STATUTORY INSTRUMENTS

2026 No. 27

COUNCIL TAX, ENGLAND

The Council Tax Reduction Schemes (Prescribed Requirements) (England) (Amendment) Regulations 2026

Made - - - -	*13th January 2026*
Laid before Parliament	*15th January 2026*
Coming into force - -	*13th February 2026*

The Secretary of State makes these Regulations in exercise of the powers conferred by section 113(1) and (2) of, and paragraph 2 of Schedule 1A to, the Local Government Finance Act 1992(**a**).

Citation, commencement, extent and application

1.—(1) These Regulations may be cited as the Council Tax Reduction Schemes (Prescribed Requirements) (England) (Amendment) Regulations 2026 and come into force on 13th February 2026.

(2) These Regulations extend to England and Wales.

(3) These Regulations apply in relation to council tax reduction schemes(**b**) made by billing authorities for financial years beginning on or after 1st April 2026.

Amendment of the Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012

2. The Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012(**c**) are amended as follows.

Amendment of regulation 2

3. In regulation 2(1) (interpretation)—

(a) after the definition of "invalid carriage or other vehicle" insert—

(**a**) 1992 c. 14. Section 113(1) and (2) was amended by paragraphs 2 and 9(a) of Schedule 1 to the Local Government Act 1999 (c. 27); paragraphs 40 and 52 of Schedule 7 to the Local Government Act 2003 (c. 26); section 80 of the Localism Act 2011 (c. 20); S.I. 2013/2597, 2015/1376, 2016/997 and 2021/1265. Schedule 1A was inserted by Schedule 4 to the Local Government Finance Act 2012 (c. 17) and was amended by S.I. 2017/1305.

(**b**) See section 13A(9) of the Local Government Finance Act 1992 for the definition of "council tax reduction scheme". Section 13A was inserted by section 10 of the Local Government Finance Act 2012.

(**c**) S.I. 2012/2885; relevant amending instruments are S.I. 2012/3085, 2013/3181, 2014/448, 2014/3312, 2015/2041, 2016/1262, 2017/1305, 2018/1346, 2020/23, 2021/29, 2022/25, 2023/16, 2024/29 and 2025/39.

""LGBT Financial Recognition Scheme payment" means a payment under the Lesbian, Gay, Bisexual and Transgender Financial Recognition Scheme administered under the authority of the Secretary of State for Defence;";

(b) after the definition of "MFET Limited" insert—

""miscarriage of justice compensation payment" means—

(a) a payment made under section 133(1) of the Criminal Justice Act 1988(**a**); or

(b) any other payment made by the Secretary of State, the Scottish Ministers or, in Northern Ireland, the Department of Justice, for the purpose of compensating a person—

(i) for a miscarriage of justice in criminal proceedings, or

(ii) for being wrongfully charged with a criminal offence;";

(c) in the definition of "qualifying person" for "or a vaccine damage payment" substitute ", a vaccine damage payment, an LGBT Financial Recognition Scheme payment or a miscarriage of justice compensation payment";

(d) after the definition of "savings credit" insert—

""Scottish Adult Disability Living Allowance" has the meaning given in regulation 2 of the Disability Assistance (Scottish Adult Disability Living Allowance) Regulations 2025(**b**);".

Amendment of regulation 12

4. In regulation 12 (persons treated as not being in Great Britain)—

(a) in paragraph (5)—

(i) after sub-paragraph (ze) insert—

"(zf) a person who—

(i) was residing in a country or territory outside Great Britain immediately before His Majesty's Government—

(aa) provided public information to advise British nationals to leave that country or territory, or

(bb) arranged the evacuation of British nationals from that country or territory;

(ii) has left that country or territory and is present in Great Britain; and

(iii) has—

(aa) a right of abode in the United Kingdom within the meaning given in section 2 of the Immigration Act 1971(**c**),

(bb) no requirement of leave to enter or remain in the United Kingdom in accordance with section 3ZA of that Act(**d**),

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(**a**) 1988 c. 33.
(**b**) S.S.I. 2025/3.
(**c**) 1971 c. 77. Section 2 was substituted by section 39(2) of the British Nationality Act 1981 (c. 61) and amended by S.I. 2019/745.
(**d**) Section 3ZA was inserted by section 2(2) of the Immigration and Social Security Co-ordination (EU Withdrawal) Act 2020 (c. 20).

