



PUBLIC SERVICES AND GOVERNMENT

Council Tax Reduction in Scotland, 2018-19

This publication provides statistics on the Council Tax Reduction (CTR) scheme, which reduces the Council Tax liability of low income households in Scotland. A CTR 'recipient' can be a single person or a couple, with or without children, as Council Tax is charged on a per-dwelling basis, rather than to individuals.

The statistics are based on monthly data extracts from local authorities, and cover the time period April 2018 to March 2019.

Key Points

- There were 477,800 Council Tax Reduction recipients in Scotland in March 2019. Those recipients live in slightly less than one-fifth of chargeable dwellings.
- The total number of Council Tax Reduction recipients in Scotland has gradually decreased between the start of the scheme in Scotland in April 2013, and March 2019. The overall decrease is 14 percent (74,580 recipients).
- The weekly income forgone by local authorities on Council Tax Reduction in March 2019 was over £6.4 million.
- The provisional income forgone on Council Tax Reduction in Scotland in 2018-19 was £332.4 million.
- Of all Council Tax Reduction recipients in March 2019:
 - 58 per cent (275,800 recipients) were in one of the 30 per cent most deprived areas in Scotland up from 50 per cent at March 2017;
 - Just over 37 per cent (175,240 recipients) were aged 65 or over; and
 - 16 per cent (78,180 recipients) were lone parents.

Changes in Council Tax and CTR changes since 1st April 2017.

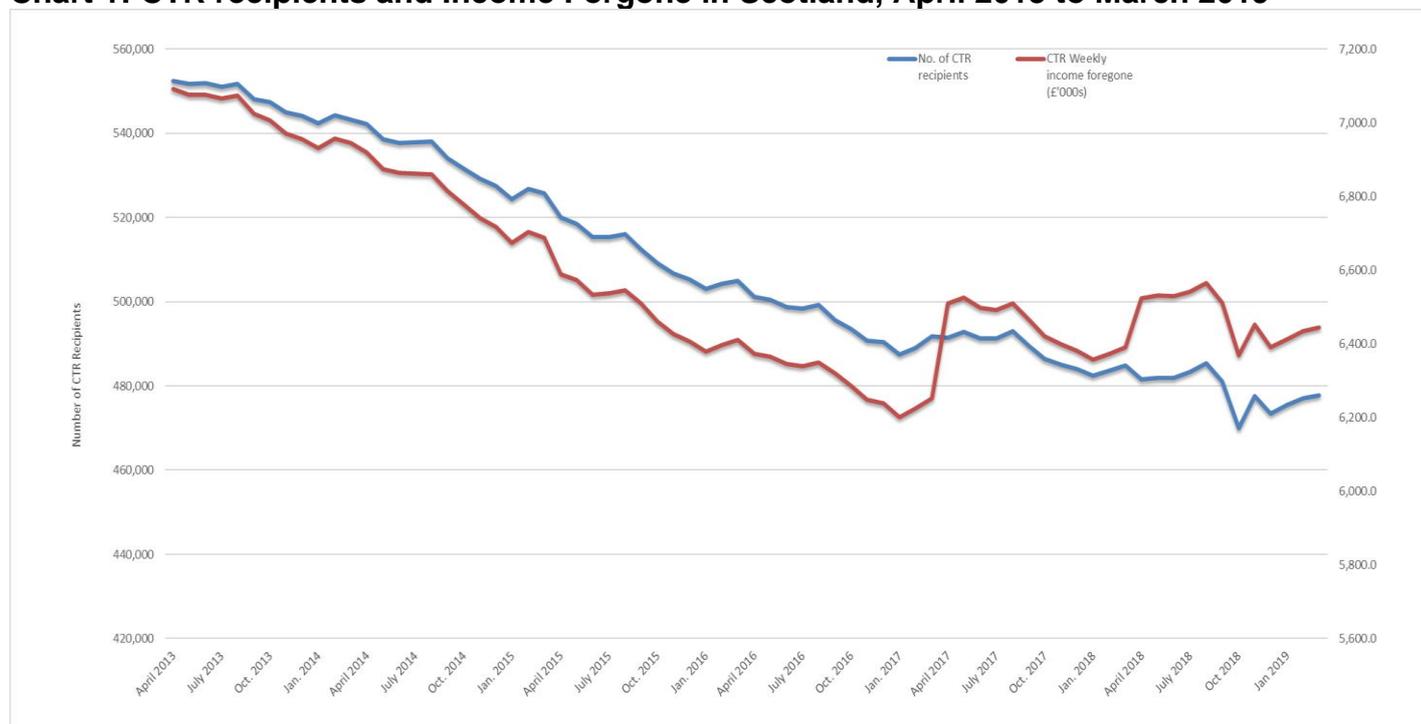
Three changes came into effect on 1st April 2017:

- The Council Tax (CT) freeze in place between 2008-09 and 2016-17 ended and the 2017-18 and 2018-19 Local Government Finance settlements included an agreement between the Scottish Government and local government for locally determined Council Tax increases to be capped at 3%. (See Chart 1 below)
- The child element in the calculation of the Applicable Amount (see Figure 2 below) was increased from £66.90 per week to £83.63 per child.
- CTR recipients in receipt of below median income in CT Bands E to H were eligible to receive CTR to the value of the increase in CT due to the increase in multipliers to be paid by these dwellings relative to the Band D CT rate.

The figures reported in this publication should be viewed in the light of these changes. Chart 1 below shows the effects on CTR of:

- The end of the CT freeze which can be seen with the increase of CTR income forgone in April 2017 and April 2018;
- The introduction of Universal Credit (UC) the effects of which are described in Chart 9 in section 3.1 below (page 15).

Chart 1: CTR recipients and Income Forgone in Scotland, April 2013 to March 2019



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Glossary and Things you Need to Know about this Release

Passporting benefits – receipt of one of the following benefits has the practical effect of automatically qualifying the recipient for full CTR:

- **Income-based Jobseeker’s Allowance** – paid to those who are unemployed and are on a low income.
- **Income-related Employment and Support Allowance** – paid to those on a low income whose ability to work is limited by illness or disability.
- **Income Support** – paid to those on a low income and under state pension age.
- **Pension Credit (Guarantee Credit)** – paid to those on a low income who are over the qualifying age.

Applicable Amount – The amount of money that the government says is required for a household to live on. This is a personal allowance – which varies depending on age and household characteristics – with the potential for premiums to be added. For example, if the applicant is a carer, they would receive the relevant personal allowance **plus** the carer premium. Some examples of personal allowances and premiums for 2018-19 are given in Table 1.

Table 1: Examples of CTR Applicable Amounts components, 2018-19 ^{1,2}

Personal Allowances	2018-19
Single claimant less than 25	£57.90
Single claimant not less than 26	£73.10
Single claimant 65 or over	£176.40
Couple at least one aged 18 years	£114.85
Couple at least one aged 65 years or over	£263.80
Child or young person (from birth to the day before their 20th birthday) ¹	£83.63
Premiums	2018-19
Disability premium for a single person	£33.55
Disability premium for a couple	£47.80
Enhanced disability premium for a single person	£16.40
Enhanced disability premium for a couple	£23.55
Enhanced disability premium for a child	£25.48
Severe disability premium for a single person	£64.30
Severe disability premium for a couple where one qualifies	£64.30
Severe disability premium for a couple where both qualify	£128.60
Care Premium	£36.00
Disabled child premium	£62.86

1 – the child personal element rose by 25% on 1st April 2017.

2 – This table lists some of the more common applicable amounts and is not comprehensive,

Excess Income – The amount left after deducting the household’s applicable amount from their total income. The household’s total income is calculated as the total income from employment, pensions and benefits (although some benefit income may be disregarded).

Income Assessment – Undergone by applicants not in receipt of a passporting benefit, and who have less than £16,000 in savings, to determine their eligibility for CTR. The ‘means-test’ assessment compares the household’s assessable income (as defined under CTR) and their applicable amount.

- If **total income (after income disregards) is less than the applicable amount** then full CTR will be awarded.
- If **total income (after income disregards) is greater than applicable amount** then the household is expected to contribute 20 per cent of their excess income to their Council Tax bill. This results in a tapering effect, where CTR awards decrease as income (after income disregards) increases.

Full CTR – The amount of CTR awarded is equal to the full amount of Council Tax liability for the applicant. For example, if the applicant lived in a Band C house in Edinburgh, their weekly Council Tax liability was £21.14 in 2018-19. If they received full CTR, their CTR award would equal their liability (£21.14) and the amount of CT the household would have to pay would be zero.

Partial CTR – The household contributes 20 per cent of their excess income towards their Council Tax liability and the remainder of the liability is the CTR award. Figure 2 provides an illustrative example of a partial CTR calculation.

1. Introduction

The Council Tax Reduction (CTR) scheme provides low income households with a reduction in their Council Tax liability. The reduction can be any proportion of the liability, up to and including 100 per cent (i.e. the household has their Council Tax liability reduced to £0).

CTR data is reported quarterly. This publication provides the most recent quarterly data for the number of CTR recipients and the weekly income forgone. It also provides more detailed analysis of additional characteristics and weekly awards for March 2019 CTR data.

