



PUBLIC SERVICES AND GOVERNMENT

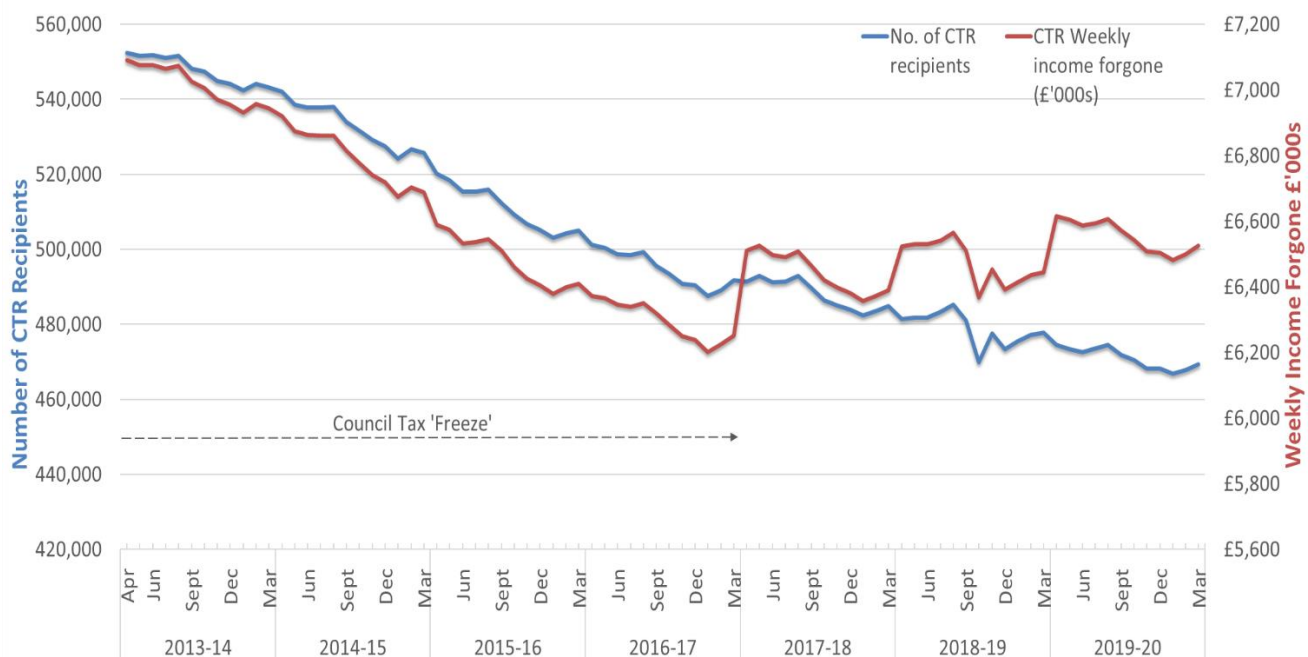
Council Tax Reduction in Scotland, 2019-20

(Published 24 June 2020)

This publication provides statistics on the Council Tax Reduction (CTR) scheme, which reduces the Council Tax (CT) liability of lower income households in Scotland. A Council Tax Reduction 'recipient' can be a single person or a couple, with or without children, since 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 2019 to March 2020.

Chart 1: CTR recipients and Income Forgone in Scotland, April 2013 to March 2020



Key Points

- There were 469,370 Council Tax Reduction recipients in Scotland in March 2020. 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 by 15 per cent (83,010 recipients) between the start of the scheme in April 2013, and March 2020. However Council Tax and Council Tax Reduction reforms alongside annual increases in Council Tax since April 2017 have resulted in increases in the total weekly Council Tax Reduction awarded (as shown in Chart 1).
- The weekly income forgone by local authorities on Council Tax Reduction in March 2020 was £6.525 million.

- The provisional income forgone on Council Tax Reduction in Scotland in 2019-20 was £336.4 million.
- Of all Council Tax Reduction recipients in March 2020:
 - 58 per cent (272,490 recipients) were in one of the 30 per cent most deprived areas in Scotland;
 - 37 per cent (171,720 recipients) were aged 65 or over; and
 - 16 per cent (74,360 recipients) were lone parents.

Changes in Council Tax and CTR changes since 1 April 2017

Chart 1 shows the effects of the following on Council Tax Reduction:

- The end of the Council Tax “freeze” which can be seen with the increase of Council Tax Reduction income forgone in April 2017, 2018 and 2019;
- The introduction of Universal Credit (UC) and the effects of which are described in Chart 9 in Section 3.1.

The figures reported in this publication should therefore be viewed in the light of the following changes which came into effect on 1 April 2017:

- The Council Tax “freeze” in place between 2008-09 and 2016-17 ended. In 2019-20 the 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 per cent in real terms which was 4.79 per cent in cash terms. This was a change from 3 per cent in cash term from 2017-18 and 2018-19 following 9 years of Council Tax “freeze” (see Chart 1).
- The child element in the calculation of the Applicable Amount (see Figure 2) was increased from £66.90 per week to £83.63 per child.
- Council Tax Reduction recipients in receipt of below median income in Council Tax Bands E to H were eligible to receive Council Tax Reduction to the value of the increase in Council Tax due to the increase in multipliers to be paid by these dwellings relative to the Band D Council Tax rate.

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Glossary and Things you Need to Know about this Release

Passporting benefits – Receipt of one of the following benefits for those on lower income 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.

Note: UC replaces the above four benefits that currently passports recipients to full CTR (except where non-dependents are present in the household), as well as two tax credits.

Applicable Amount – The amount of money that the CTR scheme says is required for a household to live on. This consists of a personal allowance (which varies depending on age and household characteristics), plus any relevant additional premiums. For example, if the applicant is a carer, they would receive the relevant personal allowance **plus** a carer premium. Some examples of personal allowances and premiums for 2019-20 are given in Table 1.

Disregarded Income - A certain amount of income that is not taken into consideration when determining eligibility for CTR.

Table 1: Value of certain CTR personal allowances and premiums (per week), 2019-20 ^{1,2}

| Personal Allowances | 2019-20 |
|---|---------|
| Single applicant aged 18 to 25 years | £57.90 |
| Single applicant aged over 25 years | £73.10 |
| Single applicant who has reached state pension age | £181.00 |
| Couple at least one aged 18 years | £114.85 |
| Couple at least one aged over state pension age | £270.60 |
| Child or young person (from birth to the day before their 20th birthday) ¹ | £83.63 |
| Premiums | 2019-20 |
| Disability premium for a single person | £34.35 |
| Disability premium for a couple | £48.95 |
| Enhanced disability premium for a single person | £16.80 |
| Enhanced disability premium for a couple | £24.10 |
| Enhanced disability premium for a child | £26.04 |
| Severe disability premium for a single person | £65.85 |
| Severe disability premium for a couple where one qualifies | £65.85 |
| Severe disability premium for a couple where both qualify | £131.70 |
| Care Premium | £36.85 |
| Disabled child premium | £64.19 |

¹ The child personal element rose by 25% on 1 April 2017.

² This table lists some of the more common personal allowances and premiums 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 the total sum of their income from employment, pensions and benefits (although some 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 income assessment compares the household's income (as defined as being taken into account when assessing CTR) and their applicable amount.

- If **total income (after appropriate disregards) is less than the applicable amount** then full CTR will be awarded.
- If **total income (after appropriate disregards) is greater than applicable amount** then the household is expected to contribute 20 per cent of their excess income to their Council Tax liability. This results in a tapering effect, where CTR awards decrease as income 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 Council Tax Band C house in Edinburgh, and their weekly Council Tax liability was £21.78 in 2019-20. If they receive full CTR, their award would equal their liability (£21.78) and the amount of Council Tax payable 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 CTR scheme provides lower 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 zero and pays no Council Tax).

CTR data is reported quarterly from CTR extracts provided by local authorities on a monthly basis. This publication provides the most recent quarterly data on the number of CTR recipients and the weekly income forgone. It also provides more detailed analysis of additional characteristics and weekly awards for March 2020 CTR data.

The Scottish Government introduced CTR on 1 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. Since introduction, entitlement to CTR in Scotland replicated, as far as possible, previous entitlement to CTB. The only notable exception to this was in 2017, when the scheme was changed to increase the child element of the applicable amount within the scheme by 25 per cent.

Wider changes also occurred to Council Tax in Scotland in 2017. 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. In addition, Council Tax which had been frozen between 2008-09 and 2016-17 in line with an agreement reached between the Scottish Government and the Convention of Scottish Local Authorities (COSLA) began to rise. 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 cash terms. In 2019-20 they were capped at 3 per cent in real terms, which was 4.79 per cent in cash terms.

1.1 How CTR awards are calculated

Entitlement to CTR and the amount awarded is based on the characteristics 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. Please note that this is a simplified version and does not include some additional features of the scheme (such as capital rules, non-dependant deductions and the second adult rebate).