(cc) leave to enter or remain in the United Kingdom in accordance with immigration rules made under section 3(2) of that Act, or

(dd) leave on a discretionary basis outside of rules made under section 3(2) of that Act; or

(zg) a person who, as part of a safe and legal humanitarian immigration route, has leave to enter or remain in the United Kingdom in accordance with immigration rules made under section 3(2) of the Immigration Act 1971 or leave on a discretionary basis outside of rules;";

(ii) in sub-paragraph (h) at the end omit "or";

(iii) in sub-paragraph (ha) at the end insert "or";

(iv) after sub-paragraph (ha) insert—

"(hb) in receipt of universal credit.";

(b) after paragraph (5) insert—

"(5A) Paragraph (5)(zf) does not apply after the expiry of 6 months beginning on the day on which the public information is issued, or the evacuation is started.".

Amendment of Schedule 1

5.—(1) Schedule 1 (pensioners: matters that must be included in an authority's scheme) is amended as follows.

(2) In paragraph 5 (periods of absence from a dwelling)—

(a) in sub-paragraph (2)(d) for "(3E) and (3G)" substitute "(3E), (3G) and (3I)";

(b) after sub-paragraph (3G) insert—

"(3H) This sub-paragraph applies where—

(a) a person was present in a country or territory immediately before His Majesty's Government—

(i) provided public information to advise British nationals to leave that country or territory, or

(ii) arranged the evacuation of British nationals from that country or territory;

(b) sub-paragraphs (2)(d), (2A), (2C), (2F), (3B), (3D) or (3F) applied to the person when the public information was issued or the evacuation began;

(c) the relevant authority is satisfied that it would be unreasonable to expect the person to return, or have returned, to Great Britain; and

(d) the person did not enter that country or territory when His Majesty's Government's public information was to advise British nationals to leave that country or territory.

(3I) Where sub-paragraph (3H) applies a period of absence not exceeding 26 weeks, beginning with the first day of absence from Great Britain, shall be treated as a period of temporary absence.

(3J) Where a person is temporarily absent from Great Britain, except where the circumstances in sub-paragraph (2C) apply, the total period which is to be treated as a period of temporary absence will not exceed 26 weeks.".

(3) In paragraph 8 (non-dependant deductions)—

(a) in sub-paragraph (1)(a) for "£15.35" substitute "£15.95";

(b) in sub-paragraph (1)(b) for "£5.00" substitute "£5.20";

(c) in sub-paragraph (2)(a) for "£266.00" substitute "£279.00";

(d) in sub-paragraph (2)(b) for "£266.00", "£463.00" and "£10.20" substitute "£279.00", "£485.00" and "£10.60" respectively;

(e) in sub-paragraph (2)(c) for "£463.00", "£577.00" and "£12.80" substitute "£485.00", "£605.00" and "£13.30" respectively;

(f) in sub-paragraph (6)(b) after sub-paragraph (ii) insert—

"(iia) the care component of Scottish Adult Disability Living Allowance or would be receiving that payment but for the application of regulation 23 (effect of admission to hospital on ongoing entitlement to Scottish Adult Disability Living Allowance) of the Disability Assistance (Scottish Adult Disability Living Allowance) Regulations 2025; or";

(g) in sub-paragraph (9)—

(i) in paragraph (a) after "disability living allowance," insert "Scottish Adult Disability Living Allowance,";

(ii) in paragraph (ba) after sub-paragraph (v) insert—

"(vi) any LGBT Financial Recognition Scheme payment;

(vii) any miscarriage of justice compensation payment;";

(h) in sub-paragraph (10) after paragraph (ag) insert—

"(ah) any LGBT Financial Recognition Scheme payment;

(ai) any miscarriage of justice compensation payment;".

(4) In paragraph 25(10) (treatment of child care charges)—

(a) in paragraph (f) after sub-paragraph (vi) insert—

"(via) Scottish Adult Disability Living Allowance;";

(b) after paragraph (gb) insert—

"(gc) Scottish Adult Disability Living Allowance was payable on account of his incapacity but has ceased to be payable in accordance with regulation 23 (effect of admission to hospital on ongoing entitlement to Scottish Adult Disability Living Allowance) of the Disability Assistance (Scottish Adult Disability Living Allowance) Regulations 2025;".