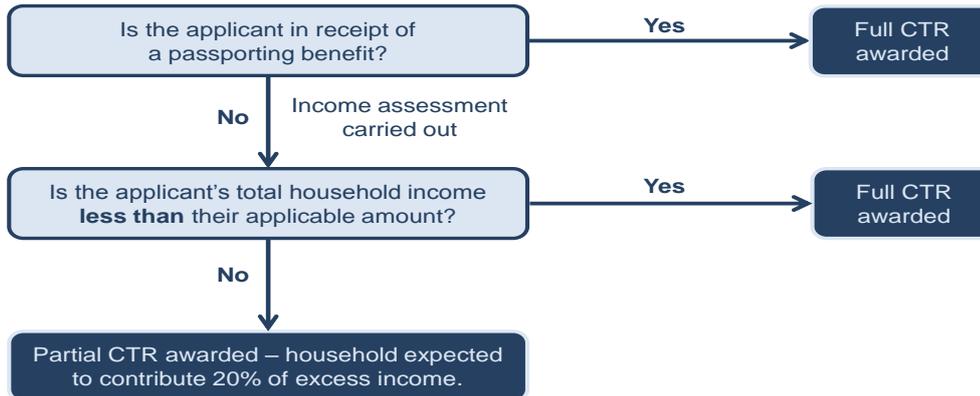
The Scottish Government introduced CTR on 1st April 2013 to replace Council Tax Benefit (CTB). CTB had been the responsibility of the Department for Work and Pensions (DWP) until it was abolished by the UK Welfare Reform Act 2012. Until 1st April 2017, entitlement to CTR in Scotland replicated, as far as possible, previous entitlement to CTB. In 2017 the scheme was changed to increase the child element within the scheme by 25 per cent.

Wider changes also occurred to Council Tax in Scotland in 2017. Council Tax had been frozen between 2008-09 and 2016-17 in line with an agreement reached between the Scottish Government and COSLA. At the end of this period the 2017-18 and 2018-19 Local Government Finance settlements included agreement between the Scottish Government and local government for locally determined Council Tax increases to be capped at 3 per cent. In addition, the multipliers for dwellings in Council Tax bands E to H were changed and a new CTR relief was established for low to middle-income households in properties affected by the changes.

1.1 How CTR awards are calculated

Entitlement to CTR and the amount awarded is based on the status and income of the applicant and their household. Figure 1 shows the process an application goes through to calculate whether CTR should be awarded and, if so, how much.

Figure 1: Process for calculating CTR awards



Note: This is a simplified version, not accounting for capital rules, non-dependant deductions and second adult rebate.

Figure 2: Illustration of CTR Income Assessment 2018-19

A single parent, with two children aged 12 and 14, live in a Band C property in Edinburgh.

In 2018-19 their weekly Band C Council Tax was £15.86

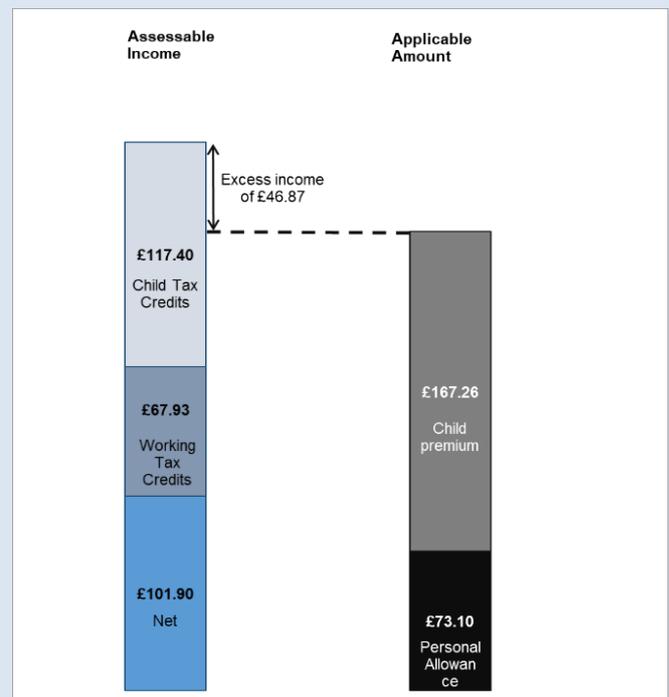
In 2018-19 they had a weekly income made up of earned income (£144.00, £25 of which is disregarded), Working Tax Credit of £67.93 and Child Tax Credits (£117.40, £17.10 which is disregarded).

Earnings	£144.00
Working Tax Credit	+ £67.93
Child Tax Credits	+ £117.40
Weekly Assessable Income =	£329.33
Earnings Disregard (Lone Parent)	-£25.00
Earning Disregard (Tax Credit)	-£17.10
Net Earnings (after disregards)	£287.23

To calculate this household's CTR award,

We first calculate their applicable amount. This household would receive the single personal allowance and two child premiums. So:

Personal Allowance	£ 73.10
Child Premiums	+ £167.26
Applicable Amount =	£240.36



This household's excess income is then = £287.23 - £240.36 = £46.87

As the total income is greater than the applicable amount, partial CTR is awarded and the household is expected to contribute 20% of their excess income towards their Council Tax liability. So **Weekly Household Contribution = 20% of £46.87 = £9.37.**

Weekly CTR Award = £15.86 - £9.37 = £6.49 Hence the household is in receipt of a weekly CTR award for £6.49 and contributes £9.37.

2. Number of CTR recipients

CTR data is reported quarterly and this section updates previous publications. The number of recipients for each local authority in January, February and March 2019 is shown in Table 2. The total number of recipients in Scotland increased from 475,470 in January 2019 to 477,800 recipients in March 2019. This is in line with previous seasonal trends. Details of recipients and income forgone since the inception of CTR are available in the Caseload and Income Forgone tables published at the same time.

Table 2: CTR Recipients by Local Authority, January to March 2019 ^{1, 2}

	Jan-19	Feb-19	Mar-19
SCOTLAND	475,470	477,110	477,800
Aberdeen City	13,790	13,820	13,810
Aberdeenshire	11,550	11,680	11,790
Angus	8,610	8,680	8,660
Argyll and Bute	6,690	6,780	6,820
City of Edinburgh	33,090	33,510	33,460
Clackmannanshire	5,040	5,100	5,140
Dumfries and Galloway	13,170	13,210	13,250
Dundee City	17,550	17,610	17,730
East Ayrshire	13,130	13,150	13,210
East Dunbartonshire	5,410	5,470	5,480
East Lothian	6,870	6,850	6,870
East Renfrewshire	4,340	4,350	4,350
Falkirk	12,880	12,900	12,860
Fife	31,140	31,180	31,190
Glasgow City	88,090	88,480	88,660
Highland	16,980	17,040	17,110
Inverclyde	9,700	9,710	9,850
Midlothian	6,370	6,360	6,330
Moray	5,570	5,580	5,580
Na h-Eileanan Siar	2,170	2,150	2,160
North Ayrshire	16,570	16,540	16,490
North Lanarkshire	36,320	36,060	36,330
Orkney Islands	1,200	1,220	1,230
Perth and Kinross	8,560	8,520	8,490
Renfrewshire	18,060	18,160	18,120
Scottish Borders	8,370	8,590	8,450
Shetland Islands	1,050	1,060	1,070
South Ayrshire	10,810	10,820	10,780
South Lanarkshire	30,250	30,360	30,270
Stirling	5,490	5,490	5,470
West Dunbartonshire	11,900	11,810	11,800
West Lothian	14,750	14,870	15,010

Notes:

¹ Recipients are as at monthly count date. See Methodology Notes, Section 2 for more details. Available at <http://www.gov.scot/Topics/Statistics/Browse/Local-Government-Finance/Methodology/Ctaxreductionmethod>

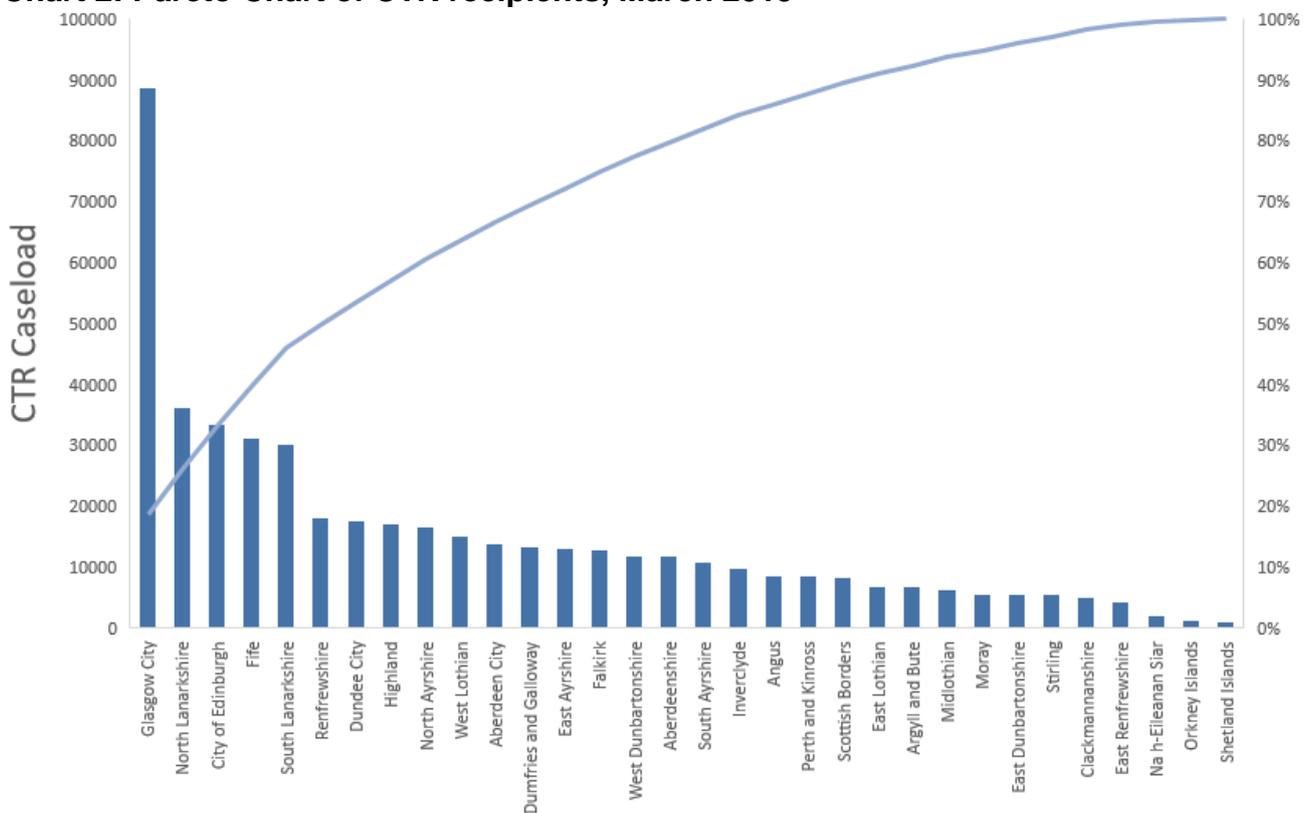
² Figures are rounded to the nearest 10. Components may not sum to total due to rounding.