Figure 1: Process for calculating CTR awards

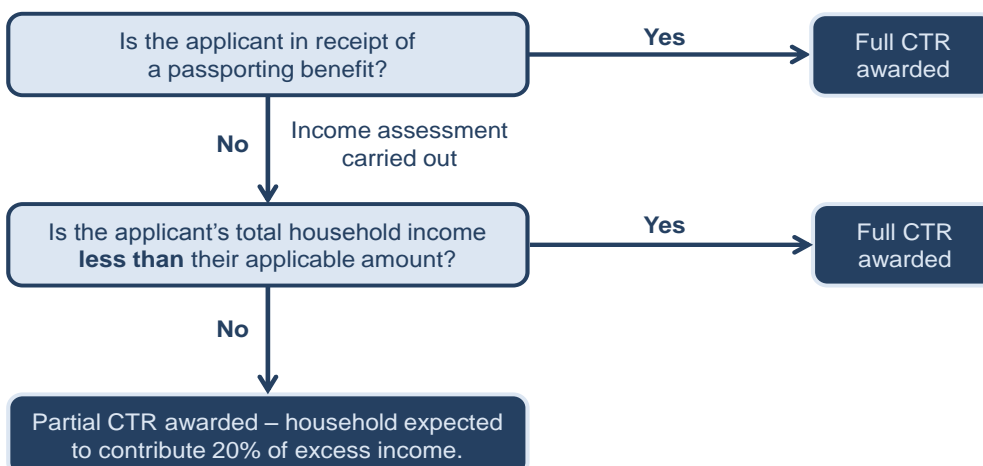


Figure 2: Illustration of CTR Calculation 2019-20

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

The Band C Council Tax liability was £16.33 after single person discount of 25%.

Household weekly income consisted of:

- Net Earnings of £144.00
- Working Tax Credit of £67.93
- Child Tax Credits £117.40

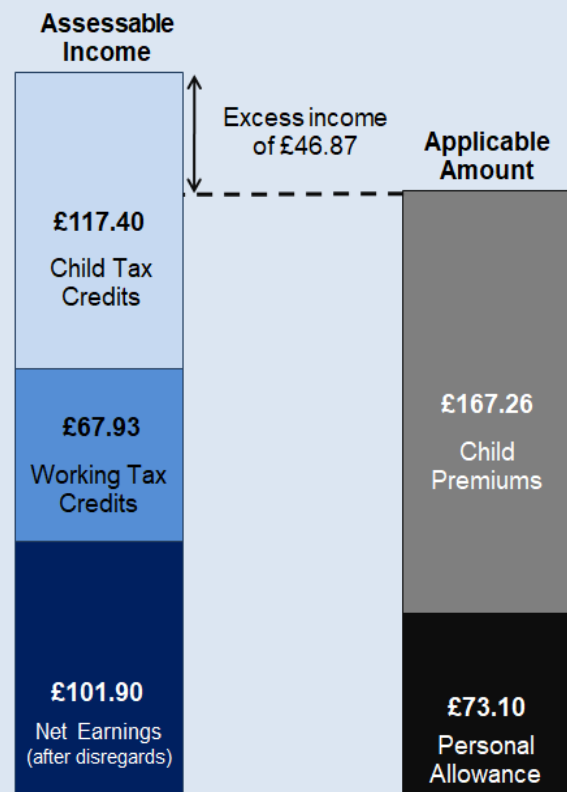
Income

| | |
|---|------------------------|
| Net Earnings | £144.00 |
| Working Tax Credit | £67.93 |
| Child Tax Credits | <u>£117.40</u> |
| Total Income | £329.33 |
| Earnings Disregard (<i>Lone Parent</i>) | - £25.00 |
| Earning Disregard (<i>Tax Credit</i>) | <u>- £17.10</u> |
| Total Income for CTR | £287.23 |

Calculation of household's CTR award

The applicable amount is calculated.
This household would receive the single personal allowance and two child personal allowance.

| | |
|------------------------------|-----------------------|
| Single Personal Allowance | £73.10 |
| Two Child Personal Allowance | <u>£167.26</u> |
| Applicable Amount | £240.36 |



This household's excess income is then £46.87 (£287.23 - £240.36).

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 the **Weekly Household Contribution is £9.37** (20% of £46.87).

The weekly CTR is £6.96 (£16.33 - £9.37) and they contribute £9.37.

2. Number of CTR recipients

CTR data is reported quarterly and this section provides data for the latest quarter. The number of recipients for each local authority in January, February and March 2020 is shown in Table 2. The total number of recipients in Scotland increased from 466,740 in January 2020 to 469,370 recipients in March 2020, a marginal increase of 0.6 per cent over this quarter. This rise is in line with previous seasonal trends. Most local authorities recorded an increase in CTR recipients (25 out of 32 local authorities), with the largest percentage increase seen in the Scottish Borders (2.7 per cent) over this period. Details of recipients and income forgone since the inception of CTR are available in the Recipients and Income Forgone tables also published at the same time.

Table 2: CTR Recipients by Local Authority, January to March 2020^{1, 2}

| | Jan-20 | Feb-20 | Mar-20 | % Change (Jan-Mar 20) |
|-----------------------|----------------|----------------|----------------|--------------------------|
| SCOTLAND | 466,740 | 467,730 | 469,370 | 0.6% |
| Aberdeen City | 13,590 | 13,630 | 13,720 | 1.0% |
| Aberdeenshire | 11,720 | 11,840 | 12,020 | 2.6% |
| Angus | 8,380 | 8,460 | 8,530 | 1.7% |
| Argyll and Bute | 6,500 | 6,510 | 6,580 | 1.3% |
| City of Edinburgh | 32,340 | 32,840 | 32,740 | 1.2% |
| Clackmannanshire | 4,960 | 4,970 | 5,020 | 1.3% |
| Dumfries and Galloway | 13,160 | 13,240 | 13,280 | 0.9% |
| Dundee City | 17,320 | 17,220 | 17,340 | 0.1% |
| East Ayrshire | 12,910 | 12,920 | 12,920 | 0.0% |
| East Dunbartonshire | 5,380 | 5,370 | 5,490 | 2.1% |
| East Lothian | 6,690 | 6,710 | 6,710 | 0.2% |
| East Renfrewshire | 4,210 | 4,200 | 4,240 | 0.7% |
| Falkirk | 12,520 | 12,530 | 12,550 | 0.3% |
| Fife | 29,450 | 29,430 | 29,570 | 0.4% |
| Glasgow City | 87,380 | 87,540 | 87,580 | 0.2% |
| Highland | 16,560 | 16,620 | 16,690 | 0.8% |
| Inverclyde | 9,700 | 9,600 | 9,620 | -0.9% |
| Midlothian | 6,020 | 6,010 | 5,990 | -0.4% |
| Moray | 5,390 | 5,430 | 5,460 | 1.2% |
| Na h-Eileanan Siar | 2,110 | 2,090 | 2,100 | -0.4% |
| North Ayrshire | 16,670 | 16,600 | 16,820 | 0.9% |
| North Lanarkshire | 35,810 | 35,560 | 35,730 | -0.2% |
| Orkney Islands | 1,230 | 1,220 | 1,270 | 2.6% |
| Perth and Kinross | 8,060 | 8,130 | 8,090 | 0.4% |
| Renfrewshire | 17,880 | 17,790 | 17,830 | -0.3% |
| Scottish Borders | 8,150 | 8,420 | 8,370 | 2.7% |
| Shetland Islands | 1,060 | 1,100 | 1,070 | 1.4% |
| South Ayrshire | 10,440 | 10,460 | 10,390 | -0.4% |
| South Lanarkshire | 29,790 | 29,860 | 30,130 | 1.2% |
| Stirling | 5,420 | 5,420 | 5,420 | -0.1% |
| West Dunbartonshire | 11,310 | 11,300 | 11,370 | 0.5% |
| West Lothian | 14,630 | 14,700 | 14,760 | 0.8% |

¹ Recipients are as at monthly count date. See Methodology Notes, Section 2 for more details. Available at <https://www.gov.scot/publications/council-tax-reduction/>

² Figures are rounded to the nearest 10. Components may not sum to total due to rounding. Percentage change are based on unrounded figures.

