Appendix B

Terminally Ill Council Tax Relief

1. Purpose of the Report

To seek approval for the introduction of a discretionary Council Tax relief scheme to support households within Rushcliffe Borough where a resident is living with a terminal illness, by removing Council Tax liability and reducing financial hardship at end-of-life.

2. Background and Context

Households experiencing terminal illness often face significant emotional, physical, and financial pressures. These include:

- Loss of income
- Increased care and living costs
- Reduced ability to manage financial commitments

National welfare policy recognises this vulnerability through fast-tracked “end-of-life” rules. Locally, councils have discretion to provide additional support through Council Tax reductions.

This proposal is similar to other schemes adopted locally by Broxtowe Newark and Sherwood Councils.

3. Proposal Overview

It is proposed that Rushcliffe Borough Council introduce a discretionary Council Tax relief scheme which will:

- Provide **up to 100% Council Tax relief** for eligible households;
- Apply where the liable person, their partner, or a member of their household is terminally ill;
- Be delivered using the Council’s discretionary powers under **Section 13A(1)(c) of the Local Government Finance Act 1992**.

This approach ensures that eligible households will have **no remaining Council Tax liability** during the end-of-life period.

4. Eligibility Criteria

To qualify for support under the scheme, applicants must:

- Be in receipt of **Local Council Tax Support (LCTS)**; and
- Provide a valid **SR1 form**, completed by an appropriate medical professional, confirming:
  - A progressive disease; and
  - A clinical expectation that the individual may have **12 months or less to live**.

The relief will apply whether the terminal illness affects the liable person, their partner, or another member of the household.

5. Level and Duration of Support

- Eligible households will receive up to 100% Council Tax reduction.
- Relief will commence from the date of the SR1 (or an appropriate administrative start date).
- The award will continue until the end of the financial year in which the individual passes away.
- Where the individual survives beyond 12 months, relief will continue without reassessment or penalty.

6. Financial Implications

The scheme will be delivered through a Section 13A(1)(c) discretionary reduction, meaning:

- The award is not part of the statutory Council Tax Support scheme
- The cost is fully borne by Rushcliffe Borough Council as the billing authority

Estimated costings

Assumptions:

- 1,400 households within RBC contain a terminally ill resident
- This equates to 2.6% of all occupied properties within Rushcliffe (assuming one person per household)
- There are currently 1,430 live LCTS claims where people have to pay something towards their Council Tax – the reminder already receive full LCTS

- This means (assuming an even spread of terminal cases) there are potentially 36 properties that would be eligible for this relief.

Of the people receiving LCTS that have to pay towards their Council Tax, the following are the amounts:

Average £14.44 per week

Median £34.02 per week

Maximum £68.04 per week

Scheme A – award relief to households in receipt of LCTS

Assume direct split between households

£14.44 per week x 36 cases x 52 weeks = £27k

Scheme B – award relief to all households

£2,277 per annum x 1,400 cases = £3.2m

Potential risks to estimated costings

- Scheme would be administered as a S13a local discount, so all costs of the scheme would be bourne by Rushcliffe Borough Council. This cost may vary between £30k and £150k per year
- Number of households increase, which would significantly increase the cost
- The split between LCTS and non LCTS households is not even, leading to more eligible households
- The average cost is not representative, as some cases may cost up to £68 per week (taking total cost over £120k)
- Potential negative publicity if disagreements or if people live past the 12 month cut off
- More demand leading to more LCTS claims, or even widening of the scheme

7. Conclusion and Recommendations

This proposal introduces a **targeted, compassionate and financially controlled discretionary relief scheme** for households affected by terminal illness.

The scheme:

- Is **fully funded and controlled by Rushcliffe Borough Council**
- Uses established **Section 13A powers**

- Focuses support on the **most vulnerable residents**

It is recommended that:

1. Scheme A is approved (awarding relief to households in receipt of LCTS)
2. Relief be awarded in accordance with the criteria set out