(5) In paragraph 26(1)(a) (additional condition referred to in paragraph 25(10)(b)(i): disability)—

(a) in sub-paragraph (i) after "pension age disability payment" insert ", Scottish Adult Disability Living Allowance";

(b) after sub-paragraph (ivb) insert—

"(ivc) was in receipt of Scottish Adult Disability Living Allowance that is no longer payable by virtue of regulation 23 (effect of admission to hospital on ongoing entitlement to Scottish Adult Disability Living Allowance) of the Disability Assistance (Scottish Adult Disability Living Allowance) Regulations 2025; or".

Amendment of Schedule 2

6.—(1) Schedule 2 (applicable amounts) is amended as follows.

(2) In column (2) of the Table in paragraph 1 (personal allowance)—

(a) in paragraph (1) for "£244.40" substitute "£256.00";

(b) in paragraph (2) for "£366.00" substitute "£383.35";

(c) in paragraph (3)(a) for "£366.00" substitute "£383.35";

(d) in paragraph (3)(b) for "£121.60" substitute "£127.35";

(e) in paragraph (4) for "£227.10" substitute "£238.00;

(f) in paragraph (5) for "£346.60" substitute "£363.25";

(g) in paragraph (6)(a) for "£346.60" substitute "£363.25";

(h) in paragraph (6)(b) for "£119.50" substitute "£125.25".

(3) In column (2) of the Table in paragraph 2(1) (child or young person amounts), in paragraphs (a) and (b), for "£84.66" substitute "£87.88".

(4) In paragraph 3(a) (family premium) for "£19.48" substitute "£20.22".

(5) In paragraph 5(2) (premiums) after paragraph (c) insert—

"(ca) the care component of Scottish Adult Disability Living Allowance at the highest or middle rate in accordance with regulation 6(4) of the Disability Assistance (Scottish Adult Disability Living Allowance) Regulations 2025;".

(6) In paragraph 6 (severe disability premium)—

(a) in sub-paragraph (2) after paragraphs (a)(i)(bb) and (b)(i)(bb) insert—

"(bba) the care component of Scottish Adult Disability Living Allowance at the highest or middle rate in accordance with regulation 6(4) of the Disability Assistance (Scottish Adult Disability Living Allowance) Regulations 2025;";

(b) in sub-paragraph (6)(a) after sub-paragraph (ii) insert—

"(iia) the care component of Scottish Adult Disability Living Allowance at the highest or middle rate in accordance with regulation 6(4) of the Disability Assistance (Scottish Adult Disability Living Allowance) Regulations 2025;";

(c) in sub-paragraph (7) after paragraph (e) insert—

"(f) as being in receipt of the care component of Scottish Adult Disability Living Allowance at the highest or middle rate in accordance with regulation 6(4) of the Disability Assistance (Scottish Adult Disability Living Allowance) Regulations 2025, if that person would, but for regulation 23 (effect of admission to hospital on ongoing entitlement to Scottish Adult Disability Living Allowance) of those Regulations, be so in receipt.";

(7) In paragraph 7(1) after paragraph (aa) insert—

"(aza) the care component of Scottish Adult Disability Living Allowance is payable, or has ceased to be payable by virtue of regulation 23 (effect of admission to hospital on ongoing entitlement to Scottish Adult Disability Living Allowance) of the Disability Assistance (Scottish Adult Disability Living Allowance) Regulations 2025, at the highest rate in accordance with regulation 6(4) of those Regulations;".

(8) In paragraph 8 after sub-paragraph (aa) insert—

"(ab) is a young person who is in receipt of Scottish Adult Disability Living Allowance or who would, but for payment ceasing by virtue of regulation 23 (effect of admission to hospital on ongoing entitlement to Scottish Adult Disability Living Allowance) of the Disability Assistance (Scottish Adult

Disability Living Allowance) Regulations 2025 be so in receipt, provided that the young person continues to be a member of the family; or".

(9) In the table in Part 4 (amounts of premium specified in Part 3) in the second column—

(a) in paragraphs (1)(a) and (b)(i) for "£82.90" substitute "£86.05";

(b) in paragraph (1)(b)(ii) for "£165.80" substitute "£172.10";

(c) in paragraph (2) for "£32.75" substitute "£33.99";

(d) in paragraph (3) for "£81.37" substitute "£84.46";

(e) in paragraph (4) for "£46.40" substitute "£48.15".

Amendment of Schedule 3

7. In Schedule 3 (amount of alternative maximum council tax reduction) in column (1) of the Table in paragraph 1—

(a) in sub-paragraph (b)(i) for "£276.00" substitute "£289.00";

(b) in sub-paragraph (b)(ii) for "£276.00" and "£358.00" substitute "£289.00" and "£375.00" respectively.