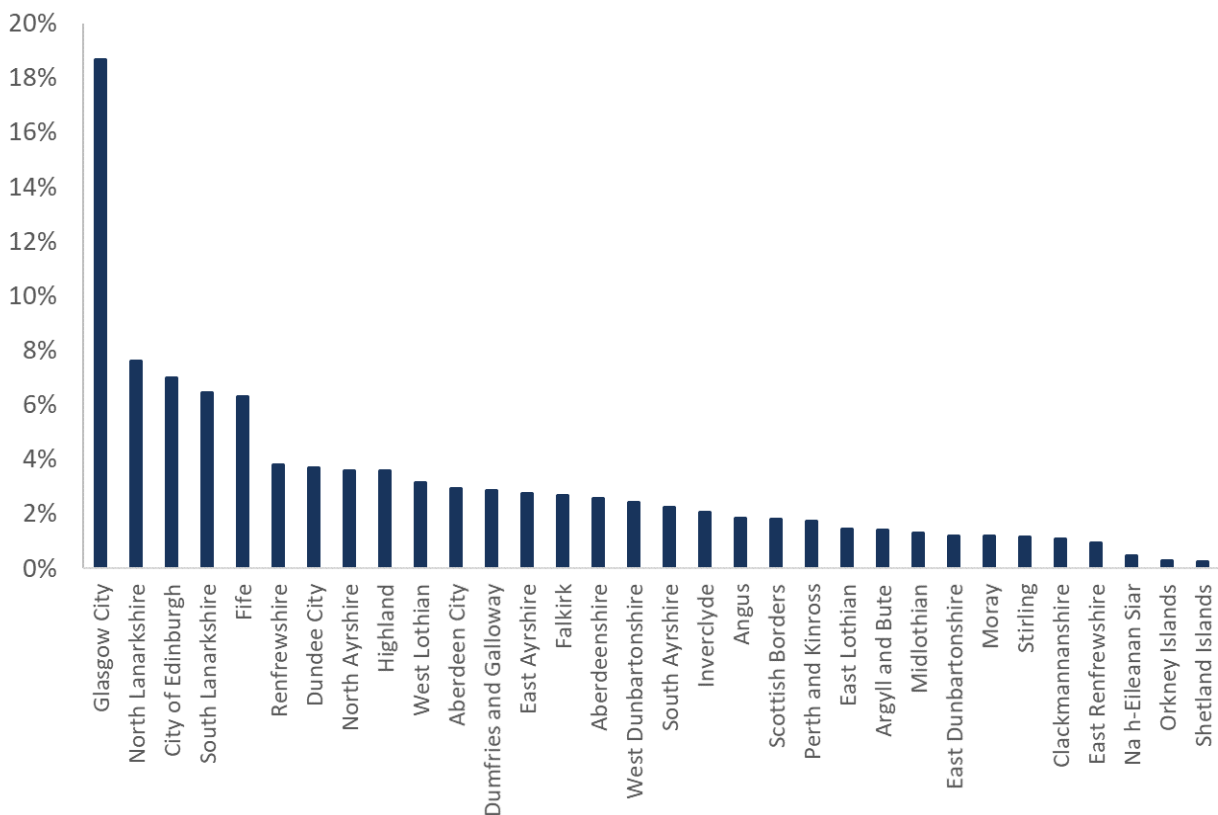
Chart 2 shows the number of CTR recipients by local authority as a proportion of the Scottish CTR population for March 2020 in descending order. It can be seen that Glasgow City accounted for the highest proportion, almost one-fifth of all recipients in Scotland which is more than twice the number of recipients in North Lanarkshire (the next highest ranking authority).

The five local authorities with the highest numbers of CTR recipients accounted for almost half (46 per cent) of the total number of CTR recipients for Scotland in March 2020. This can be attributed to the size of the local authorities where those with larger populations may be expected to have a higher number of CTR claimants and therefore recipients. These five local authorities are:

- Glasgow City accounting for 19 per cent (87,580 recipients);
- North Lanarkshire accounting for 8 per cent (35,730 recipients);
- City of Edinburgh accounting for 7 per cent (32,740 recipients);
- South Lanarkshire accounting for 6 per cent (30,130 recipients); and
- Fife accounting for 6 per cent (29,570 recipients).

In contrast, the three island authorities accounted for just 1 per cent when combined together, with only 0.4 per cent in Na h-Eileanan Siar (2,100 recipients), 0.3 per cent in Orkney Islands (1,270 recipients) and with the Shetland Islands accounting for 0.2 per cent, the least (1,070 recipients).

Chart 2: CTR recipients by Local Authority as a proportion of the Scottish CTR Population, March 2020

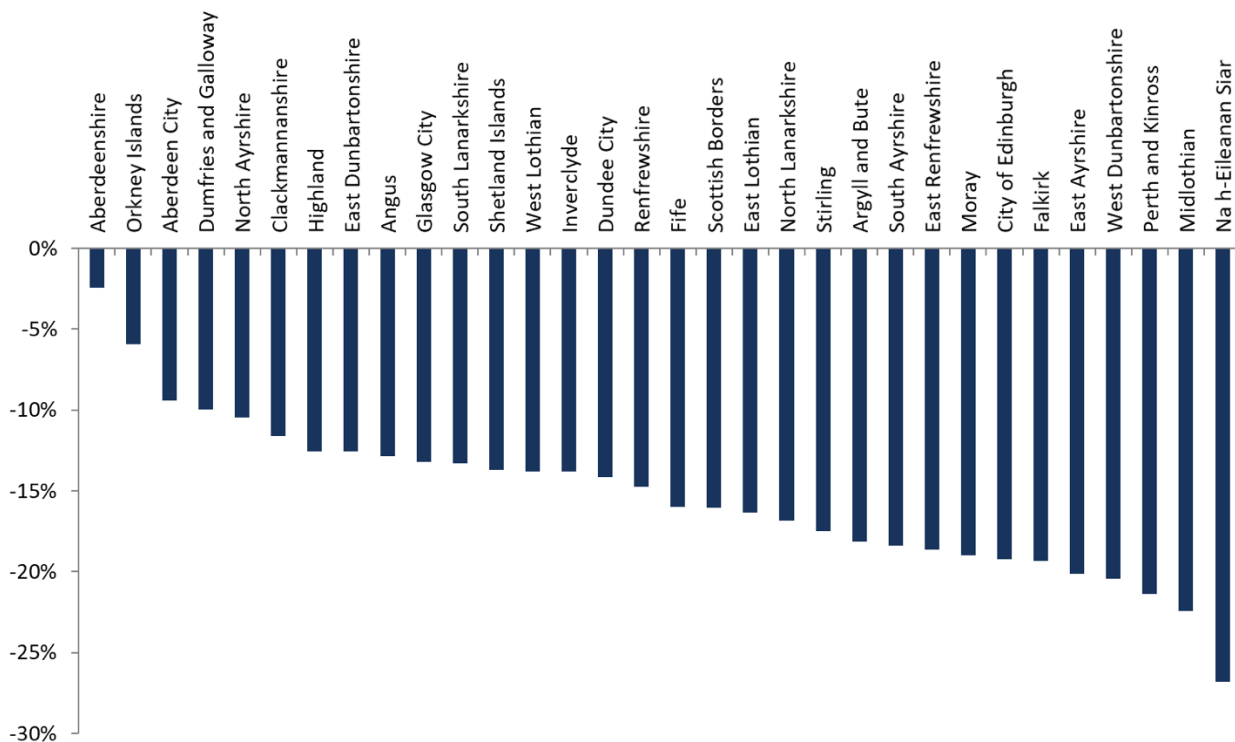


2.1 CTR recipients over time

The number of households receiving CTR in Scotland has gradually decreased from 552,380 in April 2013 to 469,370 in March 2020, a reduction of 15 per cent (83,010 recipients) since the beginning of the scheme. Chart 1 (on page 1) 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 2020 for all local authorities in Scotland.

Chart 3: Percentage decrease in CTR recipients by local authority, April 2013 to March 2020



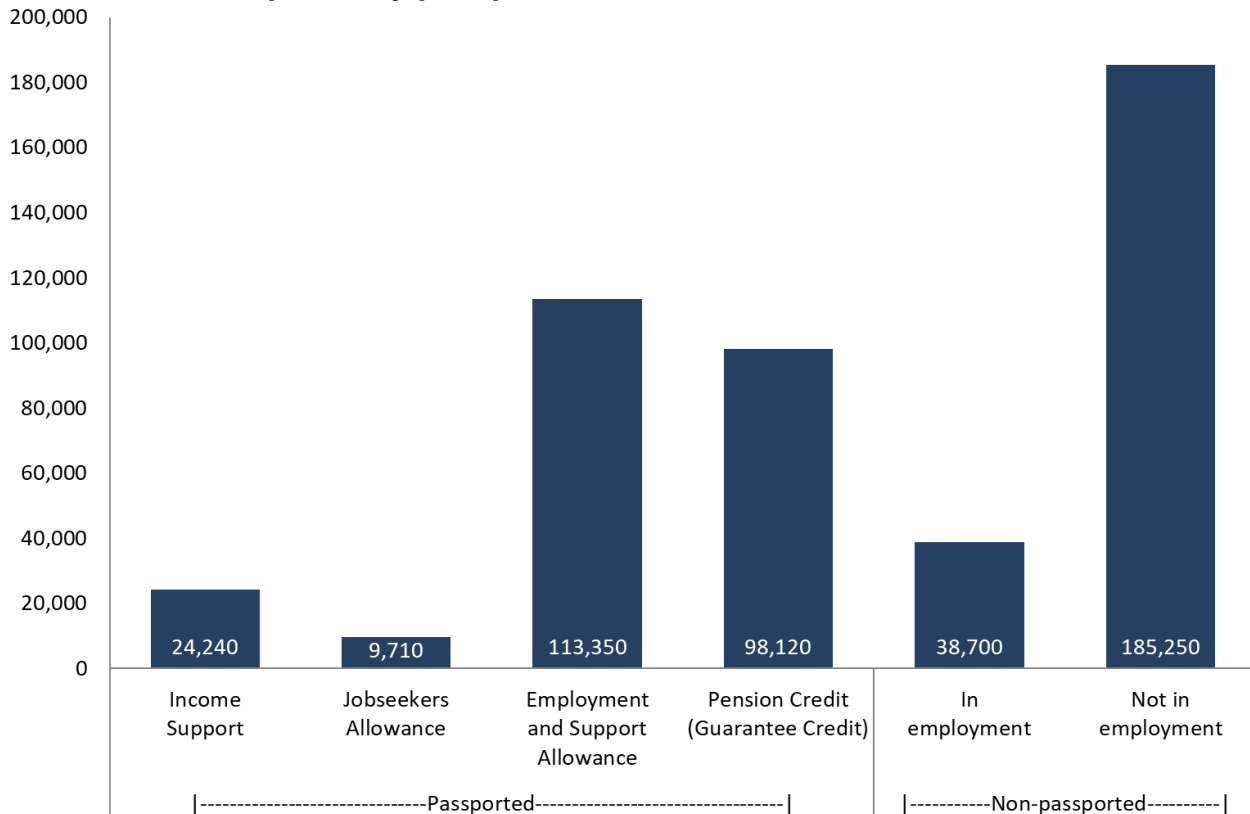
The largest percentage decreases in number of CTR recipients were in Na h-Eileanan Siar (-26.8 per cent), Midlothian (-22.4 per cent) followed by Perth and Kinross (-21.4 per cent). Whilst Na h-Eileanan Siar has a large percentage decrease, this represents a relatively small number of CTR recipients. The smallest percentage decreases were seen in Aberdeenshire (-2.4 per cent), Orkney Islands (-5.9 per cent) and Aberdeen City (-9.4 per cent).

