Report to the Overview and Scrutiny Management Committee – 13 February 2026
Cabinet – 23 February 2026
Council – 26 February 2026

Review of Locally Defined Discounts for Council Tax in 2026/27

Report of the Executive Director of Corporate Resources (S151 Officer)

Report Status:
This item is not exempt
Therefore exempt reasons are not applicable

This is a key decision. The matter is in the Forward Plan
Forward Plan Ref: 0001/26.

1. Purpose of the Report and Summary

1.1 This report outlines the Council Tax Discounts Policy Framework proposed for 2026/27. The report includes details of the locally defined Council Tax discounts in the city of Hull, in line with legislation and local priorities for the next 12 months (2026/27).

1.2 Locally defined Council Tax discounts are reviewed annually to ensure that our policies remain lawful, decisions are supported by evidence of need reflecting current local data and Members retain clear accountability for financial impacts. The annual review of this policy supports sound governance and assurance.

1.3 The report outlines the proposal to implement an additional locally defined Council Tax discount aimed at supporting residents diagnosed with a terminal illness with less than 12 months left to live, following Full Council support on 20th November 2025.

1.4 The report also outlines a proposal to implement changes to the current locally defined Council Tax discount for care leavers; with the removal of the means test for those care leavers aged between 20 and 24 years (inclusive) providing 100% discount against their Council Tax liability without the need for a means tested application.

1.5 The report summarises an overview of existing discounts, their fiscal impact, and recommendations for policy adjustments to better address housing needs, encourage property use and support vulnerable groups. Locally defined Council Tax Discounts are subject to annual policy review and therefore any proposals within this report will also be subject to annual review.

2. Recommendations

2.1 All changes made to locally defined Council Tax discounts must comply fully with the Council's Council Tax Discounts Policy Framework outlined in Section 6 of this report. Members are asked to continue to support the Council Tax Discounts Policy Framework outlined within this report at Appendix 1.

2.2 In addition, members are asked to

2.2.1 Approve the new locally defined Council Tax discount for terminally ill residents, where they have less than 12 months left to live, evidenced by providing an SR1 form and assessment for Council Tax Reduction.

2.2.2 Approve the removal of the requirement for means testing for care leavers aged between 20 and 24 years (inclusive) for access to locally defined Council Tax discount. Using care leaver data provided by the Leaving Care Team to enable the award of up to 100% discount against Council Tax liability in line with the current scheme for 18-20 year olds.

3. Reasons for Recommendation

3.1 Terminally Ill

3.1.1 Marie Curie released a briefing for Local Government titled Dying in Poverty 2024 which outlined a recommendation for Authorities to consider the opportunity to apply its local discretion for Council Tax discounts to those who are defined as terminally ill. Marie Curie defines terminal illness as "an illness or condition is terminal when it cannot be cured and it is likely to lead to someone's death".

3.1.1 The Marie Curie briefing paper presented new research on financial insecurity faced by people at the end of life. The report indicated that in Hull around 38% of working-age people and around 24% of pension age people are dying in poverty.

3.1.2 On 20th November 2025 Full Council passed a Motion to support the Marie Curie campaign calling for Council Tax relief for terminally ill residents and to set out changes to policies to provide a commitment to support people who have been diagnosed with a terminal illness.

3.1.3 Whilst this paper notes the proposal to locally implement the discount, it is crucial to note that local Council's are funding this discount from already constrained local budgets. Terminal illness is in a fundamentally different category from other local discounts, making it

appropriate for national treatment, similar to other nationally recognised Council Tax exemptions.

3.1.4 Across the Country Councils are reviewing their Council Tax local discount policies in light of the findings of the research conducted by Marie Curie.

3.1.5 Manchester implemented their scheme in June 2025 and Barnsley in October 2025. Other Council's are considering implementing schemes in 2026.

3.1.6 For the purpose of administering a Council Tax Discount the criteria is restricted to people who are in receipt of a clinician completed SR1 form (Special Rules medical form), which advises that the named person:

- Has a progressive disease (note not solely cancer, includes other life-limiting conditions). And,
- As a consequence of that disease, it is expected that the patient will die within 12 months.

The SR1 form confirms the date from which the person meets these criteria.

The SR1 form is currently used to support fast-tracked benefit claims under Special Rules via the DWP such as PIP, Attendance Allowance and Universal Credit.

