

Social Justice, Housing and Local Government Committee  
28 October 2026  
6<sup>th</sup> Meeting, 2026 (Session 7)

## Note by the Clerk on The Council Tax Reduction (Miscellaneous Amendment) (No. 2) (Scotland) Regulations 2026 (SSI 2026/259)

### Overview

1. At this meeting, the Committee will consider the following Scottish Statutory Instrument (SSI), which is subject to the negative procedure. The Committee is invited to consider the instrument and decide what, if any, recommendations to make.
2. More information about the instrument is summarised below:

**Title of instrument:** [The Council Tax Reduction \(Miscellaneous Amendment\) \(No. 2\) \(Scotland\) Regulations 2026 \(SSI 2026/259\)](#)

**Laid under:** [The Local Government Finance Act 1992](#)

**Laid on:** 10 September 2026

**Procedure:** Negative

**Deadline for committee consideration:** 2 November 2026

**Deadline for Chamber consideration:** 4 November 2026

**Commencement:** 6 November 2026

### Procedure

3. Under the negative procedure, an instrument is laid after it is made, and is subject to annulment by resolution of the Parliament for a period of 40 days beginning on the day it is laid.
4. Once laid, the instrument is referred to:
  - the Delegated Powers and Law Reform (DPLR) Committee, for scrutiny on various technical grounds, and
  - a lead committee, whose remit includes the subject-matter of the instrument, for scrutiny on policy grounds.
5. Any MSP may propose, by motion, that the lead committee recommend annulment of the instrument. If such a motion is lodged, it must be debated at a meeting of the Committee, and the Committee must then report to the Parliament (by the advisory deadline referred to above).

6. If there is no motion recommending annulment, the lead committee is not required to report on the instrument.

## **Delegated Powers and Law Reform Committee consideration**

7. The DPLR Committee considered the instrument on 29 September 2026 and reported on it in its [8th Report, 2026](#). The DPLR Committee drew this instrument to the attention of the Parliament under the general reporting ground for failure to follow standard drafting practice in the title of the instrument.
8. The Scottish Government acknowledged that the title did not follow standard drafting practice, in that '(Scotland)' appeared after '(No. 2)' and advised that it did not intend to take corrective action as the legal effect of the instrument is unaffected. The DPLR Committee was content that corrective action would be inappropriate.
9. The DPLR Committee also raised a reference in [Regulation 3\(3\)\(c\)](#) to the Mother and Baby Institutions Payment Scheme Act 2023, an Act of the Oireachtas of the Republic of Ireland. The provision inserted by Regulation 3(3)(c) did not include a footnote identifying the legislation as an Irish Act. The Scottish Government acknowledged this and advised that it would insert the footnote by correction slip.

## **Purpose of the instrument**

10. The purpose of this instrument is to amend the Council Tax Reduction (Scotland) Regulations 2021 and the Council Tax Reduction (State Pension Credit) (Scotland) Regulations 2012 to ensure certain compensation payments do not reduce entitlement to Council Tax Reduction and to update existing rules.
11. The instrument uprates the Transitional Family Premium to £20.22 when calculating Council Tax Reduction. The Council Tax Reduction (Miscellaneous Amendment) (Scotland) Regulations 2026 omitted the uprating of the amount specified under regulation 20(e) of the Council Tax Reduction (State Pension Credit) (Scotland) Regulations 2012.
12. The instrument amends the regulations to disregard capital and income from compensation payments for historical child abuse in institutions in the UK more broadly when assessing Council Tax Reduction.
13. Income and capital can affect Council Tax Reduction unless they are disregarded under the regulations. The regulations do not specify what counts as capital, but instead set out which sources of capital are disregarded. Under this instrument, the disregard will be expanded, covering other payments in addition to those made under the Redress for Survivors (Historical Child Abuse in Care) (Scotland) Act 2021 ("the 2021 Act").
14. Under the Pension Age Regulations, the instrument broadens the scope of the disregard beyond payments made directly to victims of abuse, as the existing provision relies on the general disregard for personal injury compensation. It will now cover payments made to a person other than the victim of abuse, including

next of kin and nominated beneficiaries, preventing the payment from reducing their Council Tax Reduction entitlement.

15. The instrument also extends the capital disregard under the Working Age Regulations beyond payments made under the 2021 Act.
16. The instrument removes references to Widowed Mother's Allowance, which was replaced by Widowed Parent's Allowance in 2001 and is no longer payable, from both sets of regulations.
17. The instrument amends both sets of regulations so that compensation paid under the Irish Government's Mother and Baby Institutions Payment Scheme is fully and indefinitely disregarded as capital when assessing Council Tax Reduction. This ensures that recipients of the scheme who live in Great Britain do not have their entitlement reduced because of these payments.
18. The Policy Note accompanying the instrument is included in the Annexe. It includes a summary of consultation undertaken on the instrument and the anticipated financial effects.
19. [The child rights and wellbeing impact assessment](#) (CRWIA) has been carried out and Scottish Ministers certify that the instrument is compatible with the UNCRC requirements.

## **Committee consideration**

20. So far, no motion recommending annulment has been lodged.
21. Members are invited to consider the instrument and decide whether there are any points they wish to raise. If members have no points to raise, the Committee should note the instrument (that is, agree that it has no recommendations to make).
22. However, should a motion recommending annulment be lodged later in the 40-day period, it may be necessary for the Committee to consider the instrument again.