The number of CTR recipients for each local authority for each month between April 2019 and March 2020 are provided in the supplementary tables.

2.2 CTR recipients by passported status

In March 2020, passported recipients accounted for 52 per cent of all CTR recipients. This is down from 58 per cent in March 2019 and 63 per cent in March 2018. UC does not passport people to 100 per cent CTR so as the number of people on UC rises, the number of non-passported cases is expected to increase. As can be seen from chart 4, the most common passporting benefits are Employment and Support Allowance (Income related) and Pension Credit (Guarantee Credit) which made up 45 per cent of all CTR recipients. The majority (83 per cent) of non-passported recipients in March 2020 were not in employment, up from 77 per cent in March 2019.

Chart 4: CTR recipients by passported status, March 2020



The number of recipients by passported status and local authority in March 2020 is available in the supplementary tables. Some key variations across local authorities are:

- Na h-Eileanan Siar and Glasgow City had the highest proportion of passported CTR recipients (61 per cent and 60 per cent respectively).
- East Lothian had the lowest proportion of passported CTR recipients at 41 per cent. East Lothian was also the first local authority in Scotland to have UC rolled out. A similar proportion of 45 per cent applies in Aberdeenshire, Clackmannanshire, Highland and Inverclyde – with the latter two also subject to an early roll out of UC.
- The number of recipients by passported status from April 2019 to March 2020 is available in the supplementary tables. The figures show that the number of passported CTR recipients has decreased gradually whereas the number of non-passported recipients has increased steadily as expected.

2.3 CTR recipients by age and family type

Chart 5 shows the number of CTR recipients by age group in March 2020. The age group with the highest proportion of CTR recipients was 65 or over, at 37 per cent (171,720 recipients). The age group with the lowest proportion were those under 25 at just over three per cent (15,120 recipients). This can be explained by the fact there are generally less individuals under 25 years old with Council Tax liability and therefore applying for CTR.

Chart 5: CTR recipients by age group, March 2020

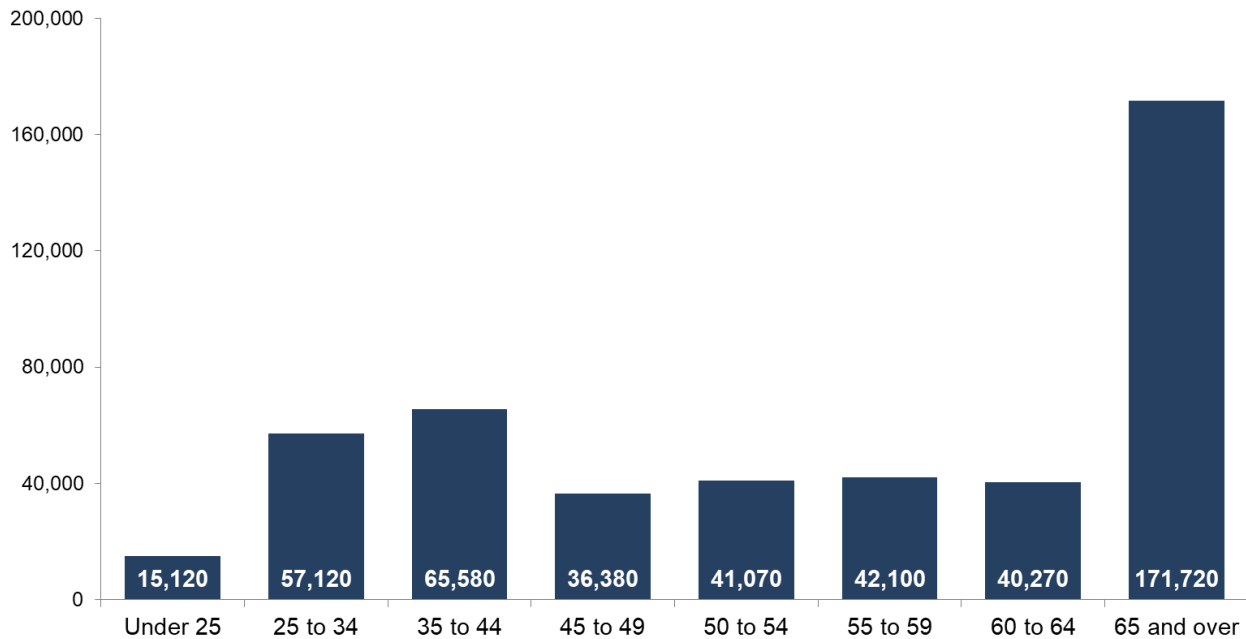
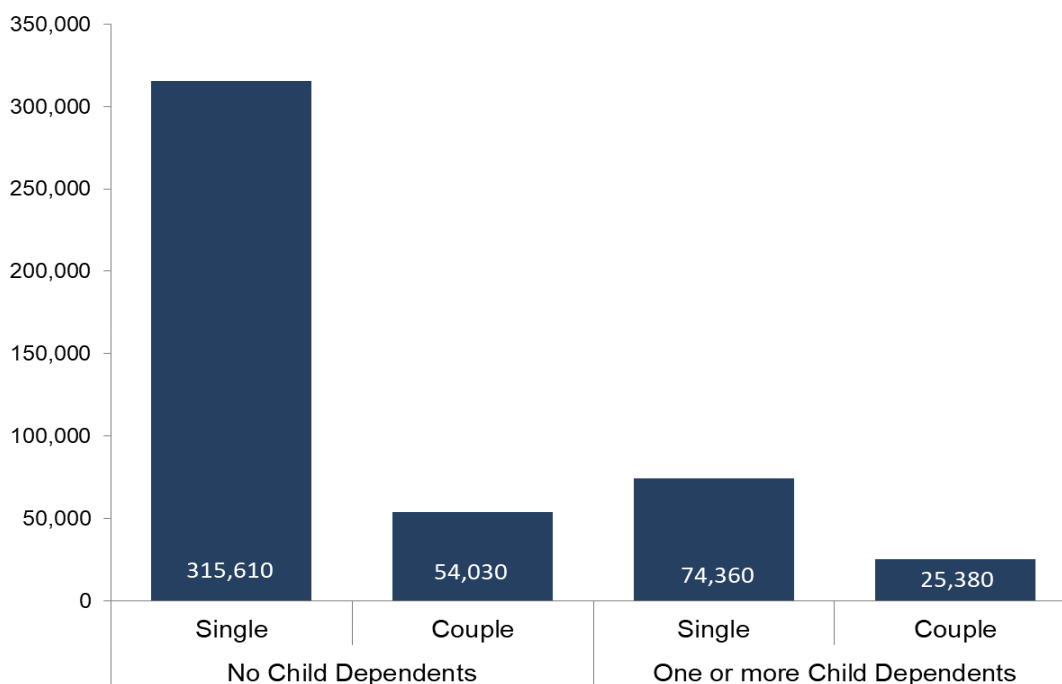


Chart 6 shows the number of CTR recipients by family type in March 2020. Over two thirds of CTR recipients (67 per cent) were single with no child dependent. Lone parents made up 16 per cent, and 17 per cent were couples (with or without children).