3.1.7 In order to support households where someone is living with a terminal illness a Council Tax Discount is recommended from 1st April 2026. The discount will be paid no earlier than 1st April 2026 regardless of the date the SR1 form is issued.

3.1.8 The discount will apply where there is a terminally ill resident who occupies the property as their sole and main residence within the Hull City Council area.

3.1.9 The level of discount applied will be upto 100% of any Council Tax liability after any entitlements to any Council Tax Reduction, reliefs, exemptions or other discounts (such as single person discount) have been calculated and awarded.

3.1.10 Assessment of support will also be undertaken upon application to ensure individuals are enabled to maximise their capacity to receive additional financial support beyond just the means of Local Council Tax Discount. This will be reconfirmed annually to ensure individuals are supported in their financial wellbeing. Where awarded the discount will remain in force for policy period, death, or., when the terminally ill person ceases to be resident in the property, whichever date occurs first.

3.2 Care Leavers

3.2.1 In May 2025 the Young People's Scrutiny Group presented research and findings of young care leavers aged between 20 and 24 years and their experience of applying for the current Council Tax means tested discount.

3.2.2 Their research found that the current means tested application approach is a perceived barrier to accessing the support available. To apply for the discount the care leaver is required to undergo an assessment of their financial situation with their personal assistant (PA). Care Leavers reported being unaware they were eligible for the help, and some reported that they would need help to enable them to apply. The application process can be a complex burden for the care leaver.

3.2.3 Additionally, there is a correlation between those care leavers that don't apply and nonpayment of Council Tax as often individuals struggle to make the Council Tax payments due to being on low incomes. Claims can be made for Council Tax Reduction, which although reduces their charge to 20%, is still a difficult process for them to navigate and often results in arrears with enforcement action being taken. During 2025/26 only 19 care leavers aged between 20 and 24 (inclusive) have applied for the discount under the current scheme.

3.2.4 Currently 100% discount is granted to care leavers aged 18-20 years (inclusive) which is not subject to the same level of means testing, the discount is applied by using information provided by the Leaving Care team. Extending this same approach to 20-24 year olds' (inclusive) will support approximately 200 care leavers in this age group. This evidences a drop off rate between the non-means tested and means tested stages within the current policy framework.

3.2.5 A joint campaign by The Children's Society and the Children's Commissioner for England are seeking more financial support for care leavers with the campaign calling for Council's in England to exempt care leavers from paying Council Tax up to the age of 25. Within Hull, we continue to champion this approach and support the need for this funding discretion to be applied at a national level rather than through local authority constrained budgets.

3.2.6 Nationally more than 11,000 young people become care leavers each year and councils as "corporate parents" are responsible for ensuring that care leavers have the best possible start in life and to prepare and support them as they take the first steps to independence. Care leavers are more financially vulnerable than their peers, with a reported 83% of care experienced young people struggling to afford essentials. (National Leaving Care Benchmarking Forum survey).

3.2.7 The Local Government Association (LGA) has publicly called on the Government to introduce a fully funded national Council Tax exemption for care leavers upto the age of 25. The LGA's position is

based on the principle that care leavers face unique disadvantages and should receive the same level of protection and support as any reasonable parent would provide to their own children.

4 Key Organisational Impacts

4.1 Council Tax is a major funding stream for the Council. Funding of Locally Defined Discounts is borne by Hull City Council. Government provide a fixed grant to cover the partial cost of the Council Tax Reduction Scheme any shortfall between the grant and the cost of locally defined discounts must be met locally. The Council Tax base is affected as less Council Tax is collected.

5 Impact on other Executive Committees (including Area Committees) and decision makers:

5.1 The decisions made within this report are City wide and do not impact specifically on any Executive Committees (including Area Committees).

6 Impact on other key strategies/business plans:

6.1 As a corporate parent, Hull City Council has a responsibility to support care leavers into independence. The Council Tax discount for care leavers removes a major financial pressure at a vulnerable transition point, directly supporting the “protecting the public especially vulnerable people” and “building resilient communities” elements of the Council Plan (2024 – 2028).

6.2 Reducing Council Tax liability can help care leavers sustain tenancies, avoid debt and stay in education, training or employment, supporting long-term goals around inclusive economic growth and reducing inequality.

