

**Executive Committee
2026**

13th January

Discretionary Council Tax Reduction Policy 2026/27

Relevant Portfolio Holder	Councillor Ian Woodall
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 Executive Committee RECOMMEND that:-

- 1) The revised section 13A(1)(C) policy be approved and adopted from 1st April 2026**

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 Marie Curie has advocated for council tax discounts for individuals living with terminal illness. The review of the policy has considered the representations made by Marie Curie and has included specific reference to support for people with terminal illness.

3. OPERATIONAL ISSUES

- 3.1 The existing policy sets out when the council will use their discretionary powers to provide case-by-case reductions for Worcestershire County Council care leavers, support under Government's flood recovery

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framework, wider Government support, and reductions in cases of exceptional hardship.

- 3.2 The revised policy retains the specific provisions for support for care leavers and for support under the flood recovery framework. The policy also includes reference to support that will be available where the liable person for council tax has been diagnosed with a terminal illness.
- 3.3 Marie Curie has requested local councils provide a 100% discount to people who have received a diagnosis of terminal illness. When revising the policy consideration, has been made to the Marie Curie request.
- 3.4 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.
- 3.5 The policy intends to balance support for people with terminal illness, the financial costs of providing relief, and the financial position of the household receiving relief. It would not be appropriate to adopt a blanket policy that provides a 100% discount in all cases where the liable person has a terminal illness. A blanket policy would provide support to owners of multiple dwellings and unoccupied second homes or would provide support to individuals with the ability to pay their council tax liability.
- 3.6 A flexible approach to the assessment of support for people with terminal illness will allow the council to work with the individual to ensure that they are receiving all support available, including support from energy providers and charitable organisations, and are not reliant on the provision of a council tax discount.
- 3.7 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.
- 3.8 The key changes in the revised policy are:
- 3.9 **Clarification of legislative context**

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

3.10 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.

Terminal Illness Support: Introduces a new category for residents diagnosed as terminally ill, with clear eligibility and proportional reduction rules.

3.11 Evidence and Applications Process

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

3.12 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 (WCC) is in place to ensure that this authority is reimbursed for the cost of council tax reductions granted to care leavers who were previously supported by WCC.
- 4.3 Care leavers who originate from outside Worcestershire County are not covered under the Worcestershire Care Leavers Concordat. However, they are encouraged to seek financial support from the local authority that provided their care services.

5. LEGAL IMPLICATIONS

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- 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.

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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 None

RISK MANAGEMENT

7.1 The table below identifies specific risks and mitigations in relation to the administration of tax liability for unoccupied homes. 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

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