Chart 6: CTR recipients by family type, March 2020



2.4 CTR recipients by deprivation

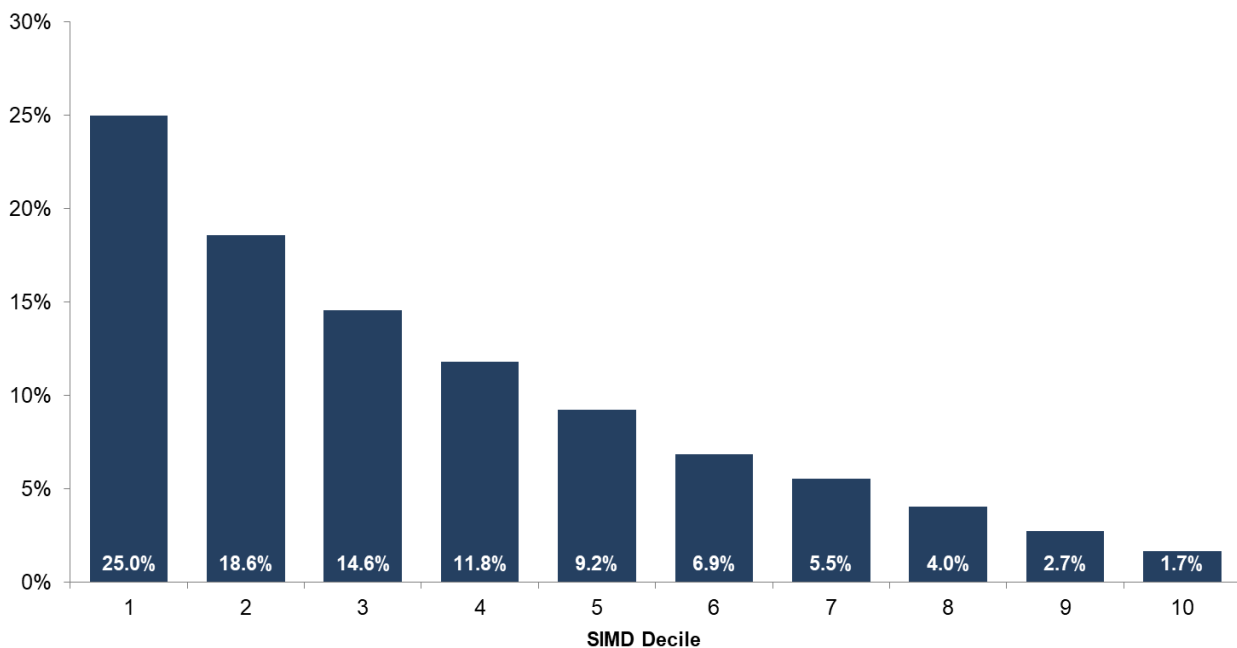
The Scottish Index of Multiple Deprivation (SIMD) is the Scottish Government's official tool for identifying areas of multiple deprivation. It divides Scotland into 6,976 datazones, each containing around 350 households or approximately 700-800 people. Each datazone has a calculated 'deprivation score' and these scores are then used to rank the datazones.

Decile 1 contains the ten per cent most deprived datazones, Decile 2 contains 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, education, health, access to services, crime and housing. The CTR scheme is principally concerned with income and household circumstances as a basis for making awards (see Figure 2).

Chart 7 shows the spread of CTR recipients across areas of deprivation using SIMD deciles as described. Similar to March 2019, it can be observed that CTR recipients are heavily concentrated in areas of highest deprivation, with 58 per cent of recipients (272,490) in the lowest three deciles in March 2020.

Chart 7: CTR recipients by deprivation, March 2020^{1, 2}



¹ This chart is generated by matching postcodes to datazones. Approx. 730 postcode records in the CTR extracts for March 2020 cannot be matched with those in the SIMD2020, have incorrect or missing postcodes in the data.

² Further details of SIMD2020 are available at <https://www.gov.scot/news/scottish-index-of-multiple-deprivation-2020/>

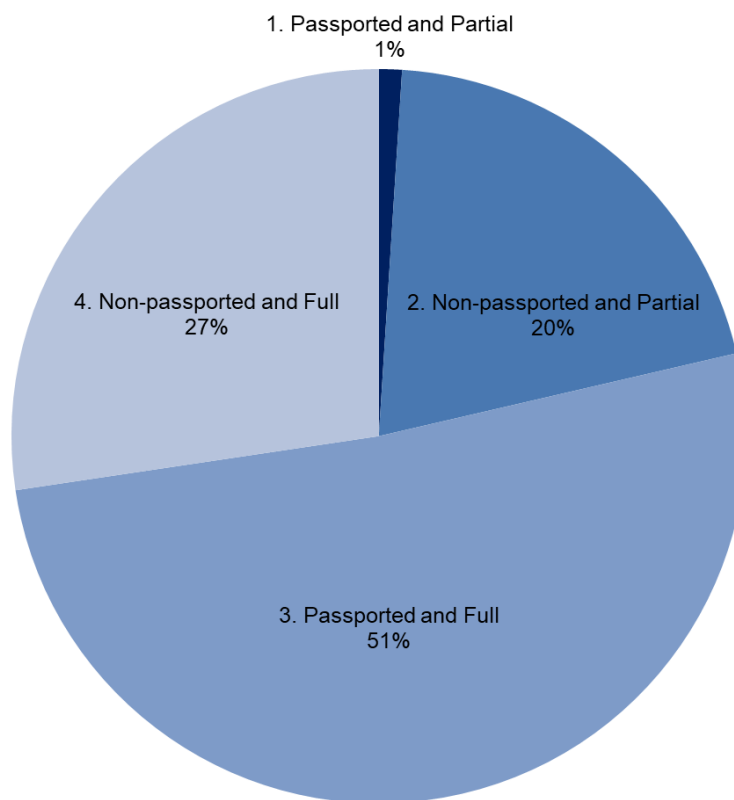
2.5 Full and partial CTR

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 Council Tax. Further details on these terms and how CTR is calculated are given in Section 1.1.

In March 2020, 51 per cent of CTR recipients (240,660) received full CTR as they were also in receipt of a passporting benefit and had no non-dependents¹ living in their household, a decrease from 57 per cent in March 2019. A further 1 per cent of recipients (4,760) were awarded full CTR due to passporting but the award was reduced as they had non-dependents in the household. The remaining 48 per cent of recipients were non-passported recipients, a rise from 42 per cent in March 2019. A further 27 per cent of recipients (128,390) were awarded full CTR and the remainder (95,560 recipients) were awarded partial CTR.

Of all CTR recipients, just under four-fifths (79 per cent, 369,050 recipients) were in receipt of full CTR in March 2020.

Chart 8: CTR recipients by full or partial award, March 2020 ^a



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

¹ A non-dependant is someone who normally lives with the CTR recipient such as an adult son, daughter, relative or friend. Boarders, sub-tenants and joint tenants are not non-dependants.

3. Weekly Income Forgone Estimates

The CTR scheme reduces the amount of Council Tax a local authority can expect to receive, although the Scottish Government provides funding to each local authority to reflect that their Council Tax income is lower due to CTR. Weekly income forgone figures 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 amount per recipient for each local authority and benefit type for the given month. When a household's Council Tax liability is reduced due to the CTR scheme, it reduces the amount of Council Tax a local authority can collect.

The total Council Tax weekly income forgone due to CTR was £6.525 million in March 2020, a marginal increase of 0.7 per cent over this quarter. This rise is in line with previous seasonal trends of a marginal rise in CTR recipients between January and March. A breakdown of the total weekly income forgone by each local authority in January, February and March 2020 is shown in Table 3. It can be seen that Glasgow City accounted for one-fifth (20 per cent) of the total weekly income forgone for Scotland followed by City of Edinburgh (7 per cent) and North Lanarkshire (7 per cent) in March 2020. This is consistent with the higher numbers of CTR recipients recorded for these local authorities.

Table 3: CTR weekly estimate of income forgone (£000's) by Local Authority, January to March 2020^{1, 2, 3}