6.3 The care leavers discount depends on close working between the Leaving Care Team and the Revenues and Benefits service, reinforcing the Council Plan of “organisational excellence by working in partnership”.

6.4 Supporting those with a terminal illness with less than 12 months to live focuses resources on residents who may be suffering from a loss of income and additional costs. Aligning with the Council Plan’s emphasis on inequality and protecting the most vulnerable.

6.5 The Council to continue to lobby Government through working with Local MP’s and the LGA, and continue to contribute via member networks, supporting LGA campaigns for policy change to Council Tax exemptions for care leavers and those with a terminal illness with less than 12 months left to live in order to make these discounts nationally funded exemptions.

6.6 The Council to continue to lobby Government through working with The Children’s Society and the Children’s Commissioner for England to make these discounts nationally funded exemptions.

7. Equalities Impact Information

7.1 An Equality Impact Assessment has been carried out to provide evidence that "due regard" has been paid to the different protected characteristics when administering the Council Tax Locally Defined Discounts and meet the aims of the general equality duty; eliminating unlawful discrimination, advancing equality of opportunity and fostering good relations.

7.2 Digital accessibility and alternative application methods of face to face, telephone and paper-based applications if needed are available.

8. Consultation

8.1 The legal requirement to formally consult is required for any proposed change to the Local Council Tax Reduction scheme introduced in April 2013. There are no proposals for change to the Council Tax Reduction scheme in 2026/27 therefore consultation has not been necessary.

8.2 Consultation has been carried out for the proposed changes to the locally defined discounts for the changes to care leavers with the Young People's Scrutiny Panel and colleagues in the Leaving Care Team.

9. Background

9.1 Council Tax discounts and exemptions are provided for and governed by The Local Government Finance Act 1992, The Council Tax (Exempt Dwelling) Order 1992 and The Council Tax (Prescribed Class of Dwelling) (England) Regulations 2003, all of which have been subject to various amendments between 2000 and 2024. Amendments brought about by The Local Government Act 2003 in conjunction with the Council Tax (Prescribed Classes of Dwellings) (England) Regulations 2003 (as amended) and The Local Government Finance Act 2012, allow the Local Authority, via its Executive to review Council Tax Discounts awarded under Section 11(2)(a), 11A and 13A(1)(c) of the LGFA 1992.

9.2 Local Government Act 2003 and the Council Tax (Prescribed Classes of Dwellings) (England) Regulations 2003, allow the Local Authority, via its Executive to introduce its own discount categories to reflect local circumstances and requests (Section 13A). The Council Tax (Prescribed Classes of Dwellings and Consequential Amendments) (England) Regulations 2024 provides for exceptions to premiums levied on long term empty properties and second homes.

9.3 From 1 April 2004 the Council has discretion to reduce the amount of Council Tax payable that is not covered by statutory discounts or exemptions under Section 13A amended to 13A(1)(c) from 1 April 2013. This discretion can be exercised in relation to particular individual cases or by determining a class of case. The reduction can be for a specific period of time and the liability can be reduced by any amount the Council thinks fit. Any discounts that are awarded are fully funded by Hull City Council.

10. Council Tax Discounts Policy Framework

10.1 The Council Tax Discounts Policy Framework is outlined within Appendix 1 detailing the established local discounts in place. Any proposed Council Tax discount must satisfy:

- That the award of any discretionary discount is legal.
- That the awarding of any discretionary discount to any individual or group of individuals is made within the context of national or Council policy and that the benefit to the individual or group of individuals identified is directly in line with furthering of the strategic or corporate aims of the Council.
- That the implementation of any such award is administratively and operationally manageable with existing Council resources.
- That the awarding of any discretionary discount is, throughout the period of the award, financially sustainable.
- That any individual or group of individuals awarded the discretionary discount is precisely and accurately defined to minimise the risk of class action, which may broaden the award beyond the individual or group of individuals envisaged by the council to be the beneficiaries of any such award.
- That any and all awards are open to annual review and can be amended or withdrawn on an annual basis.

It is confirmed all locally defined discounts align with the above criteria.

11. Issues for Consideration

11.1 Consideration has been given to the Council's Equality Duty. There are no decisions within the report that adversely affect any group with protected characteristics.