In March 2019, the five local authorities with the highest numbers of CTR recipients accounted for almost half (46 per cent) of the total for Scotland. Glasgow City accounted for the highest proportion, with 19 per cent (88,660 recipients) of the total; followed by North Lanarkshire, accounting for 8 per cent (36,330 recipients); City of Edinburgh and Fife, accounting for 7 per cent (33,460 and 31,190 recipients respectively); and South Lanarkshire, accounting for 6 per cent (30,270 recipients).

The three islands authorities had the smallest share of the caseload with only 0.5 per cent in Na h-Eileanan Siar (2,160 recipients), 0.3 per cent in Orkney (1,230 recipients) and 0.2 per cent (1,070 recipients) in Shetland.

Figure 3 shows CTR recipients by local authority for March 2019 in a Pareto Chart. This allows a visual comparison of the number of recipients in each local authority.

Chart 2: Pareto Chart of CTR recipients, March 2019

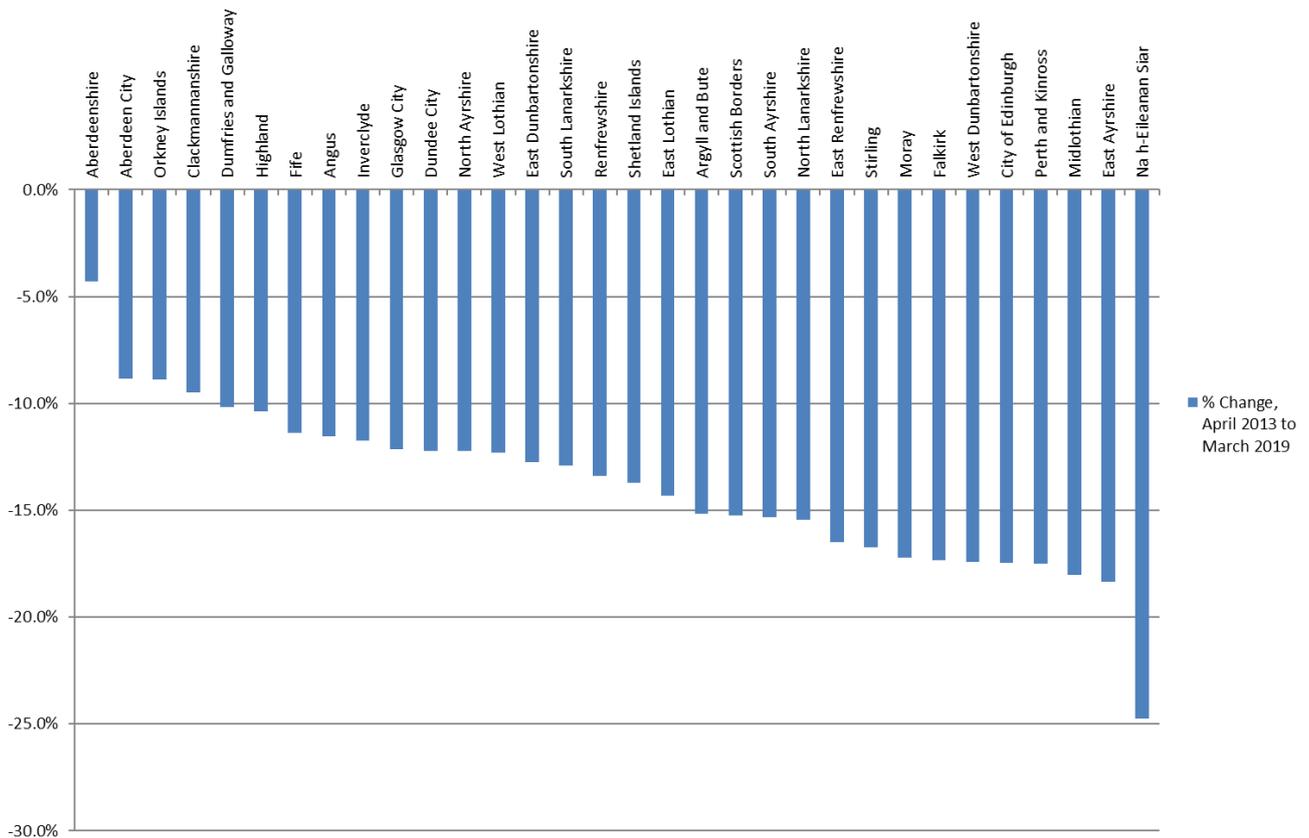


2.1 CTR recipients over time

The number of households receiving CTR in Scotland fell from 552,380 in April 2013 to 477,800 in March 2019, a decrease of under 14 per cent (74,580 recipients). Chart 1 (on page 2 above) shows the downward trend in the number of recipients over this period.

All local authorities in Scotland have seen a decrease in the number of CTR recipients since the scheme was introduced in April 2013. Chart 3 shows the percentage change between April 2013 and March 2019 for all local authorities in Scotland.

Chart 3: Percentage decrease in CTR recipients by local authority, April 2013 to March 2019

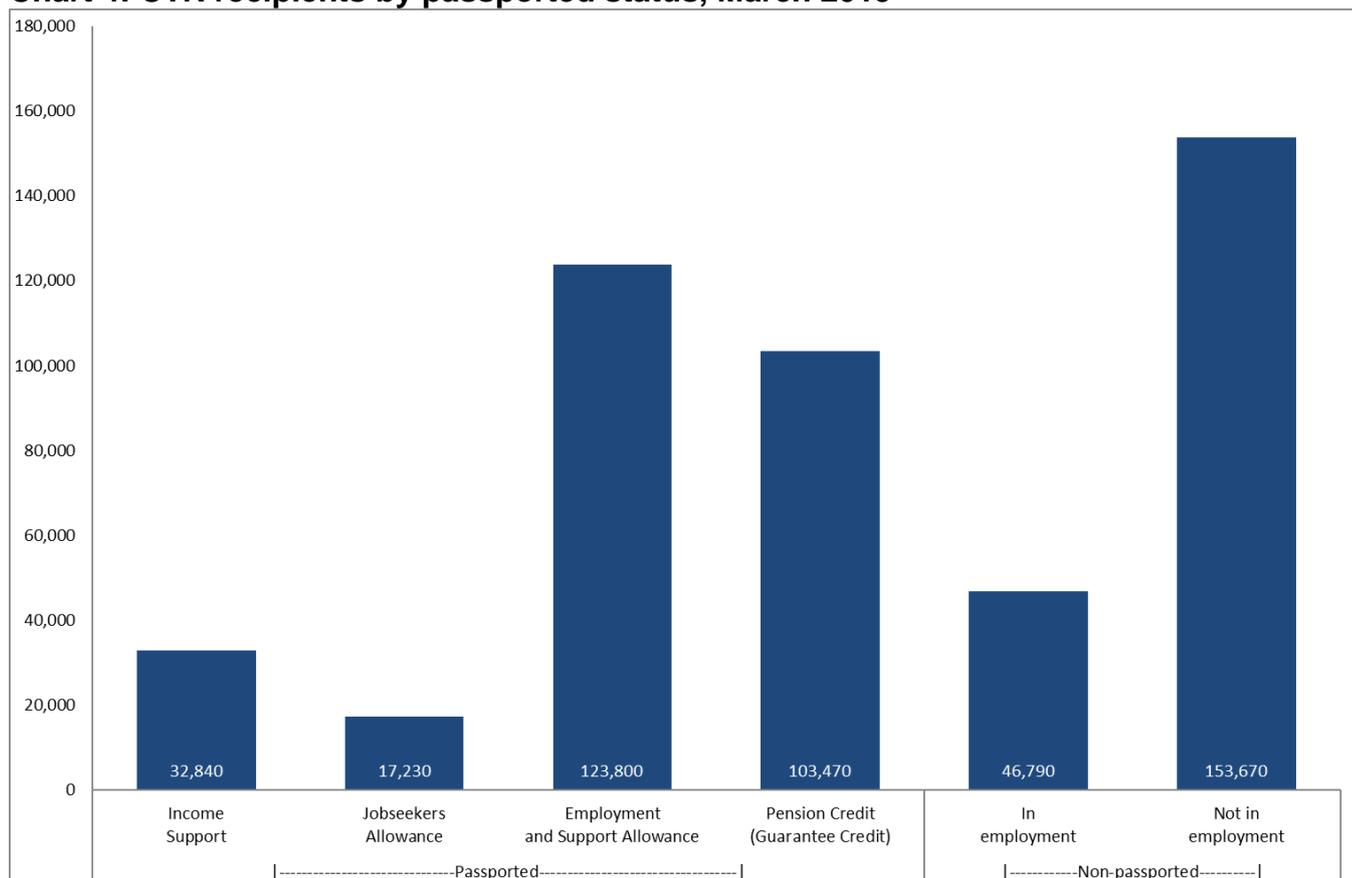


The largest percentage decreases in number of recipients were seen in Na h-Eileanan Siar (24.7 per cent), East Ayrshire (18.4 per cent) and Midlothian (18.0 per cent). Whilst Na h-Eileanan Siar has relatively a large percentage decrease, this represents a relatively small number of recipients. The smallest percentage decreases were seen in Aberdeenshire (4.3 per cent), Aberdeen City (8.8 per cent) and Orkney (8.9 per cent).

The number of recipients for each local authority for each month between April 2018 and March 2019 are provided in the supplementary tables.