| | Jan-20 | Feb-20 | Mar-20 | % Change (Jan-Mar 20) |
|-----------------------|----------------|----------------|----------------|--------------------------|
| SCOTLAND | 6,481.2 | 6,499.2 | 6,524.8 | 0.7% |
| Aberdeen City | 193.7 | 194.5 | 195.6 | 1.0% |
| Aberdeenshire | 161.0 | 162.2 | 164.6 | 2.2% |
| Angus | 102.5 | 103.6 | 104.5 | 1.9% |
| Argyll and Bute | 100.9 | 101.3 | 102.1 | 1.3% |
| City of Edinburgh | 474.9 | 480.6 | 478.9 | 0.9% |
| Clackmannanshire | 66.4 | 66.6 | 67.1 | 1.0% |
| Dumfries and Galloway | 172.6 | 173.7 | 174.1 | 0.9% |
| Dundee City | 230.1 | 229.7 | 231.2 | 0.5% |
| East Ayrshire | 174.4 | 174.6 | 175.0 | 0.3% |
| East Dunbartonshire | 88.0 | 87.8 | 89.7 | 2.0% |
| East Lothian | 97.4 | 97.6 | 97.6 | 0.3% |
| East Renfrewshire | 68.7 | 68.7 | 69.3 | 0.9% |
| Falkirk | 153.0 | 153.3 | 153.6 | 0.4% |
| Fife | 385.4 | 385.8 | 388.1 | 0.7% |
| Glasgow City | 1,324.8 | 1,327.3 | 1,329.6 | 0.4% |
| Highland | 233.7 | 234.6 | 235.5 | 0.8% |
| Inverclyde | 128.8 | 128.1 | 128.0 | -0.6% |
| Midlothian | 93.0 | 93.0 | 92.9 | -0.1% |
| Moray | 71.6 | 72.0 | 72.5 | 1.2% |
| Na h-Eileanan Siar | 25.9 | 25.9 | 26.0 | 0.6% |
| North Ayrshire | 228.1 | 227.7 | 230.3 | 1.0% |
| North Lanarkshire | 442.3 | 440.2 | 443.1 | 0.2% |
| Orkney Islands | 15.7 | 15.5 | 15.9 | 1.4% |
| Perth and Kinross | 117.7 | 118.6 | 118.5 | 0.7% |
| Renfrewshire | 249.5 | 248.4 | 249.2 | -0.1% |
| Scottish Borders | 102.9 | 106.0 | 105.3 | 2.3% |
| Shetland Islands | 13.2 | 13.6 | 13.3 | 0.9% |
| South Ayrshire | 156.1 | 156.9 | 156.1 | 0.0% |
| South Lanarkshire | 377.5 | 378.8 | 381.6 | 1.1% |
| Stirling | 79.6 | 79.5 | 79.5 | -0.1% |
| West Dunbartonshire | 161.4 | 161.2 | 162.3 | 0.5% |
| West Lothian | 190.5 | 191.9 | 193.4 | 1.5% |

¹ Recipients are as at monthly count date. See Methodology Notes, Section 2 for more details. Available at <https://www.gov.scot/publications/council-tax-reduction/>

² Weekly income forgone estimates are based on the number of CTR recipients multiplied by the average weekly CTR amount per recipient 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. Percentage change are based on unrounded figures

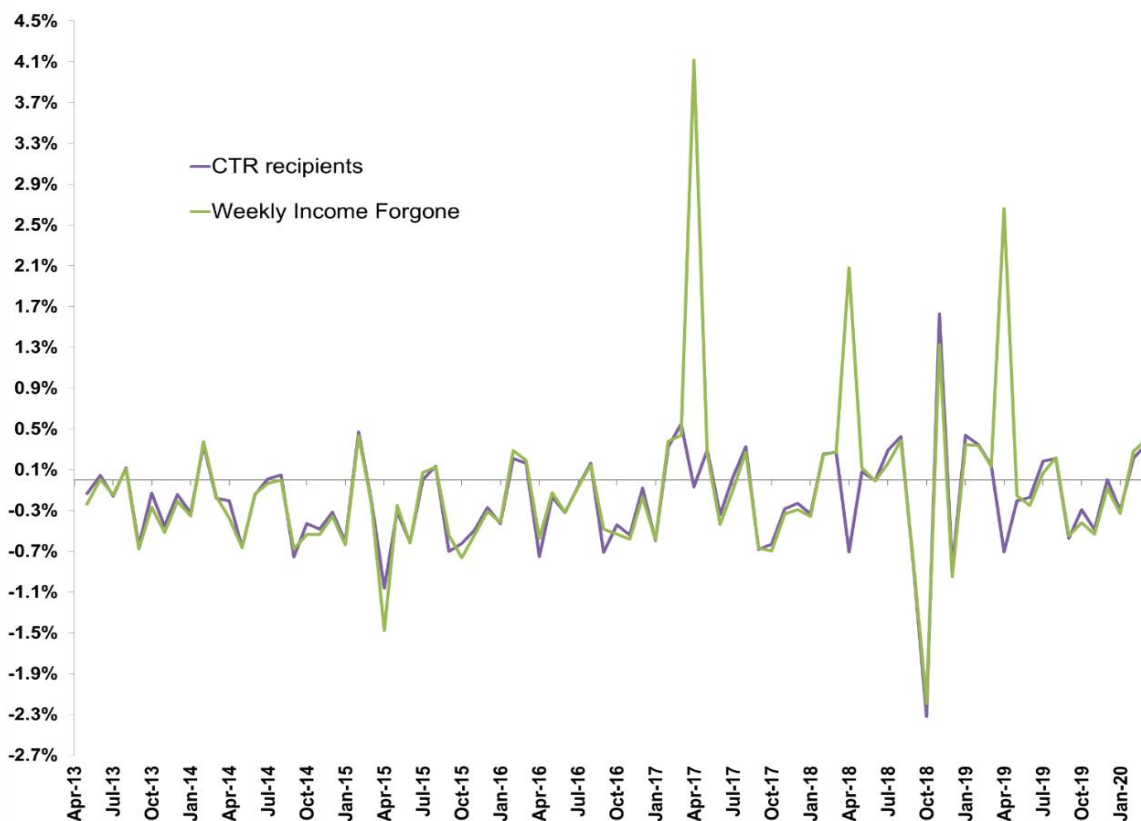
3.1 Weekly income forgone over time

The total weekly income forgone estimates for Scotland (see section 5 for more details) has decreased from £7.092 million in April 2013 to £6.525 million in March 2020. The income forgone estimates follow the same general pattern as the number of recipients, with the exception of April 2017, 2018 and 2019 where there was a large increase in the income forgone from the previous month whilst the number of CTR recipients decreased. This is due to an increase in Council Tax between March and April of each year (as shown in Chart 1).

All local authorities have seen a decrease in their weekly estimates of CTR income forgone since April 2013 contributed by a decrease in CTR recipients, with the exception of Aberdeenshire whose weekly estimate of CTR income forgone has increased by just over £10,000 in March 2020 (after a reported rise of just under £5,000 in March 2019) compared to April 2013. The number of CTR recipients and weekly income forgone have been closely linked, with most of the variability in income forgone being driven by the number of CTR 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 2020. Rather than a sustained increase in income forgone, the chart spikes in April annually since 2017 (whilst the numbers of CTR recipients continue to decrease) due to changes in Council Tax and CTR referenced above and local authorities being given the power to increase Council Tax by up to 4.79 per cent in 2019-20 and up to 3 per cent the previous 2 years. After the increases in Council Tax, 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 2020



The Recipients and Income Forgone tables, also published with this publication, show an increase in the on-going costs of the scheme due largely to Council Tax 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 per cent. The months of September to December 2018 saw the roll out of UC to several large local authorities including Glasgow City, City of Edinburgh and Aberdeen City. In these areas (with some exceptions) claims could no longer be made to a passporting benefit. As 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.

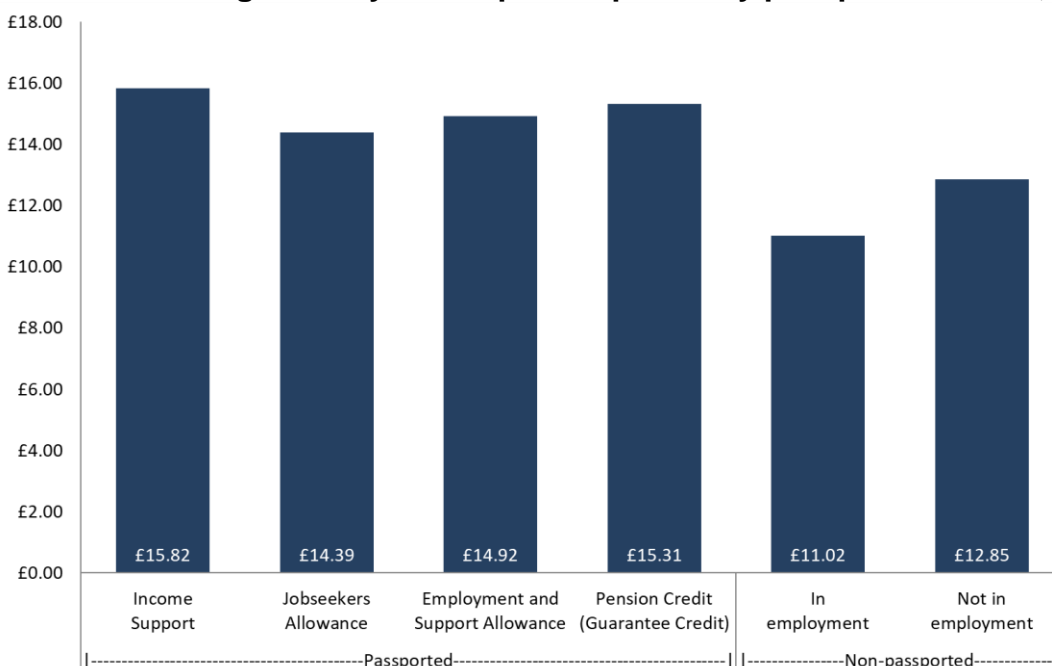
The weekly income forgone estimate for each local authority for each month between April 2013 and March 2020 are also provided in the Recipients and Income Forgone tables as part of the publication.

