UKMOD Change Log

Summary of changes between B2026.03 and B2026.05

Date: 29 Oct 2026

This document provides a summary of the changes implemented since the preceding public release of UKMOD. For further technical detail, please consult the Excel log file reported in the 'Log' directory of the model.

Budget Statement 2026

- **Household Energy Payment** provides a one-off £100 payment per eligible primary residence in Council Tax Bands A, B, C or D in January 2027 (2026/27 policy year).
- **Support for Energy Bills**: Cut VAT on domestic electricity from 5% to 0% from 1 October 2026 to 1 July 2027
- **Fuel Duty**: Extend the temporary 5p-per-litre duty cut[1] and defer the planned Retail Prices Index (RPI) increase to 1 July 2027 – both the 5p-per-litre cut and RPI uprating will now occur all at once on 1 July 2027, raising duty from 52.95p to 60.59p per litre.
- **Parental Pay**: Parental Allowance for fathers, partners and adopters introduced in Great Britain from April 2029. Modelled on the Maternity Allowance.
- **Pension Tax Allowance**: Introduced into the model to remove the income tax liability for pensioners with total income up to the value of the new State Pension from 6 April 2027 until 5 April 2030.
- **Property Income**: Increase tax rates on property income by 2ppts at the basic, higher and additional rate from 6 April 2027 (basic rate in 2027 will now be 24%)
- **Savings Income**: Increase tax rates on savings income by 2ppts at the basic, higher and additional rate from 6 April 2027(basic rate in 2027 will now be 24%)

Statistics Presenter

- No changes.

Policy Additions

- A new system has been added to the model for 2031/32, aligning to OBR projections.

[1] Previous announcement was to increase fuel duty by 1p from Sep to Nov 2026, by 3p between Dec 2026 and Feb 2027 and 5p from Mar 2027.

- Added option to simulate devolved taxes on property income in Scotland separately from non-saving non-dividend income

Data Revisions

- All uprating indices updated, including those based on statistics reported by the OBR in the October 2026 edition of the *Economic and Fiscal Outlook*.
- UK_2024_d2 data have now been released.

Code Corrections and Amendments

- Corrected bug in application of consumer prices (4.24) and added revised adjustment parameters to match indirect taxes to NA aggregates.
- Bug corrected for the UK_2018 system which saw the independent child element of the Child Tax Credit counted twice – once for the newly introduced two child limit and another for the legacy policy context.
- Updated forward projections for basic rates of UC to reflect legislation (https://www.legislation.gov.uk/ukpga/2025/22).
- Amended coding of Winter Fuel Allowance (Winter Heating Payment) to better reflect eligibility conditions of scheme as described https://www.gov.uk/winter-fuel-payment/how-much-youll-get. The coding update increases simulated WFA payments by £380 million in 2026 (from £1.3Bn to £1.7Bn), and simulated caseloads by just under 3 million people (from 7 to 9.9 million).
- Amended code for Limited Capability for Work-Related Activity to define explicitly the lower rates payable to new claimants. LCWRA parameters also updated to reflect rates published for 2026/27.
- Income taxes projected by policy tin_uk have been completely revised to improve clarity, resulting in the following substantive adjustments:
    - Starter rate for savings taxes amended
    - Excess of personal allowance to non-dividend income deducted from dividend income
    - Property income taxation revised from last income source – income sources for tax purposes now organised as described in Change to tax rates for property, savings and dividend income — technical note - GOV.UK