of awards could be relatively modest. By way of illustration, were 20% of indicative cohort of 100 to 300 taxpayers to qualify for support the annual cost could be between £22,000 and £66,000.

5. LEGAL IMPLICATIONS

5.1 The power to provided reductions to council tax is set out at section 13A(1)(C) of the Local Government Finance Act 1992.

6. OTHER - IMPLICATIONS

Local Government Reorganisation

6.1 None

Relevant Council Priority

6.2 The administration of discretionary reductions supports the council's Economic Development and Housing priorities by assisting vulnerable residents and helping individuals maintain their place within the community.

Climate Change Implications

6.3 None

Equalities and Diversity Implications

6.4 Equalities Impact Assessment completed.

7. RISK MANAGEMENT

7.1 The table below identifies specific risks and mitigations in relation to the administration of discretionary council tax reductions. The table is not exhaustive and provides information on the main identified risks.

Risk	Mitigations
Financial Risk. The cost of discretionary reduction is met by the billing authority, and no specific budget is set aside for provision of reductions.	The costs of discretionary reductions will be monitored monthly and reported to Head of Finance and Customer services
Reputational Risk. The absences of a policy could limit the council's ability to defend valuation tribunal appeals, or result in adverse findings by the local government ombudsman	Approval of the policy will mitigate the risks and provided clear framework for the assessment of applications for support.

8. APPENDICES and BACKGROUND PAPERS

Appendix A – Council Tax Section 13A(1)(C) Policy
Appendix B – Equalities Impact Assessment

9. REPORT SIGN OFF

Department	Name and Job Title	Date
Portfolio Holder	Cllr S Nock	Jan 2026

Lead Director / Assistant Director	Debra Goodall	Jan 2026
Financial Services	Debra Goodall	Jan 2026
Legal Services		