2.2 CTR recipients by passported status

In March 2019, passported recipients accounted for 58 per cent of all CTR recipients. This down from 63 per cent in March 2018. UC is not passported so, as UC is rolled out - replacing passported benefits, the number of non-passported cases is expected to increase. The most common passporting benefits were income-related Employment and Support Allowance and Pension Credit (Guarantee Credit) which made up just under half of all CTR recipients. The majority of non-passported recipients were not in employment.

Chart 4: CTR recipients by passported status, March 2019

The number of recipients by passported status and local authority in March 2019 is available in the supplementary tables. Some key variations across local authorities are:

Glasgow and Na h-Eileanan Siar had the highest proportion of passported CTR recipients (68 per cent and 67 per cent respectively).

East Lothian has the lowest proportion of passported CTR recipients at 44 per cent. East Lothian was the first local authority in Scotland to have Universal Credit (UC) 'Full Service' rolled out. UC replaces four benefits that currently passport recipients to full CTR (except where non-dependents are present in the household), as well as two tax credits. A similar proportion of 48 per cent applies in both Highland and Inverclyde – also subject to an early roll out of UC.

The number of recipients by passported status from April 2018 to March 2019 is available in the supplementary tables published with this publication. The figures show that the number of passported CTR recipients has decreased whereas the number of non-passported recipients increased. As mentioned in the start of this section of the report, as the roll-out of UC continues, the proportion of CTR cases classed as passported will decrease.

2.3 CTR recipients by age and family type

Chart 5 shows the number of CTR recipients by age group in March 2019. The age group with the highest proportion of CTR recipients was 65 or over, at 37 per cent (175,240 recipients). The age group with the lowest proportion were those under 25 at just over three per cent (16,450 recipients).

Chart 5: CTR recipients by age group, March 2019

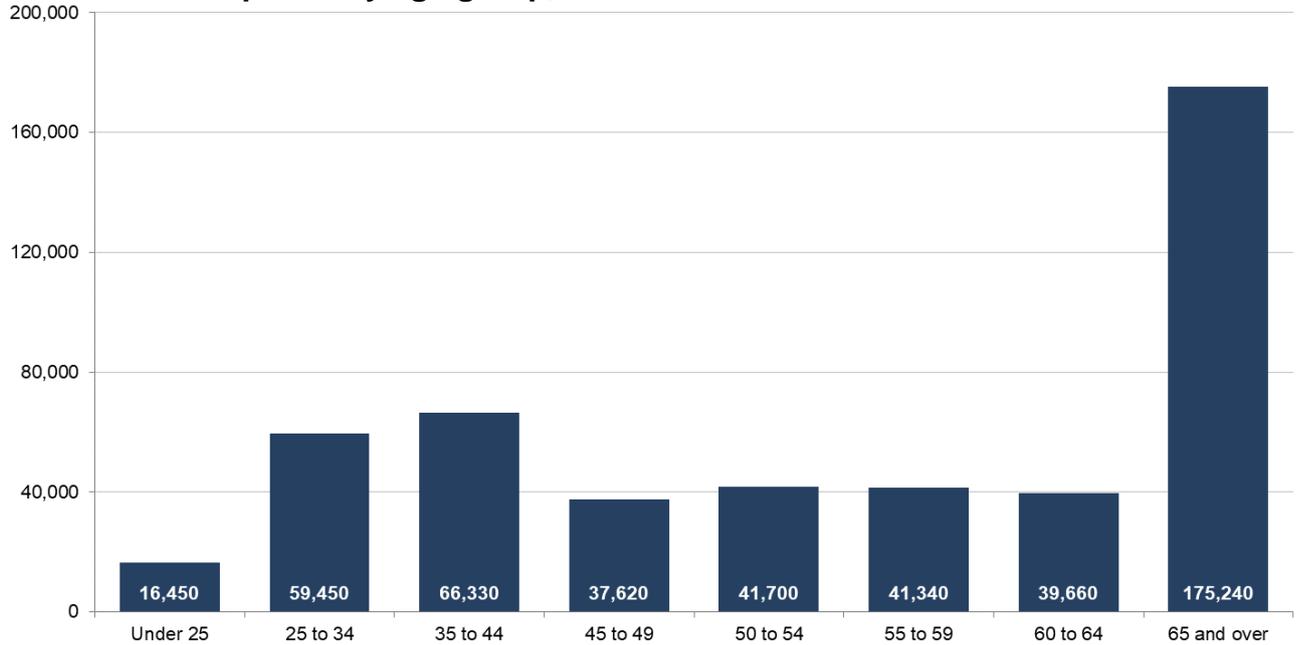
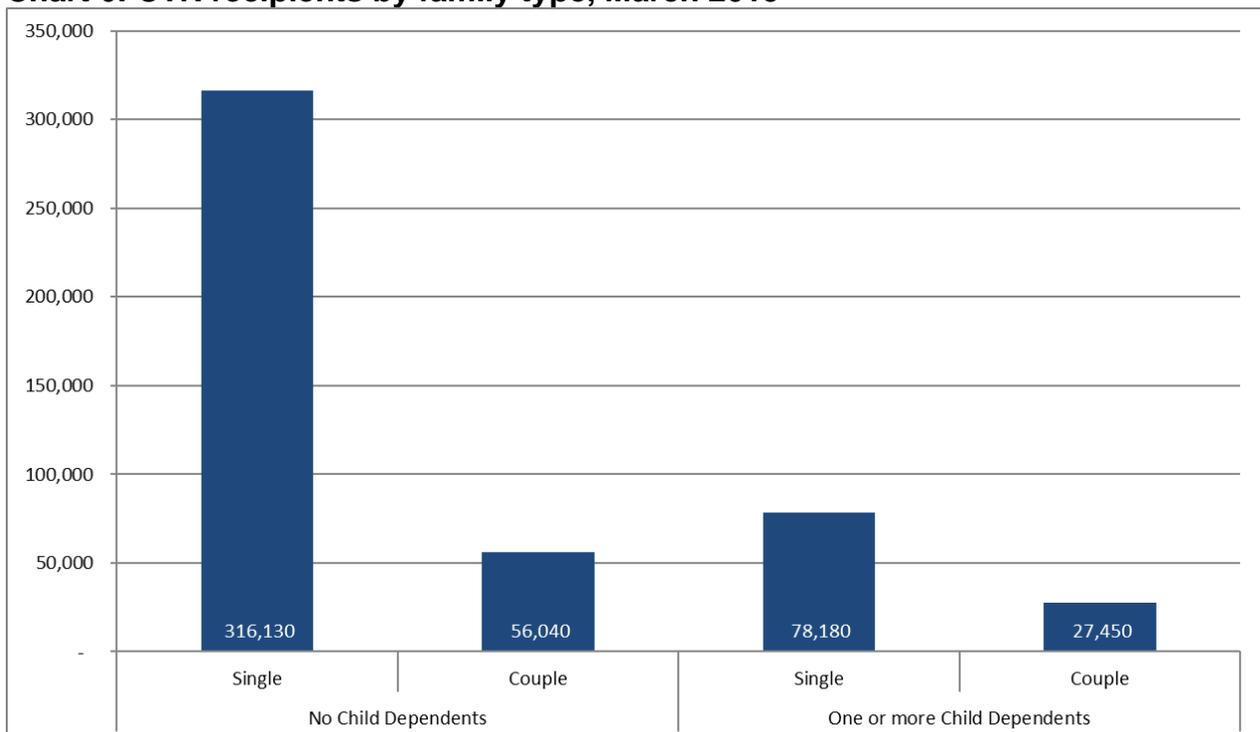


Chart 6 shows the number of CTR recipients by family type in March 2019. The majority of CTR recipients (66 per cent) were single with no child dependent. Lone parents made up 17 per cent, and 17 per cent were couples (with and without children).

Chart 6: CTR recipients by family type, March 2019



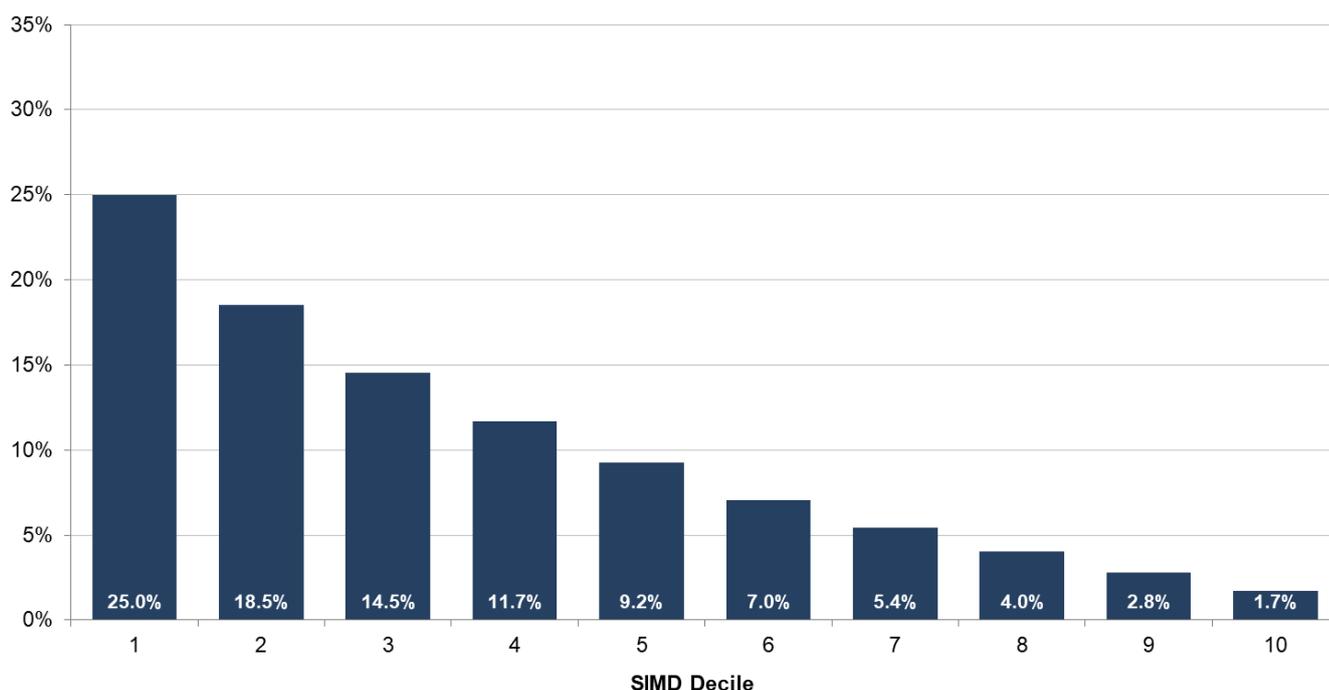
2.4 CTR recipients by deprivation

The Scottish Index of Multiple Deprivation (SIMD)¹ is the Scottish Government's official tool for identifying areas of multiple deprivation. It divides Scotland into 6,976 datazones, each containing around 350 households or an average of 760 people. Each datazone has a calculated 'deprivation score' and these scores are then used to rank the datazones. Decile 1 contains the ten per cent most deprived datazones, Decile 2 the next ten per cent most deprived, and so on.

