

REPORT TO:		Council	
DATE:		26 February 2027	
PORTFOLIO:		Cllr Vanessa Alexander – Resources and Council Operations	
REPORT AUTHOR:		Lee Middlehurst, Head of Benefits, Revenues and Customer Contact	
TITLE OF REPORT:		Council Tax Exceptional Hardship Scheme – proposed new exemption for care leavers	
EXEMPT REPORT:	No		
KEY DECISION:	No	If yes, date of publication:	

1. **Purpose of Report**

This report presents an amendment to the current Council Tax Exceptional Hardship Scheme, with an inclusion of a local Council Tax exemption for care leavers up to the age of 25.

2. **Recommendations**

- 2.1 It is recommended that the Council Tax Exceptional Hardship scheme attached to this report, as Appendix 1, is approved and that the new local exemption is applied to Council Tax bills as soon as is reasonably practicable in order to provide the care leaver exemption from 01 April 2026.

3. **Reasons for Recommendations and Background**

- 3.1 Since 2017, Lancashire County Council (LCC) have been committed to ensuring care leavers in Lancashire up to the age of 25, do not have to face the responsibility of paying Council Tax
- 3.2 In order to improve the administration of this process, both for LCC, and the Council, as well as the relevant care leavers themselves, it is proposed that the Council implements a new local Council Tax exemption.
- 3.3 A summary of the current process, and, revised process is shown below:

Current process

- A personal advisor from LCC visits the care leaver to obtain signed consent for the Council Tax bill to be sent to LCC
- Hyndburn, as the Billing Authority, issues LCC with the Council Tax bill for LCC to arrange payment.
- If a change in circumstances occurs, for example the care leaver may be eligible for a discount, a revised Council Tax bill is issued.
- A delay in LCC making payment can result in recovery action, and, additional costs being incurred

Proposed new process

- A personal advisor from LCC visits the care leaver to obtain signed consent for the Council Tax exemption notice to be sent to LCC
- Hyndburn, as the Billing Authority, issues LCC with the Council Tax exemption notice.

3.4 The Councils Council Tax Exceptional Hardship scheme was previously reviewed in 2016, and, 2021.

4. Alternative Options Considered and Reasons for Rejection

4.1 The Council could continue with the current administrative processes with LCC relating to care leavers. This is not considered to be the most effective way of dealing with potential support for young care leavers.

5. Consultations

8.1 Consultation has been undertaken with Lancashire County Council, the Police and Crime Commissioner for Lancashire, and, Lancashire Fire and Rescue Services, as the Councils major preceptors for Council Tax and as persons likely to have an interest in the operation of the revised scheme.

9. Implications

Financial implications (including any future financial commitments for the Council)	<p>The collection of local taxes remains a priority for the Council and having relevant and up to date policies provides the necessary framework for officers.</p> <p>While there is no direct financial implication for the Council as a result of these discount schemes, having a published scheme provides</p>
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	<p>guidance and transparency for local ratepayers.</p>
<p>Legal and human rights implications</p>	<p>The administration of Council Tax is done within legislative frameworks and guidance. Any and all legal and human rights implications have been considered and balanced against the rights of the individual and the obligations placed on the authority for the collection and administration of local taxes. The protection of vulnerable groups and individuals has been considered extensively as have the rights of our residents and customers. Legal implications and human rights have been considered at each stage and the policy intentions within this report are considered proportionate and justifiable when balanced against the rights of the individual.</p> <p>The Council has power to make its exceptional hardship scheme and make the Council Tax reduction proposed pursuant to Schedule 13a Local Government and Finance Act 1992.</p> <p>In accordance with paragraphs 3 and 5 of Schedule 1A of the 1992 Act the Council has consulted its major preceptors and those likely to have an interest in the revised hardship scheme. The Council has also published the revised draft hardship scheme by publication on the Council website.</p>
<p>Assessment of risk</p>	<p>Having written guidance reinforces the Council's mandate to administer taxes on behalf of the Council and its preceptors and provides necessary transparency for rate payers – both of which lessens the risk of accusations of maladministration and legal challenge.</p>
<p>Equality and diversity implications</p>	<p>The Council is subject to the public sector equality duty introduced by</p>

A [Customer First Analysis](#) should be completed in relation to policy decisions and should be attached as an appendix to the report.

the Equality Act 2010. When making a decision in respect of the recommendations in this report Council must have regard to the need to:

- eliminate unlawful discrimination, harassment and victimisation; and
- advance equality of opportunity between those who share a relevant protected characteristic and those who don't; and
- foster good relations between those who share a relevant protected characteristic and those who don't.

