Ministry of Defence

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See Distribution

1 April 2026

2026/27 CONTRIBUTIONS IN LIEU OF COUNCIL TAX (CILOCT)

1. With effect from 1 April 2026, daily rates of CILOCT are revised as follows:

CILOCT – SERVICE FAMILY ACCOMMODATION (SFA)

SFA Type	£ Daily
I	9.69
II	9.22
III	8.77
IV	7.42
V	6.69
D	6.08
C	5.77
B	5.27
A	4.36

CILOCT – SINGLE LIVING ACCOMMODATION (SLA)

	£ Daily
Officers	0.56
SNCOs	0.40
Other Ranks	0.15

2. DBS is requested to action the new rates of CILOCT effective from 1 April 2026. CDP Remuneration is requested to upload this letter to the website.

3. **Overseas**. All overseas SFA and SLA (or substitute equivalents) are exempt from CILOCT.

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Distribution:

Action:
DBS AFVS-MilOps-FuOps-ProdOwn4
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Information:
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Annex(es)

A. Contribution In Lieu Of Council Tax (CILOCT) - Frequently Asked Questions

CONTRIBUTION IN LIEU OF COUNCIL TAX (CILOCT) - FREQUENTLY ASKED QUESTIONS

What does CILOCT cover?

The CILOCT payment made to Local Authorities is to cover the same services funded by Council Tax:

a. police and fire services
b. leisure and recreation projects, such as maintaining parks and sports centres
c. libraries and education services
d. rubbish and waste collection and disposal
e. transport and highway services, including street lighting and cleaning, and road maintenance
f. environmental health and trading standards
g. administration and record-keeping, such as marriages, deaths and birth, and local elections.

Do Service personnel pay Council Tax?

Service personnel living in Service provided accommodation are exempt from paying Council Tax under Class O of the Council Tax Order, and instead pay Contributions in Lieu of Council Tax known as CILOCT. This is because Service personnel benefit from the local services provided in their area so the MoD pays a contribution in lieu of Council Tax to Local Authorities at the start of each financial year on behalf of all SP housed in SLA and SFA.

How is CILOCT calculated?

Council Tax rates are determined by individual Local Authorities and vary across the UK. The amount paid to the Local Authorities is calculated by assessing how many properties there are in each Local Authority area, and a prediction on the likely occupation rates of these properties. To ensure that SP are not geographically disadvantaged by paying variable rates of Council Tax across the UK, the overall cost of Council Tax to Defence is aggregated and then apportioned by accommodation type (including SLA rooms). This results in SP paying a flat rate for their defence provided accommodation, regardless of where in the UK they are living. This is why CILOCT is referred to as a contribution. This charge is the ‘Contributions in Lieu of Council Tax’ or CILOCT that appears on your payslip if you live in SFA or SLA.

Why has CILOCT increased for SFA compared to 2025/26?

Increases to CILOCT are linked to Council Tax payments made by Defence to Local Authorities on behalf of SP accommodated in Defence provided accommodation and are subject to the same increases faced by those who pay Council Tax.

Why has CILOCT decreased for SLA compared to 2025/26?

Following a review of the methodology used to calculate CILOCT charges for SLA, the overall cost of Council Tax for SLA is apportioned across the total number of SLA users, whether those users are in receipt of an SLA Waiver or not. This approach is fairer for those SLA users who are not in receipt of an SLA Waiver. In 2026, this methodology increased the number of SLA users across which the overall cost of Council Tax was apportioned and decreased the charges compared to 2025/26.