It should be noted that the overall SIMD score is a relative measure and assesses deprivation across seven domains – income, employment, health, education, housing, geographic access to services and crime. The CTR scheme is principally concerned with income and household circumstances as a basis for making awards (see Figure 2 above).

Chart 7 shows the spread of CTR recipients across areas of deprivation using SIMD deciles as described. It can be observed that CTR recipients are heavily concentrated in areas of highest deprivation, with 58 per cent of recipients (275,800) in the lowest three deciles in March 2019. This compares to 50 per cent in March 2017.

Chart 7: CTR recipients by SIMD Decile, March 2019



Note

- 1 This chart is generated by matching of postcodes to datazones. Some 2,834 postcode records in the CTR Extract for March 2019 cannot be matched with those in the SIMD.
- 2 Further details on SIMD are available at <http://www.gov.scot/Topics/Statistics/SIMD>.

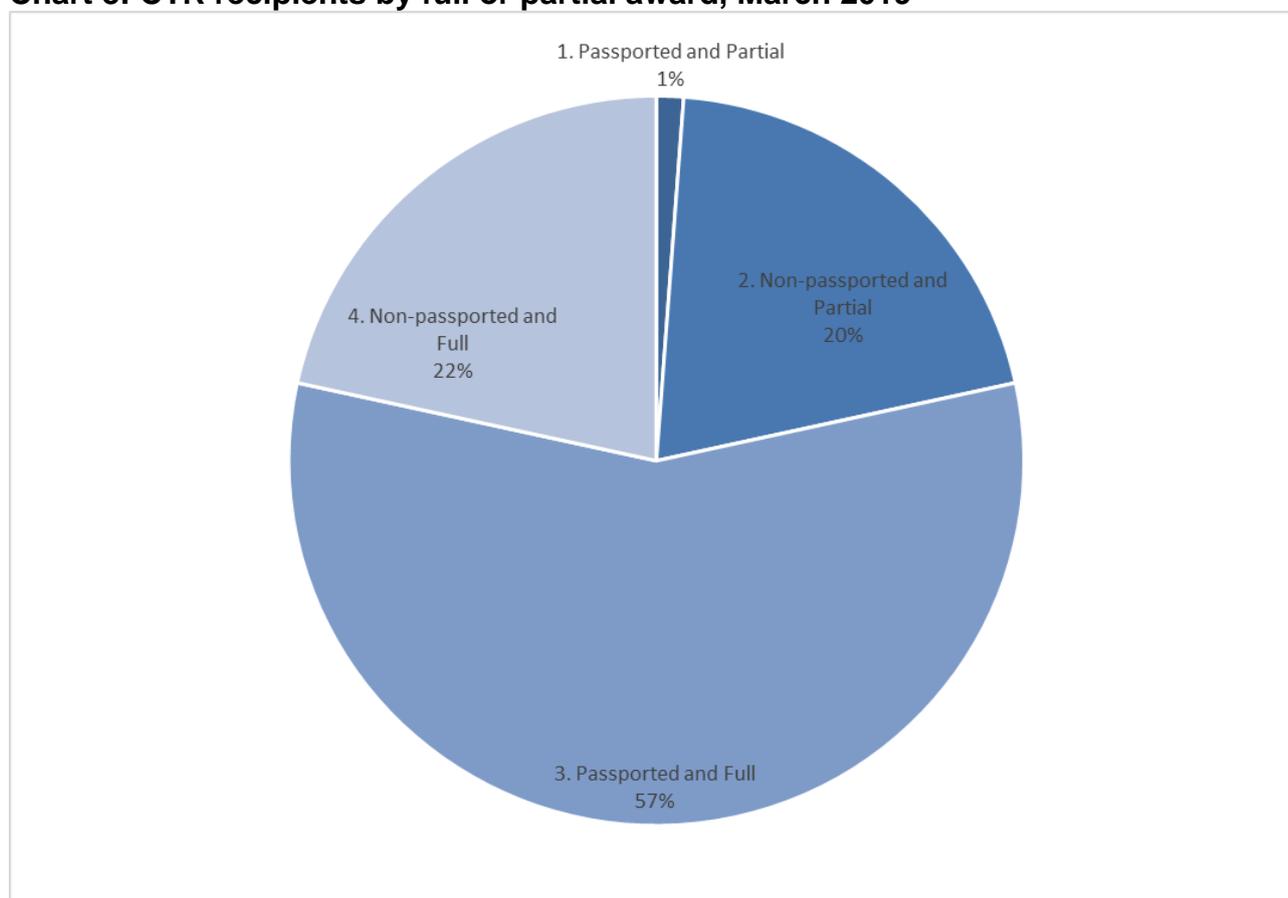
2.5 Full and partial CTR

Full CTR refers to recipients whose Council Tax liability is reduced to zero. Partial CTR refers to recipients whose Council Tax liability is reduced, but they are still liable to pay some CT. Further details on these terms and how CTR is calculated are given in Section 1.1.

In March 2019, 57 per cent of CTR recipients (271,670) had been awarded full CTR as they were also in receipt of a passporting benefit and had no non-dependents resident in the household. A further 1 per cent (5,670) were awarded full CTR due to passporting but the award was reduced as they had non-dependents in the household. The remaining 42 per cent of recipients were non-passported recipients and underwent an income assessment. Following this, a further 22 per cent of recipients (103,070) were awarded full CTR and the remainder (97,400 recipients) were awarded partial CTR.

Of all CTR recipients, just under four-fifths (374,730) were in receipt of full CTR in March 2019.

Chart 8: CTR recipients by full or partial award, March 2019



3. Weekly Income Forgone Estimates

CTR caseload and Income forgone are reported quarterly and the following section provides the most recent data. The weekly income forgone estimates are based on the number of CTR recipients multiplied by the average weekly CTR for each local authority and benefit type for the given month. When a household's CT liability is reduced due to the CTR scheme, it reduces the amount of Council Tax a local authority can collect. The CTR scheme therefore reduces the amount of CT a local authority can expect to receive, although the Scottish Government provides funding to each local authority to reflect their CTR income forgone. The total CTR weekly income forgone for Scotland was £6.4 million in March 2019. Local authority figures for January to March 2019 are given in Table 3.

Table 3: CTR weekly estimate of income forgone (£000's) by Local Authority, January to March 2019 ^{1, 2, 3}

	Jan-19	Feb-19	Mar-19
SCOTLAND	6,413.3	6,434.8	6,443.3
Aberdeen City	190.1	190.3	190.2
Aberdeenshire	156.0	157.6	158.9
Angus	102.8	103.4	103.2
Argyll and Bute	100.7	101.8	102.4
City of Edinburgh	477.6	482.6	481.0
Clackmannanshire	65.0	65.6	65.9
Dumfries and Galloway	165.6	166.5	166.7
Dundee City	230.1	229.3	230.5
East Ayrshire	171.8	172.2	172.5
East Dunbartonshire	85.8	86.9	87.1
East Lothian	95.6	95.4	95.5
East Renfrewshire	68.9	69.0	69.1
Falkirk	153.1	153.4	153.1
Fife	394.8	395.7	396.5
Glasgow City	1,303.8	1,309.5	1,313.2
Highland	233.8	234.3	235.3
Inverclyde	123.9	124.1	126.3
Midlothian	94.8	94.8	94.3
Moray	71.3	71.5	71.3
Na h-Eileanan an Iar	25.6	25.4	25.6
North Ayrshire	217.6	217.3	217.1
North Lanarkshire	438.0	435.6	437.7
Orkney Islands	14.6	14.9	15.1
Perth and Kinross	119.7	119.1	119.0
Renfrewshire	241.8	243.5	242.8
Scottish Borders	102.2	104.7	103.0
Shetland Islands	12.8	12.9	13.0
South Ayrshire	155.1	155.0	154.4
South Lanarkshire	373.2	374.6	373.7
Stirling	77.5	77.6	77.2
West Dunbartonshire	165.6	164.5	164.3
West Lothian	183.8	185.7	187.4

Notes:

¹ Recipients are as at monthly count date. See Methodology Notes, Section 2 for more details. Available at <http://www.gov.scot/Topics/Statistics/Browse/Local-Government-Finance/Methodology/Ctaxreductionmethod>

² Weekly income forgone estimates are based on 'number of recipients multiplied by average weekly reduction' for each local authority and benefit type for the given month.