12. Options and Risk Assessment

Financial Implications:

12.1 Supporting Terminally Ill residents

12.1.1 The cost of this proposed discount has been estimated at **£480,000** and is reflected in the budget report.

12.1.2 There is a risk that applications for the terminal illness discount may exceed the estimated case load therefore progress will be monitored closely with results being used to inform future direction for this discount.

12.2 Extending the existing care leavers scheme

12.2.1 The cost of this proposed change has been estimated at **£180,000** and is reflected in the budget report.

12.2.2 Collaborative working with the Leaving Care Team will ensure that care leavers are fully supported with their Council Tax via regular data being provided for example, rising 18 year olds and changes in circumstances.

12.3 Addressing local issues is crucial and it's important to consider sustainability of the locally defined discount schemes supported – especially where demand is high and government funding is restricted. Close monitoring of spend throughout the year will be carried out.

13. Comments of the Monitoring Officer

13.1 Appendix 1 sets out the detail of the existing scheme for discounts. The Monitoring Officer notes the contents of the report and detail contained within it and has no further comment to add.

14. Comments of the Executive Director of Corporate Resources (S151 Officer)

14.1 The Executive Director of Corporate Resources (Section 151 Officer) is the author of this report.

15. Comments of the Assistant Director OD & HR and compliance with the Equality Duty

15.1 The content of the report is noted. There are no staffing issues arising for the council from this decision. The equality impact assessment addresses the impact of the decisions on the relevant protected characteristics and mitigates against any adverse consequences. KH

16. Comments of Overview and Scrutiny

16.1 This report will be considered by the Overview and Scrutiny Management Committee at its meeting on the 13th February, 2026. Sc9128

David Bell, Executive Director of Corporate Resources (S151 Officer)

Contact Officer: Amanda Renton – Head of Revenues and Benefits

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Officer Interests: None

Background Documents: - The Local Government Finance Act 2012

Implications Matrix

This section must be completed and you must ensure that you have fully considered all potential implications

This matrix provides a simple check list for the things you need to have considered within your report

If there are no implications please state

I have informed and sought advice from HR, Legal, Finance, Overview and Scrutiny and the Climate Change Advisor and any other key stakeholders i.e. Portfolio Holder, relevant Ward Members etc prior to submitting this report for official comments	Yes
I have considered whether this report requests a decision that is outside the Budget and Policy Framework approved by Council	Yes
Value for money considerations have been accounted for within the report	Yes
The report is approved by the relevant Director/Assistant Director	Yes
I have included any procurement/commercial issues/implications within the report	Yes
I have considered the potential media interest in this report and liaised with the Media Team to ensure that they are briefed to respond to media interest.	Yes
I have included any equalities and diversity implications within the report and where necessary I have completed an Equalities Impact Assessment and the outcomes are included within the report	Yes
Any Health and Safety implications are included within the report	No
Any human rights implications are included within the report	Yes

I have included any community safety implications and paid regard to Section 17 of the Crime and Disorder Act within the report	No
I have liaised with the Climate Change Advisor and any environmental and climate change issues/sustainability implications are included within the report	No
I have considered how the decision may contribute or impact on culture and heritage within the city.	N/A
I have included information about how this report contributes to the Community Plan/ Area priorities within the report	Yes
I have considered the impact on air quality, carried out an appropriate assessment and included any resulting actions or opportunities necessary to improve air quality in the report.	No

Appendix 1 – Council Tax Discounts Policy Framework

Council Tax discounts are reviewed annually to ensure that our policies remain lawful, decisions are supported by evidence of need reflecting current local data and Members retain clear accountability for financial impacts.

2nd Homes and Empty property

0% discounts for 2nd homes and those homes that are empty and uninhabitable

2nd Homes Premium

100% premium on 2nd homes where the property is not someone's main residence but remains furnished such as holiday homes.

Empty Property Premiums

Apply empty property premiums on the Council Tax charge for properties empty for over 1 year (100% extra charge), 5 years (200% extra charge) and those empty for over 10 years (300% extra charge).

Zero discounts for empty properties and charging an additional 100% premium for those that have been empty more than 1 year, 200% premium for those properties empty for 5 years or more and an additional 300% for those empty for 10 years or more. The City has a demand for accommodation that exceeds the number of properties available within it's boundaries and there is ongoing concern regarding owners leaving properties empty.