**Clerks to the Committee**  
**October 2026**

## **Annexe: Scottish Government Policy Note**

### **POLICY NOTE**

#### **THE COUNCIL TAX REDUCTION (MISCELLANEOUS AMENDMENT) (NO. 2) (SCOTLAND) REGULATIONS 2026**

##### **SSI 2026/259**

The above instrument is made in exercise of the powers conferred by sections 80 and 113(1) and (2) and paragraph 1 of schedule 2 of the Local Government Finance Act 1992. It is subject to the negative procedure.

**The purpose of these Regulations is to amend:**

- **The Council Tax Reduction (Scotland) Regulations 2021; and**
- **The Council Tax Reduction (State Pension Credit) (Scotland) Regulations 2012.**

**The amendments will uprate the family premium in the calculation of entitlement to a council tax reduction.**

**The amendments will broaden the scope of the disregard for payments made by way of compensation for historical child abuse in institutions in the UK, as well as providing for an element of futureproofing.**

**The amendments will remove references to the widowed mother's allowance, which is no longer payable.**

**The amendments will disregard from capital any payment made to a person under the 'Mother and Baby Institutions' Payment Scheme.**

### **Policy Objectives**

This instrument amends the Council Tax Reduction (Scotland) Regulations 2021 ("the Working Age Regulations"), the Council Tax Reduction (State Pension Credit) (Scotland) Regulations 2012 ("the Pension Age Regulations").

#### **Family Premium**

An omission was made in The Council Tax Reduction (Miscellaneous Amendment) (Scotland) Regulations 2026 in that the transitional family premium amount specified under the Council Tax Reduction (State Pension Credit) (Scotland) Regulation 2012:(regulation 20 (e) (applicable amount) was not uprated.

This instrument therefore uprates the Transitional Family Premium figure used in the calculation of council tax reduction, to £20.22.

### Compensation for Historical Institutional Child Abuse

In the assessment of council tax reduction any capital or income a person has can have an impact on their entitlement unless the regulations disregard such a payment. What counts as capital is not specified within the regulations, rather the regulations state what sources of capital are disregarded.

This instrument provides for ‘future proofed’ amendments to both sets of regulations so that further scheme-specific legislative exceptions will not be required for full income and capital disregards to apply to payments from any scheme set up to provide compensation in respect of historical institutional child abuse in the United Kingdom. They provide for a full and indefinite income and capital disregard.

The disregard will continue to cover payments made under the scheme established by the Redress for Survivors (Historical Child Abuse in Care) (Scotland) Act 2021 (“the 2021 Act”) however, it will no longer be confined to payments under that scheme.

In relation to the Pension Age Regulations, the instrument broadens the scope of the existing disregard from treatment as capital, by extending it beyond payments made directly to victims of abuse. The revised disregard will cover *any* payment made in respect of historical institutional child abuse in the United Kingdom, thereby covering payments made to a person other than the victim of the abuse. This could include next of kin and nominated beneficiaries. This amendment will ensure that anyone who receives such a payment will derive the full benefit of the payment. The existing disregard of payments in respect of historical institutional child abuse in the UK is made in reliance on the general disregard of payments made by way of compensation for personal injury, limiting it to payments made directly to victims. In relation to the Working Age Regulations, the instrument also extends the disregard from capital, which currently only covers payments from the scheme under the 2021 Act.

### Widowed Mother’s Allowance

This instrument removes references to Widowed Mother’s Allowance in both sets of regulations. Widowed Mother’s Allowance was a UK social security benefit established in 1946 for widows with dependent children. It was abolished and replaced by Widowed Parent’s Allowance in April 2001 to allow for widowers to claim as well. As it was only paid to a mother who qualified for Child Benefit, it will no longer be payable to anyone given the passage of time.

### Mother and Baby Institutions Payment Scheme

In the assessment of council tax reduction any capital a person has can have an impact on their entitlement unless the regulations disregard such a payment from being counted as capital. These regulations amend both sets of regulations to ensure that any compensation payments made under the Irish Government’s Mother and Baby Institutions Payments Scheme are fully disregarded indefinitely. Some of the recipients of payments under the scheme may now live in Great Britain.

## **EU Alignment Consideration**

This instrument is not relevant to the Scottish Government's policy to maintain alignment with the EU.

## **UN Convention on the Rights of the Child (Incorporation) (Scotland) Act 2024 Compatibility**

The Scottish Ministers have made the following statement regarding children's rights.

In accordance with section 23(2) of the United Nations Convention on the Rights of the Child (Incorporation) (Scotland) Act 2024, the Scottish Ministers certify that, in their view, the Council Tax Reduction (Miscellaneous Amendment) (Scotland) Regulations 2026 is compatible with the UNCRC requirements as defined by section 1(2) of the Act.

## **Consultation**

No formal consultation was to be conducted in relation to these Regulations.

## **Impact Assessments and Financial Effects**

A Child Rights and Wellbeing Impact Assessment is provided with this instrument. No other Impact Assessments have been undertaken.

The Cabinet Secretary for Public Finance and Local Government confirms that no Business Regulatory Impact Assessment is necessary as the instrument has no financial effects on the Scottish Government, local government or on business.

Local Government

September 2026