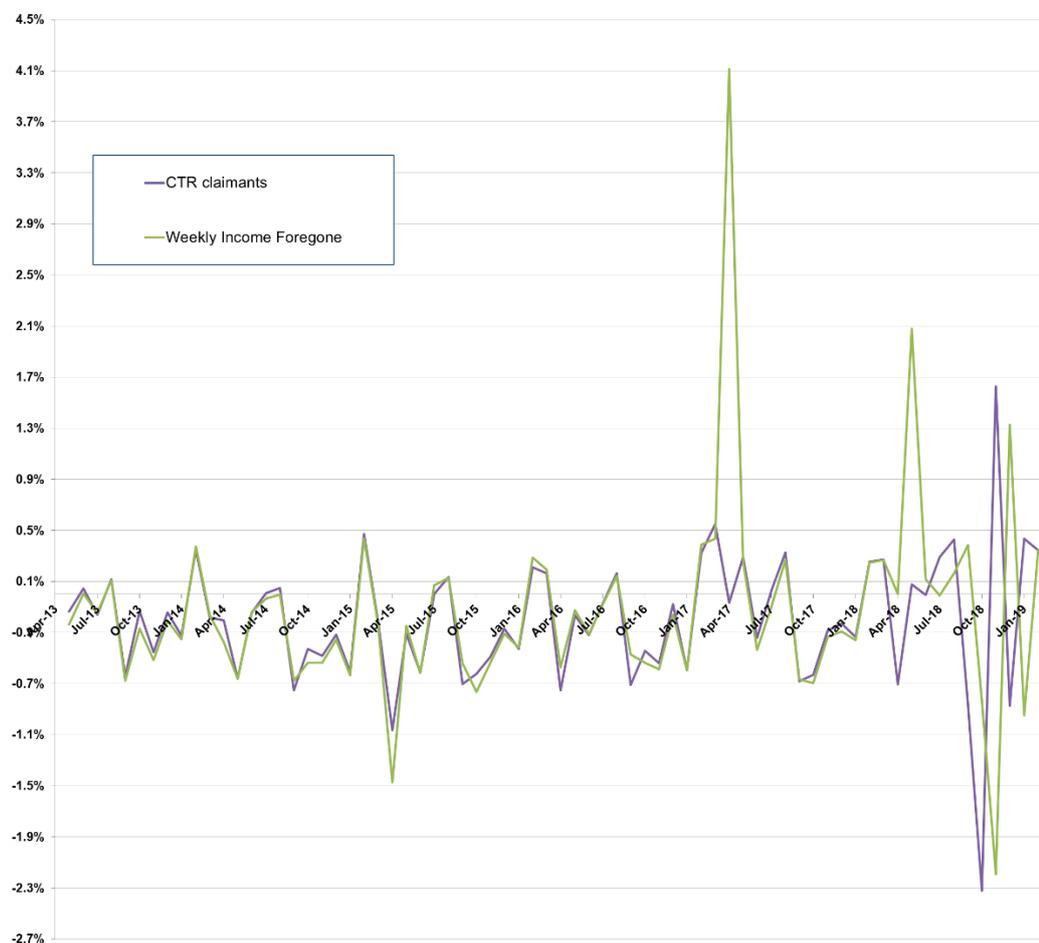
³ Figures are rounded to the nearest £100. Components may not sum to total due to rounding.

3.1 Weekly income forgone over time

The total weekly income forgone estimates for Scotland have decreased from £7.1 million in April 2013 to £6.4 million in March 2019. Income forgone estimates follow the same general pattern as the number of recipients, with the exception of April 2017 and April 2018 where there was a large increase in the income forgone over the previous month whilst the number of CTR recipients decreased. The reasons for this are due to the changes to CT and CTR introduced in April 2017 listed on page 1 of this publication and increases in CT in April 2018.

All local authorities have seen a decrease in their weekly estimates since April 2013, with the exception of Aberdeenshire whose weekly estimates of CTR income forgone has increased by just under £5,000. Furthermore, the number of CTR recipients and weekly income forgone have been closely linked, with most of the change in income forgone being driven by changes in the number of recipients. Chart 9 shows the month-on-month percentage changes in the number of recipients and the weekly income forgone for April 2013 to March 2019. So, rather than a sustained increase in income forgone, the chart spikes up in April 2017 and April 2018 due to changes in CT and CTR referenced above and local authorities being given the power to increase Council Tax by up to 3% in these financial years. After the increases in CT, the month-on-month comparisons decrease and follow previously observed patterns.

Chart 9: Month-on-month percentage change in CTR recipients and weekly estimates of income forgone in Scotland, April 2013 to March 2019



The Caseload and Income Forgone tables, also published with this publication, show an increase in the on-going costs of the scheme due largely to CT increases.

Other factors that affect the value of total income forgone by local authorities include, age, structure of the population and household income. Chart 9 also shows small peaks in number of recipients and weekly income forgone at the beginning and middle of each calendar year, indicating a possible seasonal effect.

In October 2018 the number of recipients fell by 2.3%. The months of September to December 2018 saw the roll out of UC to several large local authorities including Glasgow, Edinburgh and Aberdeen. People in those areas (with some exceptions) were no longer able to make new claims for legacy benefits, such as Income Support, Employment and Support Allowance, Job Seekers Allowance, and Pension Credit (Guarantee Credit). Unlike legacy benefits, UC does not passport recipients to full CTR. It is likely that the roll out of UC has contributed to this fluctuation in caseload and income forgone with change in recipient numbers increasing or decreasing with a monthly lag before income forgone follows the trend.

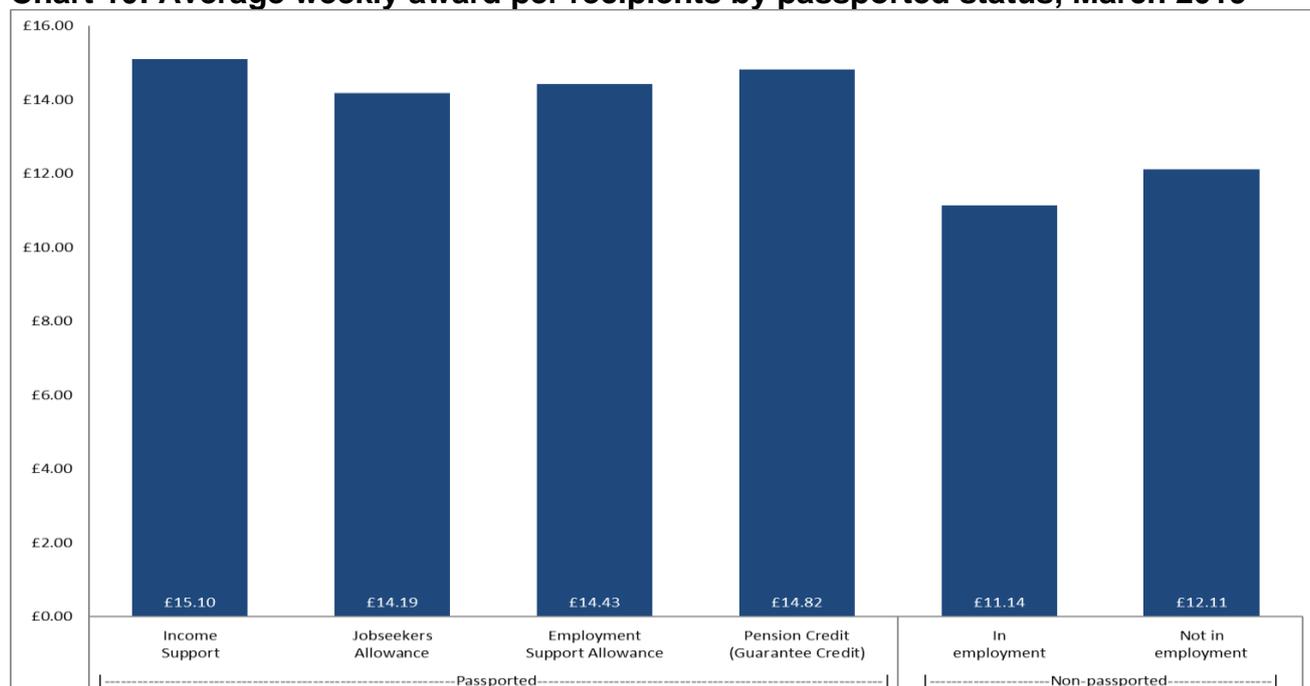
The weekly income forgone estimate for each local authority for each month between April 2013 and March 2019 are provided on the web in the Caseload and Income Forgone tables.

3.2 Average weekly awards by passported status

In March 2019, the average weekly award per CTR recipient was £13.49 per week. Average weekly award per recipient varied by both local authority and passported status; these figures are included in the supplementary tables.

Non-passported recipients who were in employment received the least on average per week at £11.14, compared to those on Income Support who received the most at £15.10. Passporting income forgone will generally be higher as, by virtue of being on a passporting benefit, these recipients will all be in receipt of full CTR. Chart 10 shows the average weekly award per recipient by passported status.

Chart 10: Average weekly award per recipients by passported status, March 2019



3.3 Average weekly awards by age and family type

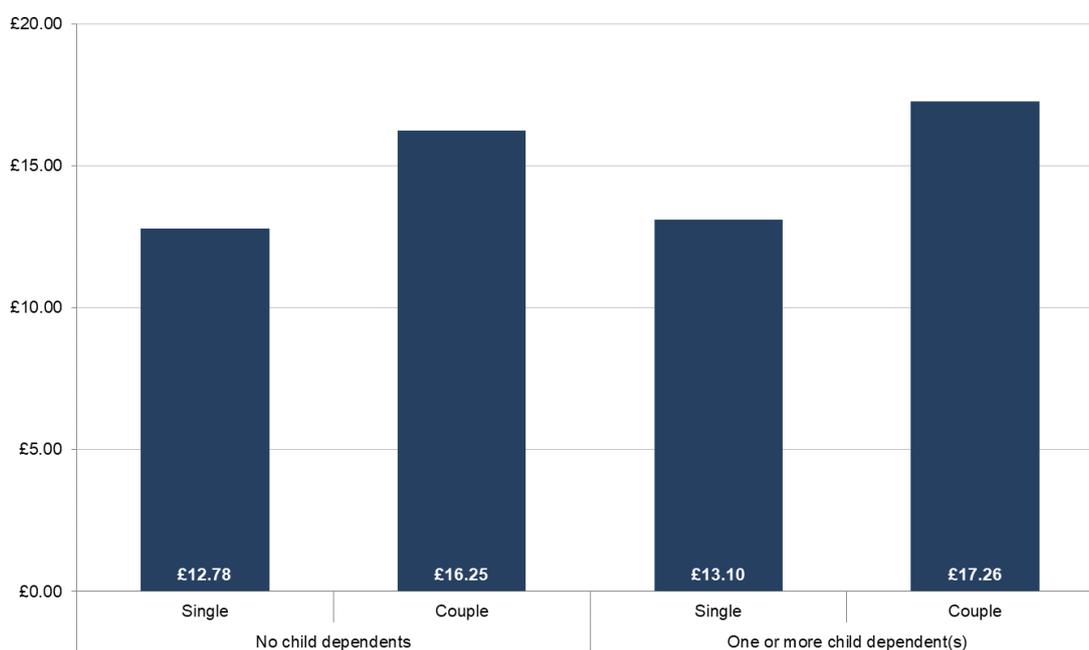
Chart 11 shows the average weekly income forgone estimates by age group in March 2019. The under 25 age category had the lowest average weekly award at £12.21 followed by the 25 to 34 age group at £12.87.