Special Constabulary (Police) Discount

The Special Constables local discount encourages citizens living in the City to volunteer as Special Constables by providing a reward for their work. 25% discount awarded per individual, which is paid to the Humberside Police Authority as an allowance. Direct discounts cannot be made to Police Constables due to legal requirements specific to the police, Hull City Council reimburses to the Police Authority. The allowance is paid annually in arrears. The allowance is aimed to improve recruitment of special constables in the Hull area.

Volunteer Reserve Forces Discount

The discount for Volunteer Reserve Forces recognises the service of local reservists called up to serve their country abroad. 75% discount awarded.

From the 01 April 2004 a volunteer reserve forces discount was defined as a category for people within the Volunteer Reserve Forces who are enlisted to serve operationally within their respective force for a period in excess of 28 days.

Care Leavers Discount

Council Tax Discount under section 13A(1)(c) of the LGFA 1992 for young people leaving the care system as a result of reaching the age of 18. The discount enables Hull City Council to support those care leavers who would otherwise struggle with the

transition from care to independence, enabling them to avoid debt and giving them more time to learn to manage their finances. Upto 100% discount is awarded.

For the purposes of this discount a care leaver is a young person who left care as a result of reaching 18 years of age including young people who move into the City who have been cared for by other Local Authorities as to exclude them would unreasonably discriminate against some young people purely on the basis that they have moved into the City

The discount is awarded after other statutory exemptions or discounts have been applied to ensure the care leaver has no Council Tax to pay from age 18 to 24 years (inclusive). Therefore, the amount of discount awarded varies depending on other discounts that would apply but could be up to 100% of Council Tax liability for that individual for the year applicable. Where there is a shared liability for Council Tax the discount is only paid to cover the share that the looked after person is liable for.

The discount is also payable for those households that lose a Council Tax discount as a result of a young person in care turning 18 and becoming an adult in the household for Council Tax purposes, such as the loss of single person discount.

The discount is awarded automatically based on notifications received from the Council's Leaving Care Team to the Council Tax department. Care Leavers who move into the City aged 18 to 24 years (inclusive) are able to apply directly to the Council for the discount. Verification of their status is required from the Local Authority who cared for them up to the age of 18.

Council Tax Reduction Scheme

The existing Local Council Tax Reduction scheme which awards a maximum discount to Working Age households on low incomes of up to 80% of their liability.

Discretionary Hardship Fund

Discretionary Hardship Funds to reduce the summons costs applied to small balances by £50 to £30 and a separate fund to allow flexibility to reduce the Council Tax bills of households suffering extreme financial hardship.

Empty Property being adapted for Disabled

100% Council Tax discount for up to 6 months from date of purchase where a property has been purchased by a disabled person and requires adaptations relating to their disability before they can occupy it.

Terminal Illness Discount – New for 2026

Upto 100% Council Tax discount for residents who are terminally ill residing in the City.

For the purposes of this discount a terminally ill individual is defined as a person who has been diagnosed by a registered medical practitioner to have an illness or condition that cannot be cured and is likely to lead to someone's death.

Councils must plan for terminally ill residents so that they have the support they need during one of life's most difficult times. The 100% discount from Council Tax liability for terminally ill will apply from the date an SR1 form (special rules medical form) is issued but not before 1st April 2026 when the discount is introduced, for 12 months.

The discount is applicable for a property where there is a terminally ill resident, who occupies the property as their sole and main residence.

The level of discount applied will be 100% of any Council Tax liability after any entitlements to any Council Tax Reduction, mandatory reliefs, exemptions or other discounts (including single person discount) have been calculated and awarded.

This scheme does not apply to residential care homes or houses in multiple occupation.

Applications should be made via the online application process with a copy of the SR1 form being required to confirm eligibility.

Right of Appeal

Under Section 16 of the Local Government Finance Act 1992, there is a right of appeal if a person applying for discretionary relief under Section 13A is not happy with the Council's decision. The appeal must be made on the online dispute form using the following link Disagree or appeal a Council Tax decision | Hull
https://www.hull.gov.uk/accounts-charges/appeal-council-tax-decision

The Council will then reconsider the discount requested, together with any additional information provided, against the policy criteria.

If the original decision is upheld and the applicant remains dissatisfied, there is a further right of appeal to the Valuation Tribunal. The Valuation Tribunal for England is an independent body which adjudicates on disputes between taxpayers and the Council.