3.2 Average weekly awards by passported status

In March 2020, the average weekly award per CTR recipient was £13.91 per week, up from £13.49 in March 2019 contributed by increases in Council Tax rates in April 2019. Average weekly award per recipient varied by both local authority (ranging from £12.25 to £16.35) and passported status; these figures are included in the supplementary tables.

All passported benefits saw increases in average weekly awards per recipient in March 2020 compared to March 2019. Non-passported recipients who were in employment received the least on average per week at £11.02, compared to those on Income Support who received the most at £15.82. Passported income forgone will generally be higher (£15.14 in March 2020) as, by virtue of being on a passporting benefit, these recipients will all be in receipt of full CTR in most cases compared with £12.53 for non passported recipients in March 2020. Chart 10 shows the average weekly award per recipient by passported status.

Chart 10: Average weekly award per recipients by passported status, March 2020



3.3 Average weekly awards by age and family type

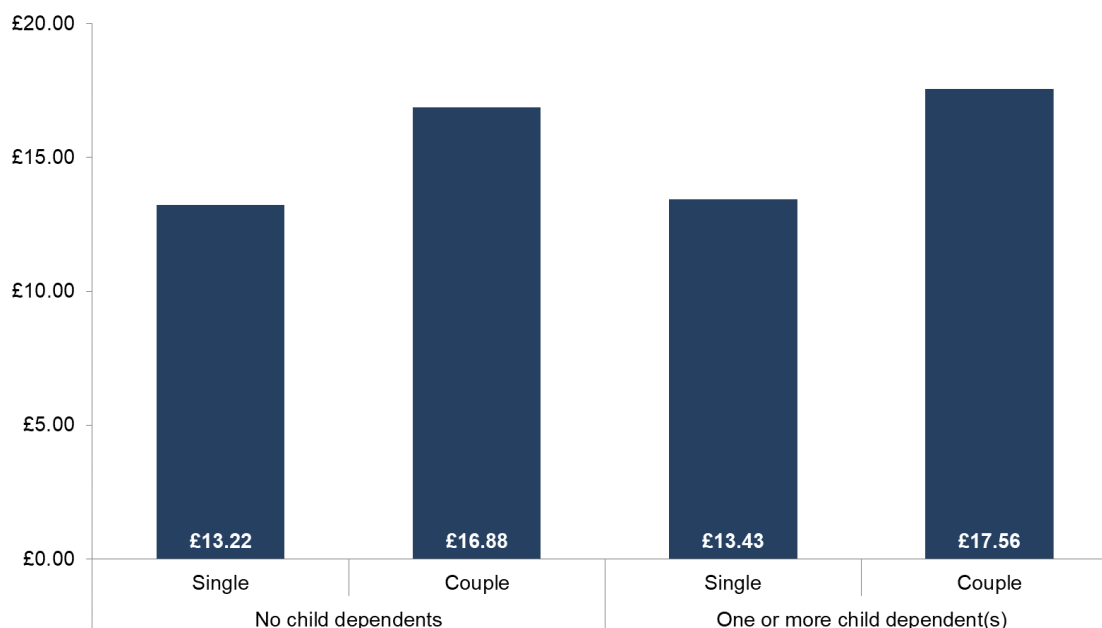
Chart 11 shows the average weekly income forgone estimates by age group which has recorded an increase in all age categories in March 2020. The under 25 age category had the lowest average weekly award at £12.48 followed by the 25 to 34 age group at £13.12. The average weekly income forgone estimate rises at each age category until the 65 and over category is reached.

Chart 11: Average weekly award by age group, March 2020



Chart 12 shows the average weekly award by family type in March 2020 where couples generally have a higher average weekly awards than single adults. Single adults with no child dependents received the lowest average weekly award at £13.22 compared to couples with dependent children who had the highest average weekly award at £17.56.

Chart 12: Average weekly award by family status, March 2020



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 1 April 1991. Band A properties are liable for the lowest rate of Council Tax and Band H attract the highest rate.

Chart 13 shows the proportion of CTR recipients by Council Tax Band in March 2020, with local authority level figures provided in the supplementary tables. There are more CTR recipients in the lower bands, with 41 per cent in Band A compared to just under 5 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 2020

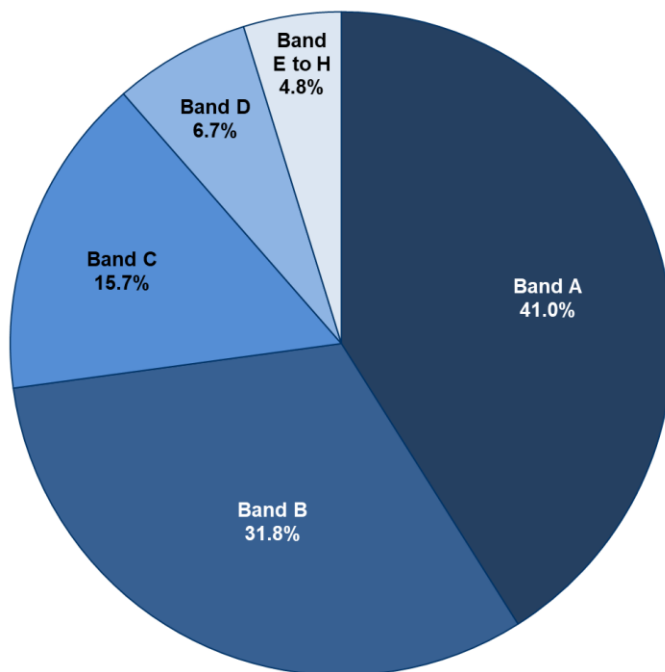


Chart 14: Proportion of chargeable dwellings in receipt of CTR by Council Tax Band, March 2020

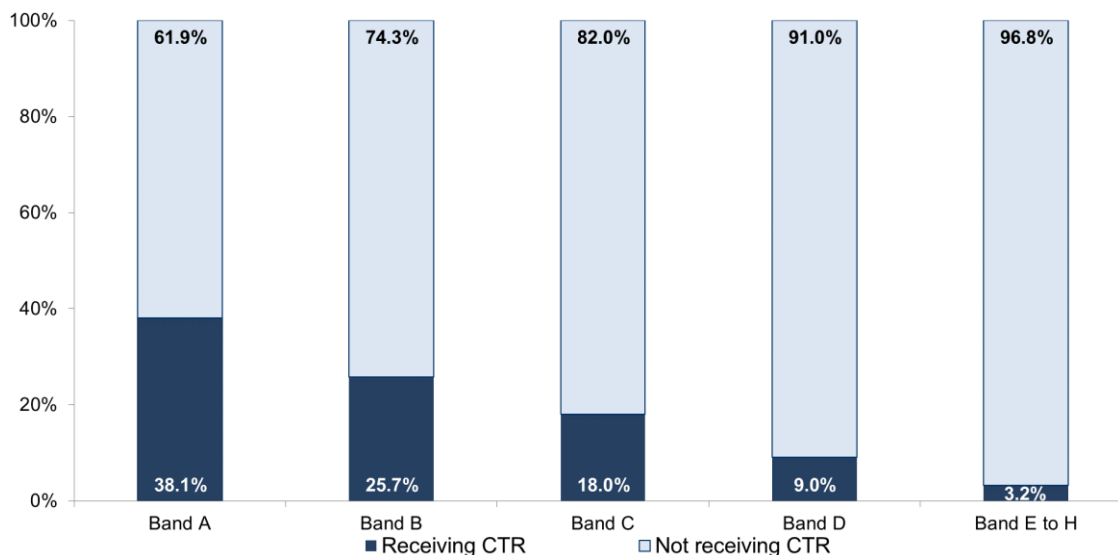
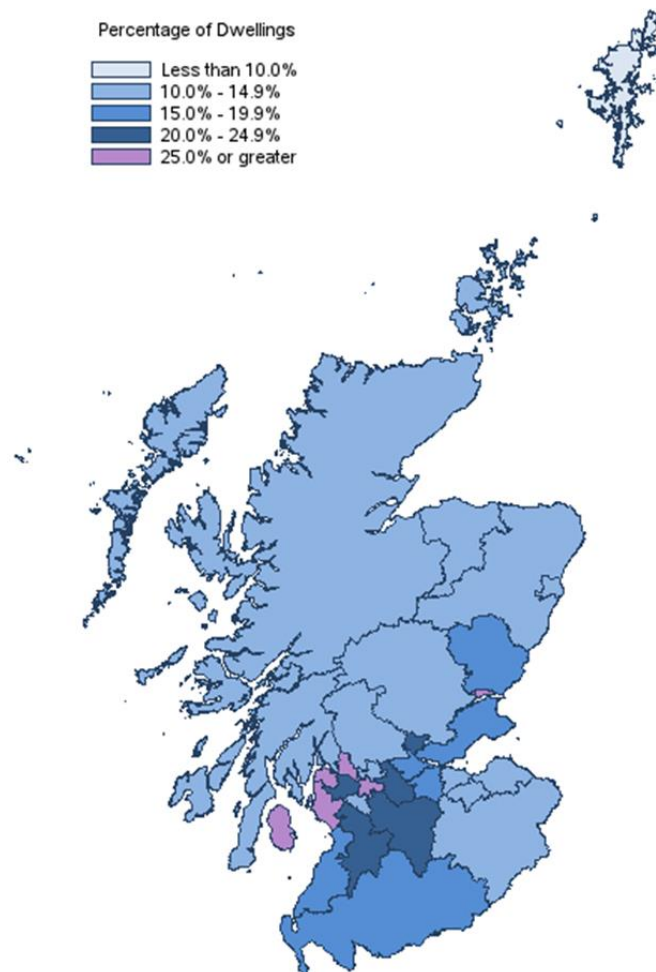


Chart 14 shows the proportion of chargeable dwellings in receipt of CTR by Council Tax band. Band A has the highest proportion of dwellings in receipt of CTR at 38.1 per cent. The proportion decreases as Council Tax band increases to only 3.2 per cent for Bands E to H.