Chart 11: Average weekly award by age group, March 2019



Chart 12 shows the average weekly award by family type in March 2019. Single adults with no child dependents received the lowest average weekly award at £12.78 compared to couples with dependent children who had the highest average weekly award at £17.26.

Chart 12: Average weekly award by family status, March 2019



4. Chargeable dwellings and Council Tax Bands

Each chargeable dwelling in Scotland is placed in a Council Tax Band between A and H, depending on the market value of the property as at 1st April 1991. Band A properties are liable for the lowest rates of Council Tax and Band H attract the highest rates.

Chart 13 shows the proportion of CTR recipients by Council Tax Band in March 2019, with local authority level figures are provided in the supplementary tables. There are more CTR recipients in the lower bands, with just over two-fifths in Band A compared to just under five per cent in Bands E to H. This will, in part, be attributable to the spread of dwellings across Council Tax Bands – around three-quarters of chargeable dwellings are in Bands A to D.

Chart 13: CTR recipients by Council Tax Band, March 2019¹

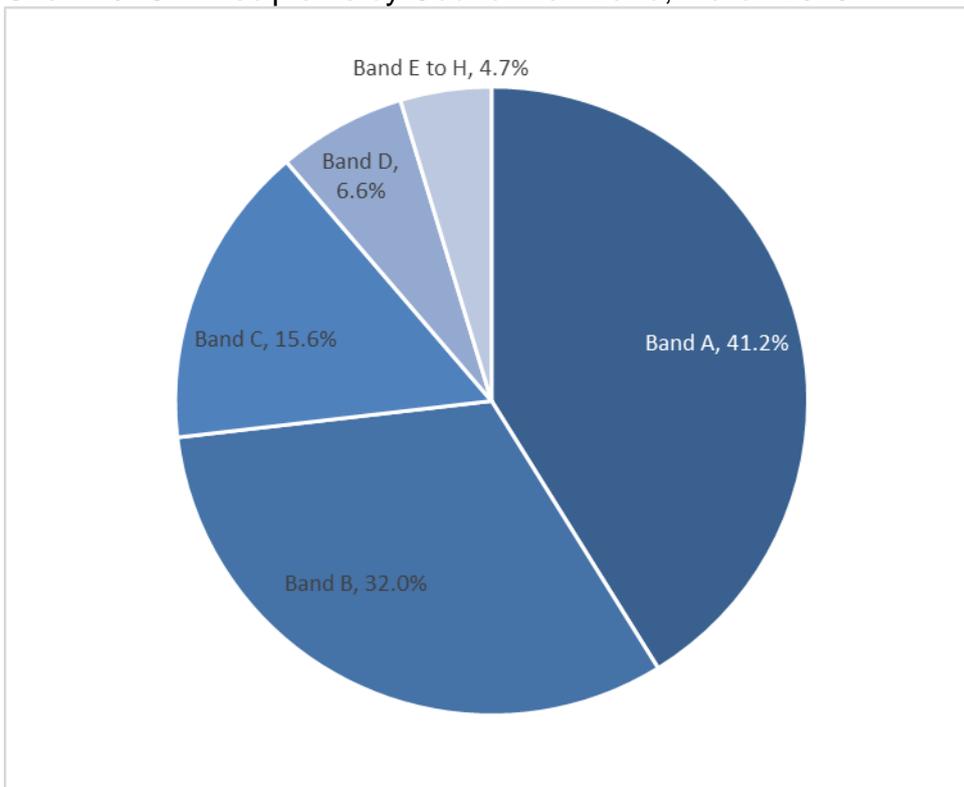


Chart 14: Proportion of CTR recipients by Council Tax Band, March 2019

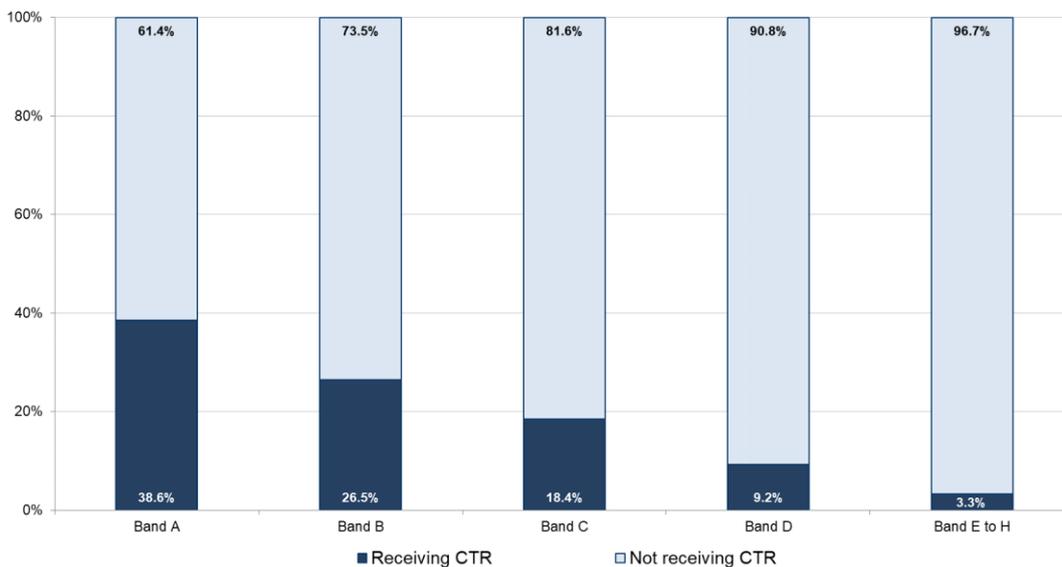
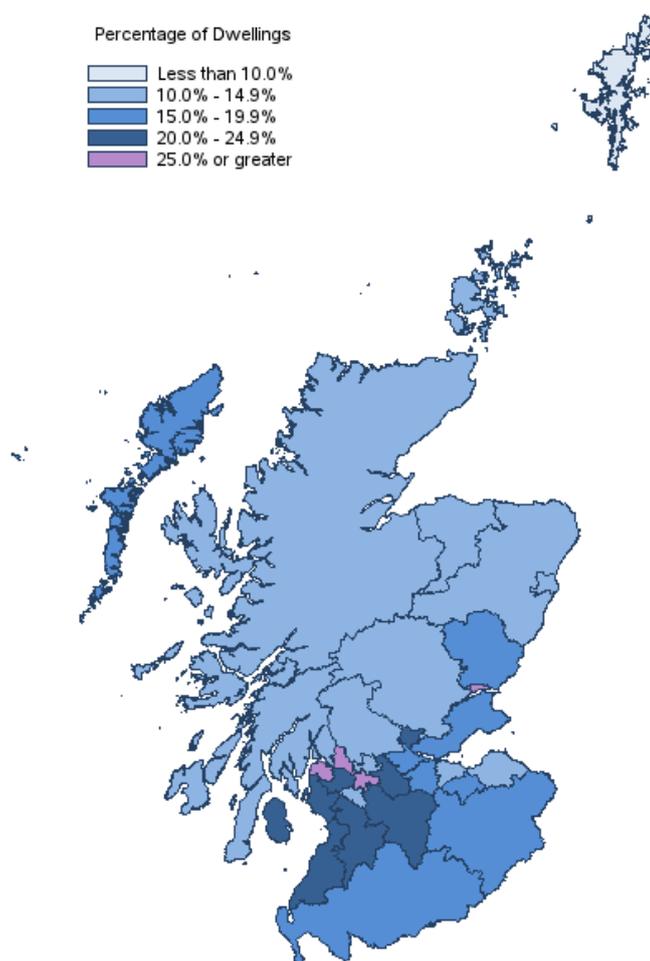


Chart 14 shows the proportion of chargeable dwellings in receipt of CTR by Council Tax Band. Band A has the highest proportion of dwellings in receipt of CTR at 38.6 per cent. The proportion decreases as Council Tax Band increases to only 3.3 per cent for Bands E to H.

In March 2019, just under one-fifth (19 per cent) of chargeable dwellings in Scotland were in receipt of CTR. This figure varied between local authorities, reflecting differences in the age structure of the population, Council Tax levels and household incomes. Glasgow had the highest proportion of their chargeable dwellings in receipt of CTR recipients (31 per cent) and Shetland the lowest (10 per cent) The map in Figure 3 illustrates the proportion of dwellings in each local authority in receipt of CTR, the relevant data can be found in the supplementary tables.

Figure 3: Proportion of chargeable dwellings in receipt of CTR by local authority, March 2019



5. CTR impact on Council Tax income

When a household's CT liability is reduced, due to the scheme, it reduces the amount of CT income a local authority can collect. The CTR scheme therefore reduces the amount of CT a local authority can expect to receive, although the Scottish Government provides funding to each local authority to reflect their CTR income forgone.

