

MIDDLESBROUGH COUNCIL



Report of:	Corporate Director of Finance (s151 Officer) – Andrew Humble
Relevant Executive Member:	Executive Member for Finance – Cllr Nicky Walker
Submitted to:	Executive
Date:	4 February 2026
Title:	Exceptional Hardship Fund - Section 13A (1) (a) Policy
Report for:	Decision
Status:	Public
Council Plan priority:	A healthy place
Key decision:	No
Why:	Decision does not reach the threshold to be a key decision
Subject to call in?	Yes
Why:	Non urgent report

Proposed decision(s)

That Executive **APPROVE**

- the refreshed Exceptional Hardship Fund - Section 13A (1) (a) Policy, which includes an additional element for some Care Leavers as set out in 4.5 below, and

APPROVE

- that delegated authority be provided to the Chief Finance Officer to make minor modifications to the Policy in consultation with the Executive Member for Finance.

Executive summary

This report explains the need to review the policy and set out the reasons for the additional element that has been introduced to it.

Directors of Resources agreed the development of a reciprocal agreement between northeast local authorities through which each local authority will fund the payment of

council tax for Care Leavers living in their borough, having received care in any one of the 12 north east authorities.

Approval by Executive is necessary to adopt and extend the policy.

1. Purpose of this report and its contribution to the achievement of the Council Plan ambitions

- This report seeks approval from Executive for adoption of the refreshed Exceptional Hardship Fund - Section 13A (1) (a) Policy under the Local Government Finance Act (LGFA) 1992 (as amended).

Our ambitions	Summary of how this report will support delivery of these ambitions and the underpinning aims
A successful and ambitious town	<i>Council tax revenues are important in maintaining public services and fostering economic growth within the local community. Where reason exists that individuals should not be required to pay, for efficiency of administration it is important that the Council is able to adjust an obligation to pay.</i>
A healthy Place	<i>Provision of additional council tax support is important to the Council's aim of preventing poverty and supporting residents out of poverty.</i>
Safe and resilient communities	<i>Supporting individual residents in exceptional need will contribute to community resilience.</i>
Delivering best value	<i>The implementation of a defined approach assists in efficient administration of requests for support.</i>

2. Recommendations

- That Executive **APPROVE**
 - the refreshed Exceptional Hardship Fund - Section 13A (1) (a) Policy, which includes an additional element for some Care Leavers as set out in 4.5 below, and

APPROVE

- that delegated authority be provided to the Chief Finance Officer to make minor modifications to the Policy in consultation with the Executive Member for Finance.

3. Rationale for the recommended decision(s)

- The proposed scheme confirms, following review, the Council's ongoing approach to requests for additional financial support reducing council tax liabilities and extends to provide additional support to Care Leavers in certain circumstances.
- The Council need to have a policy to set out a framework within which it will provide the additional support.

4. Background and relevant information

- 4.1 The Council's previous policy was last amended by Executive on 26 April 2022 and is due for review within the 2025/26 financial year.
- 4.2 Directors of Resources have advocated that a reciprocal arrangement be developed between northeast local authorities so that their Care Leavers under 25 do not pay council tax, and a working group was established to formulate the detail of an agreement.
- 4.3 The finalised version of the resulting agreement, identifying the 12 authorities concerned, is at **Appendix 2**.
- 4.4 The Council's Council Tax Reduction Scheme (CTR) makes provision for a 100% reduction for all Care Leavers under 25, irrespective of their financial circumstances, so the effect from the agreement is minimal.
- 4.5 There will be some circumstances in which a Care Leaver under 25 may not be eligible for CTR but still will have a liability for council tax, and so to meet the requirements outlined in the agreement it is proposed that the updated policy include provision to apply a discretionary reduction to the bills concerned.
- 4.6 The cost of awards under the policy is met by the Council, although the financial impact will be minimal as a consequence of applying the new policy.
- 4.7 The latest policy does not otherwise feature any other changes in approach.
- 4.8 The repeated continuation by government of the temporary Household Support Fund initially introduced from October 2021 and that ends on 31 March 2026 has allowed the Council to provide financial assistance to taxpayers, including through credit to council tax accounts, alleviating the demand that could otherwise have fallen to consideration under Section 13A. Whilst a new Crisis Resilience Fund is due to provide more funded support from 1 April 2026, it is as yet unclear whether the flexibilities will extend to allow assistance to be provided in the same way as with the Household Support Fund and so the number of Section 13A applications could be greater than made under the existing policy.

5. Ward Member Engagement if relevant and appropriate

- 5.1 Not undertaken, as will not have a significant impact in two or more wards or incur significant expenditure.

6. Other potential alternative(s) and why these have not been recommended

- 6.1 Extending eligibility under the policy further or increasing the value of awards would likely come at a cost to the Council. There is no clear evidence that would suggest a further change is necessary which would justify further cost.

6.2 Not extending the policy to provide for the situations where the Council needs to cover the cost of Care Leaver council tax would be administratively more involved as this would require further manual intervention, additional cost and potentially prone to error.

7. Impact(s) of the recommended decision(s)

Topic	Impact
Financial (including procurement and Social Value)	As minimal financial impact is anticipated under the Policy, the cost will continue to be met from within existing resources.
Legal	Section 13A (1) (a) of the Local Government Finance Act 1992 provides for the reduction of council tax bills described in the Policy. There are no other legal implications arising from this Policy.
Risk	The Policy supports the delivery of the Council's strategic priority to reduce poverty as set out in the Council Plan 2024-2027. Reputational risk from departing from a regional approach to the provision for Care Leavers will be avoided through adoption of the refreshed Policy.
Human Rights, Public Sector Equality Duty and Community Cohesion	There are no disproportionate adverse impacts on any group or individuals with characteristics protected in UK equality law.
Reducing Poverty	Through the provision of additional council tax support, the scheme contributes to poverty reduction among households on low incomes.
Climate Change / Environmental	There are no disproportionate adverse impacts on the aspirations of the Council to achieve net zero, net carbon neutral or be the lead authority on environmental issues.
Children and Young People Cared for by the Authority and Care Leavers	Additional support for Care Leavers is proposed to the extent identified in the report (see 4.5, above).
Data Protection	The collation and use of personal data will be managed in accordance with the Council's Data Protection policy and the Benefits, Council Tax and Business Rates Privacy Notice Privacy notice - Housing Benefit and Council Tax Reduction Middlesbrough Council

Actions to be taken to implement the recommended decision(s)

Action	Responsible Officer	Deadline
Publication on the Council website	Janette Savage	28 February 2026

Appendices

1	Exceptional Hardship Fund - Section 13A (1) (a) Policy
2	Regional Council Tax Care Leaver Scheme
3	Impact Assessment Level 1

Background papers

Body	Report title	Date
Executive Member for Environment, Finance and Governance	Section 13A (1) (a) (Exceptional Hardship Fund) Policy	26 April 2022

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