Amendment of Schedule 4

8. In Schedule 4, in paragraph 5(1)(a) (sums disregarded from applicant's earnings) after sub-paragraph (iv) insert—

"(iva) Scottish Adult Disability Living Allowance;".

Amendment of Schedule 5

9. In Schedule 5 (amounts to be disregarded in the calculation of income other than earnings) in paragraph 19(2)(b) for "£72.90" substitute "£75.65".

Amendment of Schedule 6

10. In paragraph 16 of Schedule 6 (capital to be disregarded)—

(a) after sub-paragraph (1H) insert—

"(1I) Any LGBT Financial Recognition Scheme payment.

(1J) Any miscarriage of justice compensation payment.";

(b) in each of sub-paragraphs (2), (3) and (5) to (7) for "or a vaccine damage payment" substitute ", a vaccine damage payment, an LGBT Financial Recognition Scheme payment or a miscarriage of justice compensation payment".

Signed by authority of the Secretary of State for Housing, Communities and Local Government

Alison McGovern
Minister of State
13th January 2026 Ministry of Housing, Communities and Local Government

EXPLANATORY NOTE

(This note is not part of the Regulations)

Section 13A of the Local Government Finance Act 1992 ("the 1992 Act") requires each billing authority in England to make a scheme specifying the reductions which are to apply to amounts of council tax payable by persons, or classes of person, whom the billing authority considers are in financial need. The Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012 ("the 2012 Regulations") prescribe matters which must be included in such a scheme in addition to those matters which must be included in such a scheme by virtue of paragraph 2 of Schedule 1A to the 1992 Act.

These Regulations amend the 2012 Regulations. Regulation 3 inserts new definitions of a Lesbian, Gay, Bisexual and Transgender Financial Recognition Scheme payment, a miscarriage of justice compensation payment and Scottish Adult Disability Living Allowance, which are to be disregarded for certain purposes in calculating a council tax reduction.

Regulation 12 of the 2012 Regulations provides that persons "treated as not being in Great Britain" are not eligible for a council tax reduction; that is, where he or she is not habitually resident in the United Kingdom, the Channel Islands, the Isle of Man or the Republic of Ireland. Regulation 4 of these Regulations amends regulation 12 of the 2012 Regulations. The amendments provide for further exemptions from the habitual residence test for persons who were residing in a country or territory in respect of which the Government has advised British nationals to leave or arranged evacuation, dependent on immigration status and for those in receipt of universal credit.

The figures in the 2012 Regulations which are uprated by regulations 5(3)(a) to (e), 6(2) to (4) and (9), 7 and 9 relate to non-dependant deductions (adjustments made to the maximum amount of reduction a person can receive to take account of adults living in the dwelling who are not dependants of the applicant); the applicable amount in relation to an applicant for a reduction (the amount against which an applicant's income is compared in order to determine the amount of reduction to which he or she is entitled); the income bands in relation to which the amount of a person's alternative maximum council tax reduction is calculated; and the amounts to be deducted from the calculation of the applicant's income.

Regulation 5(2) amends Schedule 1 to the 2012 Regulations to provide in certain circumstances for a temporary period of absence from a dwelling (during which the person is treated as not being absent for the purposes of determining a council tax reduction) for up to 26 weeks where a person is present in a country or territory in respect of which the Government has advised British nationals to leave or arranged evacuation. Regulations 5(3)(f) to (h), (4) and (5) and 8 make amendments to the 2012 Regulations to provide for circumstances in which Scottish Adult Disability Living Allowance (where payable for a transitional period when a person moves from Scotland to England), Lesbian, Gay, Bisexual and Transgender Financial Recognition Scheme and miscarriage of justice compensation payments will be disregarded in calculating a council tax reduction. Regulation 5(5) makes amendments to ensure that Scottish Adult Disability Living Allowance is included in an assessment of incapacity of an applicant's partner. Regulation 6(5) to (8) makes amendments to include relevant payments in the calculation of premiums.

Regulation 10 amends the provisions in Schedule 6 to the 2012 Regulations which relate to the capital of an applicant for a council tax reduction which is to be disregarded in calculating that reduction to add relevant payments to the list of "capital disregards".

An impact assessment has not been produced for this instrument as no impact on the private or voluntary sectors is foreseen.

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