For these purposes the relevant protected characteristics are: age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex and sexual orientation. To assist the Council in this regard a Customer First Analysis has been carried out and is presented with this report at Appendix 2. Council is advised to consider the Customer First Analysis and associated obligations in respect of the public sector equality duty when making a decision in respect of the recommendations contained in this report.

**10. Local Government (Access to Information) Act 1985:
List of Background Papers**

Council Tax Exceptional Hardship scheme 2021 –
<https://www.hyndburnbc.gov.uk/download/council-tax-hardship-scheme/>

11. Freedom of Information

- 11.1 The report does not contain exempt information under the Local Government Act 1972, Schedule 12A and all information can be disclosed under the Freedom of Information Act 2000.



HYNDBURN

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an excellent council

Council Tax Exceptional Hardship Scheme

April 2026

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1. Policy Aim

- 1.1 Hyndburn Borough Council is the billing authority responsible for the billing and collection of Council Tax in Hyndburn.
- 1.2 We are committed to maximising the income available for local services and residents and as such we have produced a series of policies through which we manage the collection and recovery of Council Tax in Hyndburn. We have two main aims:
 1. **To provide an efficient, proactive and accessible service to our residents and taxpayers. We will administer accounts quickly, accurately and fairly.**
 2. **To provide an effective, legal and fair recovery policy to all outstanding debts. We will use all available methods of enforcement to ensure that our local services are funded.**
- 1.3 The collection of Council Tax is crucial to the operation of many local services; we are sensitive to the needs of all our taxpayers and consider that our collection and recovery processes are a fair reflection of the balance between individual circumstances and the responsibility we have to the majority of taxpayers who pay on time.

2. About this policy

- 2.1 This document outlines the Council's policy intentions for the operation of an Exceptional Hardship Scheme for Council Tax.
- 2.2 As part of our commitment to transparency this policy is an accurate record of our practices and will be maintained, updated and published so that it is available to taxpayers.
- 2.3 This policy covers the main processes adopted by Hyndburn Borough Council and is intended only as an overview and not as a comprehensive explanation of the whole of the Council Tax system. As such there are aspects of Council Tax law and practices not included in this document but which are nevertheless followed and applied by us in the billing, collection and recovery of Council Tax.
- 2.4 While the process of billing and collecting taxes is sometimes complicated, it is our intention that this policy is straight forward and written in Plain English. We welcome your questions or feedback, please email enquiries@hyndburnbc.gov.uk if you require any help with this document.

3. Introduction

- 3.1 Section 76 Local Government Act 2003 inserted Section 13A to the Local Government Finance Act 1992:

Billing authority's power to reduce amount of tax payable:

- (1) Where a person is liable to pay council tax in respect of any chargeable dwelling and any day, the billing authority for the area in which the dwelling is situated may reduce the amount which he is liable to pay as respects the dwelling and the day to such extent as it thinks fit.

- (2) The power under subsection (1) above includes power to reduce an amount to nil.
- (3) The power under subsection (1) may be exercised in relation to particular cases or by determining a class of case in which liability is to be reduced to an extent provided by the determination.

3.2 This policy will focus on the process of reducing Council Tax liability due to hardship.

Council Tax Hardship Scheme

- 3.3 The Council Tax Hardship Scheme is available to all persons liable to pay Council Tax to Hyndburn Borough Council.
- 3.4 The Council Tax Hardship Scheme is administered by Hyndburn Borough Council.
- 3.5 The Council Tax Hardship Scheme may provide temporary financial assistance to Council Tax payers by reducing their Council Tax liability. The operation of this scheme is at the total discretion of Hyndburn Borough Council.

Legislation

- 3.6 Council Tax is covered by several pieces of legislation and regulation, the main statute being the Local Government Finance Act 1992. Others include but are not limited to:
 - The Local Government Act 1972
 - The Local Government Finance Act 1988
 - The Council Tax (Administration and Enforcement) Regulations 1992
 - The Local Government Finance Act 2012

4. Applications

Who can apply?

- 4.1 All persons liable to pay council tax can apply, these include:
 - Owner occupiers
 - Owners of empty properties
 - Tenants
 - Landlords if liable for Council Tax, for example the landlord of a House in Multiple Occupation
 - Persons acting on behalf of liable person i.e. an appointee, solicitor or someone with power of attorney

Who cannot apply?