In Scotland in 2018-19, the total gross Council Tax charged, before CTR, was £2.765 billion and the provisional income forgone on CTR was £332.4 million. This means that total reductions through CTR accounted for over 12 per cent of total gross Council Tax. This is notably lower than the one-fifth of chargeable dwellings in receipt of CTR quoted in Section 4 due to two main factors. Firstly, just over a fifth of households receive partial CTR as discussed in Section 2.5. Secondly, as described in Section 4, the distribution of CTR recipients is heavily skewed towards the lower Council Tax bands with lower annual liability, and so lower CTR awards.

Information on the total value of all reductions under the CTR scheme is collected via two Scottish Government data collections:

- **Council Tax Receipts Return (CTRR)**
Issued before local authorities accounts' are audited and so collects provisional, unaudited values for the total reductions under CTR.
- **Local Financial Returns (LFR)**
Issued after local authorities accounts' are audited and so collects final, audited values for the total reductions under CTR.

Table 4 shows the total value of reductions for each year between 2013-14 and 2018-19 by local authority. The 2013-14 to 2017-18 figures have been the subject of audit. The 2018-19 figures are provisional. These figures represent a decrease of 8 per cent in the total value of reductions in Scotland between 2013-14 and 2018-19.

All local authorities have seen a decrease in the total value of reductions due to CTR between 2013-14 and 2018-19. The largest percentage decreases were seen in Na h-Eileanan Siar (20 per cent) and West Dunbartonshire (15 per cent) and Stirling (14 per cent). Details of the changes in income forgone are available on the Caseload and Income Forgone tables published with this report.

Table 4: Total reductions in Council Tax income through CTR scheme (£ millions) by local authority, 2013-14 to 2018-19

	2013-14 ^a	2014-15 ^a	2015-16 ^a	2016-17 ^a	2017-18 ^a	2018-19 ^b
Scotland	359.7	343.8	332.2	319.6	327.3	332.4
Aberdeen City	9.8	9.2	9.1	9.3	9.6	9.8
Aberdeenshire	7.6	7.2	7.1	7.2	7.6	7.8
Angus	5.5	5.3	5.2	5.1	5.3	5.3
Argyll and Bute	5.8	5.6	5.3	5.1	5.2	5.3
City of Edinburgh	27.7	26.5	24.9	23.8	24.7	24.7
Clackmannanshire	3.7	3.5	3.4	3.3	3.4	3.4
Dumfries and Galloway	8.9	8.6	8.3	8.1	8.4	8.5
Dundee City	12.8	12.2	11.9	11.7	11.9	12.0
East Ayrshire	10.0	9.4	9.1	8.6	8.7	8.9
East Dunbartonshire	4.8	4.6	4.4	4.2	4.3	4.4
East Lothian	5.6	5.4	5.2	4.8	4.9	5.0
East Renfrewshire	3.9	3.8	3.6	3.5	3.7	3.7
Falkirk	8.7	8.2	8.0	7.6	7.8	8.0
Fife	21.7	20.8	20.0	19.5	20.2	20.7
Glasgow City	71.8	68.6	67.3	64.0	65.9	67.9
Highland	12.7	12.0	11.7	11.4	12.0	11.9
Inverclyde	7.1	6.7	6.5	6.2	6.2	6.4
Midlothian	5.3	5.1	5.0	4.7	4.8	4.9
Moray	3.9	3.7	3.6	3.6	3.7	3.7
Na h-Eileanan Siar	1.6	1.5	1.4	1.3	1.3	1.3
North Ayrshire	11.9	11.5	11.3	10.9	11.3	11.3
North Lanarkshire	25.5	24.4	23.5	22.0	22.2	22.7
Orkney Islands	0.8	0.8	0.7	0.7	0.7	0.7
Perth and Kinross	6.9	6.5	6.3	6.2	6.2	6.2
Renfrewshire	13.8	13.2	12.6	12.1	12.2	12.4
Scottish Borders	5.8	5.5	5.3	5.0	5.1	5.2
Shetland Islands	0.7	0.6	0.6	0.6	0.6	0.7
South Ayrshire	8.8	8.6	8.1	7.8	8.1	8.1
South Lanarkshire	21.8	21.1	20.1	19.3	19.3	19.5
Stirling	4.6	4.4	4.2	4.0	4.0	4.0
West Dunbartonshire	9.8	9.4	8.9	8.7	8.4	8.6
West Lothian	10.4	9.8	9.6	9.3	9.2	9.5

Notes:

^a Final audited figures, published in Scottish Local Government Financial Statistics and available at: <http://www.gov.scot/Topics/Statistics/Browse/Local-Government-Finance/PubScottishLGStats>

^b These are provisional figures which are derived from information supplied by local authorities to Scottish Government on the statistical return Council Tax Collection Return, Quarter 4 2018-19 (CTRR).

6. Background Notes

6.1 Data sources and validation

The main data source for this report is the Scottish Government CTR data extract (some other data sources have been used to provide contextual data, such as the number of chargeable dwellings. Where this is the case the relevant source has been provided.) Since the CTR scheme was introduced on 1st April 2013, the Scottish Government have asked all local authorities to provide individual record level extracts on a monthly basis to enable monitoring of the number of recipients and weekly income forgone estimates. Local authorities' continued cooperation in providing this data is gratefully acknowledged.

Local authorities are asked to extract their data on a specified date (the count date) although local authorities can provide data up to a week after that date. This means the extract provides a snapshot for each month, and so may include CTR applications that are subsequently revised by local authorities. The CTR extract count dates for April 2018 to March 2019 were:

Month	Count Date	Month	Count Date
April 2018	18/04/2018	Oct. 2018	10/10/2018
May 2018	16/05/2018	Nov. 2018	07/11/2018
June 2018	13/06/2018	Dec. 2018	07/12/2018
July 2018	11/07/2018	Jan. 2019	16/01/2019
Aug. 2018	08/08/2018	Feb. 2019	13/02/2019
Sept. 2018	12/09/2018	March 2019	12/03/2019

There are two types of records contained within the CTR data extract which might feed into the statistics:

1. **'D' records:** those that were 'live' on the count date; and
2. **'C' records:** those that have been closed since the previous count date. They are used to identify short term claims (i.e. those that were live on the count date for a specific month but not on the count date for the months on either side) and 'D' records that haven't actually closed before the count date.

These records do not contain information on total weekly award amount and so, to enable total weekly figures to be estimated, it is assumed that the weekly award was the same as the average weekly award for each local authority and benefit type for the given month (based on the 'D' records).

As part of the quality assurance procedure, the Scottish Government carries out validation checks on incoming data to identify possible errors. Potential problems are identified in a number of ways, including comparing the data received to other known sources; data from previous months and years; and data from other local authorities. Where appropriate, views are also sought from policy colleagues – for example, where a change in the data may be attributable to a policy change. To ensure the data are of a high quality, the Scottish Government then works with the relevant local authorities to resolve any data issues identified. Nevertheless, administrative data is not always complete and where this occurs the report and supplementary tables details the number and nature of missing data. This is particularly true of the Annual Publication where we seek to report on the characteristics of recipients the amounts they receive.

A full methodology guide is available at:

<http://www.gov.scot/Topics/Statistics/Browse/Local-Government-Finance/Methodology/Ctaxreductionmethod>.

For information on total CTR income forgone for the year (as in Table 4 of this publication), CTRR and LFRs have been used. These are aggregate returns which collect data from local authorities on the total amounts of Council Tax billed, including the amounts of CTR applied. CTRR and LFRs give better overall estimates of total reductions in liabilities than the monthly extracts as they represent the billing and award position for the year as a whole.

6.2 Supplementary tables

This report seeks to highlight the key messages on CTR statistics. Detailed tables are published as supplementary tables alongside this publication. The following list of tables will be available at <http://www.gov.scot/isbn/9781787818460>.

1. Number of CTR recipients

- 1.1 CTR recipients, April 2013 to March 2019
- 1.2 CTR recipients by local authority, April 2018 to March 2019
- 1.3 CTR recipients by local authority and passported status, March 2019
- 1.4 CTR recipients by passported status, April 2018 to March 2019
- 1.5 CTR recipients by age group and family type, March 2019
- 1.6 CTR recipients by SIMD decile, March 2019
- 1.7 CTR recipients by full or partial award, March 2019

2. Weekly income forgone estimates

- 2.1 Percentage changes since previous month for CTR recipients and weekly income forgone, April 2013 to March 2019
- 2.2 Weekly income forgone estimates (£'000s) by local authority, April 2018 to March 2019
- 2.3 Average weekly award by local authority and passported status, March 2019
- 2.4 Average weekly award by age group and family type, March 2019

3. Chargeable dwellings and Council Tax Bands

- 3.1 CTR recipients by local authority and Council Tax Band, March 2019
- 3.2 Proportion of chargeable dwellings in receipt of CTR by Council Tax Band, March 2019

4. CTR impact on Council Tax income

- 4.1 Total reduction in Council Tax income (£ millions) through CTR by local authority, 2013-14 to 2018-19

6.3 Revisions and further information

Any revisions and corrections to this publication, and previous editions of it, will be carried out in line with the Scottish Government's corrections and revisions policy. This can be viewed at: <http://www.gov.scot/Topics/Statistics/About/compliance>.

Further information on CTR Statistics, including the supplementary tables, previous publications and local authority charts and tables, is available from <http://www.gov.scot/Topics/Statistics/Browse/Local-Government-Finance/CTR>.

Further information on Local Government Finance statistics is available at: <http://www.gov.scot/Topics/Statistics/Browse/Local-Government-Finance>.

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How to access background or source data

The data collected for this statistical bulletin:

- are available in more detail through Scottish Neighbourhood Statistics
- are available via an alternative route
- may be made available on request, subject to consideration of legal and ethical factors. Please contact maria.melling@gov.scot for further information.
- cannot be made available by Scottish Government for further analysis as Scottish Government is not the data controller

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ISBN 978-1-78781-846-0

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