In March 2020, 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 City had the highest proportion of their chargeable dwellings in receipt of CTR recipients (31 per cent) and Shetland Islands the lowest (10 per cent). The map in Figure 3 illustrates the proportion of dwellings in each local authority in receipt of CTR, with the relevant data found in the supplementary tables.

Figure 3: Proportion of chargeable dwellings in receipt of CTR by local authority, March 2020



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Ordnance Survey Licence number 100024655. Map generated in SAS Enterprise Guide.

5. CTR impact on Council Tax income

In Scotland in 2019-20, the total gross Council Tax charged, before CTR, was £2.895 billion and the provisional income forgone due to CTR was £336.4 million. This means that in total CTR accounted for 11.6 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 2019-20 by local authority. The 2013-14 to 2018-19 figures have been the subject of audit. The 2019-20 figures are provisional. These figures represent a decrease of 6 per cent in the total value of reductions in Scotland between 2013-14 and 2019-20.

Most local authorities have seen a decrease in the total value of reductions due to CTR between 2013-14 and 2019-20. The largest percentage decreases were seen in Na h-Eileanan Siar (-16 per cent), West Dunbartonshire (-14 per cent) and City of Edinburgh (-11 per cent). Details of the changes in income forgone are available on the Recipients 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 2019-20

| | 2013-14 ^a | 2014-15 ^a | 2015-16 ^a | 2016-17 ^a | 2017-18 ^a | 2018-19 ^a | 2019-20 ^b |
|-----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Scotland | 359.7 | 343.8 | 332.2 | 319.6 | 327.3 | 330.9 | 336.4 |
| Aberdeen City | 9.8 | 9.2 | 9.1 | 9.3 | 9.6 | 9.8 | 10.0 |
| Aberdeenshire | 7.6 | 7.2 | 7.1 | 7.2 | 7.6 | 7.7 | 7.9 |
| Angus | 5.5 | 5.3 | 5.2 | 5.1 | 5.3 | 5.3 | 5.3 |
| Argyll and Bute | 5.8 | 5.6 | 5.3 | 5.1 | 5.2 | 5.3 | 5.3 |
| City of Edinburgh | 27.7 | 26.5 | 24.9 | 23.8 | 24.7 | 24.7 | 24.6 |
| Clackmannanshire | 3.7 | 3.5 | 3.4 | 3.3 | 3.4 | 3.4 | 3.5 |
| Dumfries and Galloway | 8.9 | 8.6 | 8.3 | 8.1 | 8.4 | 8.5 | 8.8 |
| Dundee City | 12.8 | 12.2 | 11.9 | 11.7 | 11.9 | 12.0 | 12.0 |
| East Ayrshire | 10.0 | 9.4 | 9.1 | 8.6 | 8.7 | 8.8 | 9.1 |
| East Dunbartonshire | 4.8 | 4.6 | 4.4 | 4.2 | 4.3 | 4.4 | 4.6 |
| East Lothian | 5.6 | 5.4 | 5.2 | 4.8 | 4.9 | 5.0 | 5.1 |
| East Renfrewshire | 3.9 | 3.8 | 3.6 | 3.5 | 3.7 | 3.6 | 3.6 |
| Falkirk | 8.7 | 8.2 | 8.0 | 7.6 | 7.8 | 7.9 | 8.0 |
| Fife | 21.7 | 20.8 | 20.0 | 19.5 | 20.2 | 20.7 | 20.5 |
| Glasgow City | 71.8 | 68.6 | 67.3 | 64.0 | 65.9 | 67.4 | 68.8 |
| Highland | 12.7 | 12.0 | 11.7 | 11.4 | 12.0 | 11.9 | 12.0 |
| Inverclyde | 7.1 | 6.7 | 6.5 | 6.2 | 6.2 | 6.4 | 6.6 |
| Midlothian | 5.3 | 5.1 | 5.0 | 4.7 | 4.8 | 4.8 | 4.9 |
| Moray | 3.9 | 3.7 | 3.6 | 3.6 | 3.7 | 3.7 | 3.8 |
| Na h-Eileanan Siar | 1.6 | 1.5 | 1.4 | 1.3 | 1.3 | 1.3 | 1.3 |
| North Ayrshire | 11.9 | 11.5 | 11.3 | 10.9 | 11.3 | 11.3 | 11.6 |
| North Lanarkshire | 25.5 | 24.4 | 23.5 | 22.0 | 22.2 | 22.4 | 23.0 |
| Orkney Islands | 0.8 | 0.8 | 0.7 | 0.7 | 0.7 | 0.7 | 0.8 |
| Perth and Kinross | 6.9 | 6.5 | 6.3 | 6.2 | 6.2 | 6.2 | 6.2 |
| Renfrewshire | 13.8 | 13.2 | 12.6 | 12.1 | 12.2 | 12.4 | 12.7 |
| Scottish Borders | 5.8 | 5.5 | 5.3 | 5.0 | 5.1 | 5.1 | 5.3 |
| Shetland Islands | 0.7 | 0.6 | 0.6 | 0.6 | 0.6 | 0.7 | 0.7 |
| South Ayrshire | 8.8 | 8.6 | 8.1 | 7.8 | 8.1 | 8.1 | 8.2 |
| South Lanarkshire | 21.8 | 21.1 | 20.1 | 19.3 | 19.3 | 19.5 | 19.8 |
| Stirling | 4.6 | 4.4 | 4.2 | 4.0 | 4.0 | 4.0 | 4.1 |
| West Dunbartonshire | 9.8 | 9.4 | 8.9 | 8.7 | 8.4 | 8.6 | 8.4 |
| West Lothian | 10.4 | 9.8 | 9.6 | 9.3 | 9.2 | 9.5 | 9.9 |

^a Final audited figures, published in Scottish Local Government Financial Statistics and available at:

<https://www.gov.scot/collections/local-government-finance-statistics/>

^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 2019-20 (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 1 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 2019 to March 2020 were:

| Month | Count Date | Month | Count Date |
|------------|------------|-----------|------------|
| April 2019 | 18/04/2019 | Oct. 2019 | 10/10/2019 |
| May 2019 | 16/05/2019 | Nov. 2019 | 07/11/2019 |
| June 2019 | 13/06/2019 | Dec. 2019 | 05/12/2019 |
| July 2019 | 11/07/2019 | Jan. 2020 | 16/01/2020 |
| Aug. 2019 | 08/08/2019 | Feb. 2020 | 13/02/2020 |
| Sept. 2019 | 12/09/2019 | Mar. 2020 | 12/03/2020 |

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 this publication where we seek to report on the characteristics of the recipients and the amounts they receive.

A full methodology guide is available at: <https://www.gov.scot/publications/council-tax-reduction/>

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/9781839608216>.

1. Number of CTR recipients

- 1.1: CTR recipients, April 2013 to March 2020
- 1.2: CTR recipients by local authority, April 2019 to March 2020
- 1.3: CTR recipients by local authority as a proportion of the Scottish CTR Population, March 2020
- 1.4: CTR recipients by local authority and passported status, March 2020
- 1.5: CTR recipients by passported status, April 2019 to March 2020
- 1.6: CTR recipients by age, family type and gender, March 2020
- 1.7: CTR recipients by age and family type, March 2020
- 1.8: CTR recipients by deprivation, March 2020
- 1.9: CTR recipients by full or partial award, March 2020

2. Weekly income forgone estimates

- 2.1: Percentage changes since previous month for CTR recipients and weekly income forgone, April 2013 to March 2020
- 2.2: Weekly income forgone estimates (£'000s) by local authority, April 2019 to March 2020
- 2.3: Average weekly award by local authority and passported status, March 2020
- 2.4: Average weekly award by age group and family type, March 2020

3. Chargeable dwellings and Council Tax Bands

- 3.1: CTR recipients by local authority and Council Tax Band, March 2020
- 3.2: Proportion of chargeable dwellings in receipt of CTR by Council Tax Band, March 2020

4. CTR impact on Council Tax income

- 4.1: Total reduction in Council Tax income (£ millions) through CTR by local authority, 2013-14 to 2019-20
- 4.2: Percentage of chargeable dwellings in receipt of CTR by local authority, March 2020

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: <https://www2.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 <https://www.gov.scot/collections/local-government-finance-statistics/#counciltaxreduction>

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

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The data collected for this statistical bulletin:

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