- 4.2 Any person not liable to pay council tax on a dwelling:

- Landlords of properties where the tenant is liable;
- Estate agents/managing agents on behalf of a landlord;
- Friends/relatives of the liable person (unless acting as an appointee or under a power of attorney);
- Lodgers or other residents who are not liable to pay Council Tax;
- Support agencies (unless acting as an appointee or under a power of attorney);
- Banks or other holders of a mortgage or other legal charge on a property;
- Any tenant or owner occupier not eligible to pay Council Tax in Hyndburn.

Individual applications

- 4.3 Applications to the Hardship Scheme will be accepted from individuals (or more than one person where both/each person is liable for the Council Tax on a single property or multiple properties). Each application will be taken on its own individual merits.
- 4.4 If the individual application is made and the property or individual's circumstances can be grouped with other individuals then the applications will be considered together as a class of cases.

Group applications – class of cases

- 4.5 In some exceptional circumstances, such as a group of properties damaged by a natural disaster, it may be that we can consider a group application as a 'class of cases'. Consideration will be given to the financial hardship experienced in these cases and this scheme may be an appropriate support mechanism once all other financial support avenues have been exhausted.

Applying for a Council Tax Hardship award

- 4.6 Application forms will be provided (Appendix 1). This form and accompanying policy is available online as well as on request. Once issued there is no deadline by which the form must be submitted but applicants are encouraged to apply as soon as possible.
- 4.7 An application to the Hardship Scheme must be received in order for an award to be considered.

Duties of the Applicant and the Applicant's household

- 4.8 A person claiming a Council Tax Hardship award is required to:
- Submit a Council Tax Hardship application form;
 - Provide the Council with such information as it may require to make a decision;
 - Inform the Council of any changes of circumstances that may be relevant to their on-going claim.

Subsequent and multiple applications

- 4.9 Applicants may make subsequent applications once their award has expired or if their circumstances change again or worsen if they have previously been refused. There is no limit to the number of applications that can be made.
- 4.10 The authority will only accept one application at a time.

Applications from joint and severally liable parties

- 4.11 Each individual may make an application on behalf of themselves for their proportion of the Council Tax liability. For example, joint tenants who are not partners each have a 50% liability; one or both may apply for a Council Tax Hardship award separately. This does not affect the joint and several liability provisions in the Council Tax (Administration and Enforcement) Regulations 1992.

5. Awards

Amount and period of award

- 5.1 Both the amount and period of a Council Tax Hardship award is at the discretion of the Council.
- 5.2 When making decisions on Council Tax Hardship applications, the Council will consider:
- Whether or not all other avenues of financial assistance have been pursued;
 - Whether or not there is evidence of hardship or personal circumstances that justifies a reduction in Council Tax liability;
 - That the applicant has made reasonable steps to resolve their situation prior to application;
 - Whether or not the applicant has other financial assets which could be realised and used to pay Council Tax;
 - All other eligible discounts have been awarded to the applicant;
 - The applicant is not entitled to Council Tax Support;
 - Whether or not the Council's finances allow for a discount to be awarded;
 - In the case of an unoccupied property it must not be the sole or main residence of an applicant.
 - Where the situation has arisen due to circumstances out of the applicant's control (e.g. flooding) and is of a temporary nature, individual financial circumstances should not be a primary concern.

How the award will be made

- 5.3 The Council Tax Hardship award will be a reduction in Council Tax liability. The reduction will be applied to the applicant's Council Tax account and a revised bill will

be issued – this reduction will not be given to the applicant as a sum of money, and no cash alternative is available.

5.4 Decisions will be made by the Council's Revenues Team.

Notification letters

5.6 Adjustment notices will be sent to all successful applicants. Notification of decisions will be sent within 14 days of receipt of an application where practicable.

5.7 Letters sent to refuse an application will contain the Council's reasons for refusing the application.

5.8 Notification letters sent to successful applicants will contain:

- The amount of the reduction,
- The period of the reduction,
- Notification to expect a revised bill if it is to be sent separately.

Overpaid Council Tax Hardship Awards

5.9 Overpaid Council Tax Hardship awards will generally be recovered directly from the applicant's Council Tax account, thus increasing the amount of Council Tax due and payable. Overpayments may occur as a result of administrative error by the Council or where the Council is induced to award a Council Tax Hardship award (or a higher award than it might otherwise have made) as a result of false, inaccurate, incomplete or misleading information provided to the Council by the applicant or by another person on the applicant's behalf or at their request.

6. Appeals against Council Tax Hardship decisions

6.1 As this is a discretionary scheme there is no right to appeal against decisions made under the Council Tax Hardship Scheme.

6.2 All applications for reconsideration must be made in writing or by email and must outline the reasons for the reconsideration request. The outcome of the reconsideration will be final. The applicant will be notified in writing detailing the decision made and the reasons for the decision.

