

Scrutiny Briefing Note

The Health and Adult Social Care Scrutiny Panel have asked to monitor progress on the following issue. This briefing contains the latest position as at September 2026.

Subject: Local Taxation and Benefits Briefing Paper - Council Tax Terminal Illness Discount – September 2026.

Background

Councils across the country have been lobbied by a number of organisations such as The Marie Curie Foundation to consider the introduction of a Council Tax discount for the terminally ill.

Following full Council's proposed 2026/27 budget amendment, the detail below outlines options for the introduction of a scheme for a Council Tax discount for terminally ill residents to commence from April 2027.

Scheme Proposal

The purpose of any Terminal Illness Council Tax Discount Scheme would be to provide immediate financial relief to households experiencing severe financial hardship as a result of terminal illness, recognising:

- The significant additional costs associated with terminal illness
- The impact on household income and employment
- The need for a simple, dignified and non-intrusive process

The proposed scheme would fully remove Council Tax liability for eligible households for a defined period.

The discount would be awarded under the Council's discretionary powers:

- Section 13A(1)(c), Local Government Finance Act 1992
(Discretion to reduce Council Tax liability to any extent, including 100%)

This discount would apply after all statutory exemptions, discounts and Council Tax Support (CTS) have been applied.

- Level of discount:
100% reduction of remaining Council Tax liability
- Order of application:
 1. Statutory exemptions and discounts
 2. Council Tax Support (where applicable)
 3. Terminal Illness Discount (to reduce remaining liability to zero)



- Proposed Duration: Until two months after the death of the terminally ill person to a maximum of 12 months from the date of award.

Evidence of Terminal Illness

The council would apply a light touch, compassionate approach to required evidence of illness. A copy of the DS1500 / Special Rules 1 (SR1 form) would be provided by the applicant.

How the scheme would be delivered

The scheme would be administered by the Council Tax team which is part of the Local Taxation and Benefits Service. Ties would be made with NHS colleagues and Macmillan to support those with a terminal diagnosis to access the discount. An online application process would also be made available.

Possible Costs

We know that almost 100 residents gained access to a Blue Badge in 2025 using an SR1 form as part of the application process, whilst the actual numbers of residents given the terminal diagnosis is unknown, if we use this as an indicator based on a band A property, we would see a reduction in the level of collectable council tax in the region of £160k. The cost of the scheme would fall on the Council Tax collection fund.

Governance of the Scheme

The scheme constitutes a discretionary policy and not a formal statutory scheme and would typically require a cabinet decision. It is therefore recommended that the scheme proposal would be included in the Council Tax Base Report for 2027/28 which goes to full Council in December 2026.

Although statutory consultation is not required it is good practice to ensure that there is a clear policy criteria and approval audit trail.

Key risks and considerations

There is uncertainty regarding the level of demand (and subsequently cost) as it is very difficult to forecast volumes of applications.

The Council would need to ensure a clear eligibility criteria and consistent decision making. There would also be a reputational expectation to continue with the scheme once it has been introduced as it would be difficult to withdraw the scheme.

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