7. Council Tax Exemption – Lancashire County Council Care Leavers under age 25

7.1 Since 2017, Lancashire County Council (LCC) have been committed to ensuring Care Leavers in Lancashire up to the age of 25, do not have to meet the responsibility individually of paying Council Tax.

7.2 To improve the administration of this process between LCC and Hyndburn Borough Council, Care Leavers in Lancashire up to the age of 25 will be awarded a local exemption from Council Tax.

- 7.3 This new local exemption will be awarded from 01 April 2026, with the relevant Care Leaver being exempt from Council Tax up to the age of 25.

8. Fraud

- 8.1 The Council is committed to protecting public funds and to ensure that funds are awarded to the people who are rightly eligible to them.
- 8.2 Any applicant who tries to claim a Council Tax Hardship award by declaring false circumstances or providing false statements or evidence in support of their application may have committed an offence under the Fraud Act 2006.
- 8.3 Where the Council suspects that such a fraud may have been committed, this matter will be investigated as appropriate and may lead to criminal proceedings being instigated.

9. Publication

- 9.1 Details of the Council Tax Hardship Scheme will be published on the Council's website and paper copies of this policy and the application form will be made available to residents at our offices at Broadway in Accrington or by request.

Complaints

- 9.2 The Council's Complaints Procedure will apply in the event of any complaint about the application of this policy.

Policy Review

- 9.3 The Council Tax Hardship Scheme will be reviewed annually and may be subject to change. The Council will undertake a review of the scheme each year to ensure that the scheme remains fair and equitable as well as affordable.

Equalities

- 9.4 The Council's intention is to make the Council Tax Hardship Scheme fair and equitable for all applicants.
- 9.5 This policy is accompanied by a Customer First Analysis which has been produced in response to the Council's obligation to the Public Sector Equality Duty as outlined in the Equality Act 2010. No adverse impact on any protected characteristic has been identified as a result of this policy.

Appendix 1: Council Tax Hardship Application Form

Section 1: Your details	
Your Council Tax reference number (if you know it):	
4	0
Your Title:	Your surname:
Your first name(s):	Your date of birth:
Your full address:	
	Postcode:
Preferred telephone number:	Email address:
Address of property for which this Discount is being applied:	
	Postcode:
If someone else is helping you with this form, please give their details:	
Their surname:	Their first name(s):
Their full address:	
	Postcode:
Their preferred telephone number:	Relationship to you:

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Section 2: about your current circumstances
To help us make a decision we need information about your current financial circumstances and what in particular has caused you hardship. For each answer, if you have any documents to support the information you have provided, please provide it with this form. Originals will be returned to you. Please answer each question with as much detail as you can.

Do you own any other properties? If so please provide the addresses:

Have you applied for Council Tax Support, if not, why not?

Is the property undergoing any major structural renovations?

Is the property occupied? If not by you, please provide the occupant's details:

What are the current circumstances which are causing you hardship?

How long do you expect these circumstances to continue?

What have you done to improve this situation?

Are you receiving financial assistance from any other source? If yes, please provide full details:

Please provide any additional information you think will support your claim:

Empty space for providing additional information.

Section 3: statement of income and expenditure

Please provide details of all people living with you:

Name	Date of Birth	Relationship to you

Please provide details of all income for you and your partner if you have one:

Type of income	You: £ per month	Your partner: £ per month
Wages		
Job seeker's allowance (JSA)		

Employment Support Allowance (ESA)		
Incapacity Benefit		
Income Support		
Working Tax Credits		
Child Tax Credits		
Child Benefit		
Pension Credit		
Saving Credit		
Maintenance payments		
Disability Living Allowance		
Personal Independence Payments		
Armed Forces Independence Payments		
Universal Credit		
Occupational Pension		
Private Pension		
Rental Income		
Any other income		
Any other income		
Any other income		
Any other income		
Any other income		

Please provide proof of all income listed above. Please provide original documents where possible – all documents will be returned to you.

Please provide details of all expenditure for you and your partner combined if you have one:

Type of expenditure	Amount per month
Rent/Mortgage	
Council Tax	
Water Rates	
Gas	
Electricity	
Food/household expenses	
TV Licence	
Building and Contents insurance	

Telephone bills (including all mobile phones)	
Sky or cable television	
Internet or broadband	
Car payments	
Car insurance	
Petrol	
Other travel expenses	
Medication	
Clothing	
Credit cards	
Loans	
Store cards	
Hire purchase agreements	
Socialising (including cigarettes)	
Child care	
Child maintenance	
Student loans	
Any other insurance (inc. life, ill health etc.)	
Any other expenditure (please specify below)	
1.	
2.	
3.	
4.	
Total Expenditure:	£

Section 4: declaration

I declare that the information I have given on this form is true and correct. I understand that I may be prosecuted if I try to get a Council Tax Hardship award dishonestly. I authorise Hyndburn Borough Council to make enquiries necessary to verify the details I have given on this form.

For details of how we use your data please visit www.hyndburnbc.gov.uk/privacy-notice

Your signature:

Date

Section 4a: declaration to be signed if you have completed this form on behalf of someone else:

I declare that the information I have given on this form is true and correct. I understand that I may be prosecuted if I try to get a Council Tax Hardship award dishonestly on behalf of the person named in Section 1 as the applicant.

I confirm that I have been given permission by the applicant to complete this form on their behalf. I confirm that I understand that I may not be entitled to any information about this applicant or this application as a result of completing this form. I authorise Hyndburn Borough Council to make enquiries necessary to verify the details I have given on this form.

Your signature:

Date:

Council Tax Hardship Scheme

Customer First Analysis

1. Purpose

- What are you trying to achieve with the policy / service / function?

This analysis covers the Council Tax Exception Hardship scheme. The scheme may provide temporary financial assistance to Council Tax payers by reducing their Council Tax liability.

- Who defines and manages it?

The Local Government Finance Act 1992, and associated legislation provide the scope for reducing Council Tax liability.

Hyndburn's scheme is managed by the Benefits, Revenues and Customer Contact department under its remit to administer and collect Council Tax on behalf of the Council and preceptors.

- Who do you intend to benefit from it and how?

All persons with a liability for Council Tax can make an application for support under this scheme.

The Council Tax Hardship Scheme may provide temporary financial assistance to Council Tax payers by reducing their Council Tax liability.

- What could prevent people from getting the most out of the policy / service / function?

A potential lack of awareness of the scheme.

However, this will be mitigated by including information of the Council website, inclusion of details with Council Tax correspondence, details with Council Tax Support correspondence, and working with local partner organisations to inform them of the scheme.

- How will you get your customers involved in the analysis and how will you tell people about it?

The scheme has followed relevant legislation and as such customer involvement is not considered necessary at this stage.

2. Evidence

- How will you know if the policy delivers its intended outcome / benefits?]

Eligible applicants will benefit from a lower Council Tax bill which may then provide other financial support for them to meet other household commitments.

- How satisfied are your customers and how do you know?

In relation to this schemes it is not possible to say at this stage.

Awards made under this scheme will be monitored.

- What existing data do you have on the people that use the service and the wider population?

We hold relevant data on our those with a liability for Council Tax which allows us to verify and confirm details when an application is made, and to make awards.

- What other information would it be useful to have? How could you get this?

None at this stage.

- Are you breaking down data by equality groups where relevant (such as by gender, age, disability, ethnicity, sexual orientation, marital status, religion and belief, pregnancy and maternity)?

Not relevant to this scheme.

- Are you using partners, stakeholders, and councillors to get information and feedback?

Not relevant to this scheme.

3. Impact

- Are some people benefiting more – or less - than others? If so, why might this be?

T N/A - The scheme follows guidance set out by legislation.

4. Actions

- If the evidence suggests that the policy / service / function benefits a particular group – or disadvantages another - is there a justifiable reason for this and if so, what is it?

N/A – The scheme follows the guidance set out by legislation.

- Is it discriminatory in any way?

No, as this scheme is open to all persons with a liability for Council Tax

- Is there a possible impact in relationships or perceptions between different parts of the community?

No, as this scheme is open to all persons with a liability for Council Tax.

- What measures can you put in place to reduce disadvantages?

n/a

- Do you need to consult further?

Consultation has been undertaken with Lancashire County Council, Police and Crime Commissioner for Lancashire, and, Lancashire Fire and Rescue Services, as the Councils major preceptors for Council Tax.

- Have you identified any potential improvements to customer service?

All applications will be administered proactively, as it is anticipated that applications are most likely to be made by those facing exceptional financial hardship.

It is intended that this will provide temporary financial support to eligible residents, eliminate any application delays.

- Who should you tell about the outcomes of this analysis?

This analysis forms part of the submission of the discount scheme to Council.

- Have you built the actions into your Business Plan with a clear timescale?

n/a

- When will this assessment need to be repeated?

With any major changes to the scheme in the future.

Name: _Lee Middlehurst

Service Area: __Benefits, Revenues and Customer Contact _

Dated: ___January 2026

