



PUBLIC SERVICES AND GOVERNMENT

Council Tax Reduction in Scotland, April to June 2020

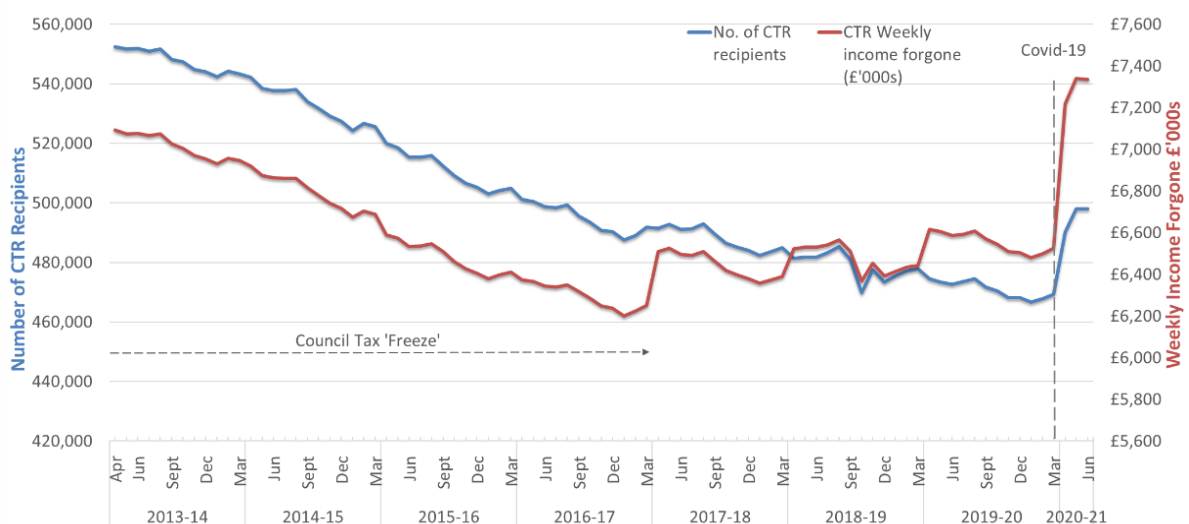
This quarterly publication provides statistics on the Council Tax Reduction (CTR) scheme. The CTR scheme reduces the Council Tax (CT) liability of lower income households in Scotland. A CTR ‘recipient’ can be a single person or a couple, with or without children, since CT is charged on a per-dwelling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

The statistics are based on data extracts from local authorities, and cover the time period April to June 2020. The publication therefore covers the period when some of the wider impacts of the Coronavirus (Covid-19) pandemic began to affect the CTR figures.

Key Points

- There were 497,960 CTR recipients in Scotland in June 2020, an increase of 1.6 per cent between April and June 2020.
- The total weekly income forgone by local authorities on CTR in June 2020 was £7.334 million.
- The total number of CTR recipients in Scotland increased sharply in April 2020 (to 490,160 from 469,370 in March 2020) with further increases recorded during this quarter as a result of the economic impacts of Covid-19.
- There were increases in the total weekly CTR awarded in April 2020 and during the quarter as a result of the increases in CTR recipients and also due to the annual increases in CT bills. The weekly income forgone figure is now at its highest level since the scheme began (as shown in Chart 1 below).

Chart 1: CTR Recipients and Weekly Income Forgone in Scotland, April 2013 to June 2020



1. CTR Recipients

Chart 1 (page 1) shows the number of CTR recipients in Scotland increasing across April and May 2020, with the numbers remaining broadly similar between May and June 2020. These figures show a sharp rise of 4.4 per cent (20,790 recipients) from the previously reported 469,370 CTR recipients in March 2020 to 490,160 in April 2020. This is the biggest monthly rise in CTR recipients observed since the scheme was devolved in April 2013. We know that Covid-19 (where “lockdown” began on 24 March 2020) has affected employment in Scotland with a knock-on impact on CTR claims. The number of CTR recipients by local authority in April 2020 can be seen in Table 1 below.

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

	Mar-20	Apr-20	% Change (Mar-Apr 20)
SCOTLAND	469,370	490,160	4.4%
Aberdeen City	13,720	13,790	0.5%
Aberdeenshire	12,020	13,130	9.2%
Angus	8,530	9,150	7.2%
Argyll and Bute	6,580	7,100	7.9%
City of Edinburgh	32,740	34,010	3.9%
Clackmannanshire	5,020	5,370	6.9%
Dumfries and Galloway	13,280	14,230	7.1%
Dundee City	17,340	18,130	4.6%
East Ayrshire	12,920	13,430	3.9%
East Dunbartonshire	5,490	6,040	10.1%
East Lothian	6,710	6,940	3.4%
East Renfrewshire	4,240	4,480	5.6%
Falkirk	12,550	12,890	2.7%
Fife	29,570	30,360	2.7%
Glasgow City	87,580	90,400	3.2%
Highland	16,690	18,650	11.7%
Inverclyde	9,620	10,040	4.4%
Midlothian	5,990	6,100	1.8%
Moray	5,460	5,740	5.1%
Na h-Eileanan Siar	2,100	2,160	2.7%
North Ayrshire	16,820	17,690	5.1%
North Lanarkshire	35,730	36,840	3.1%
Orkney Islands	1,270	1,360	7.7%
Perth and Kinross	8,090	8,430	4.2%
Renfrewshire	17,830	18,690	4.8%
Scottish Borders	8,370	8,980	7.4%
Shetland Islands	1,070	1,140	5.7%
South Ayrshire	10,390	10,510	1.1%
South Lanarkshire	30,130	31,780	5.5%
Stirling	5,420	5,550	2.4%
West Dunbartonshire	11,370	11,240	-1.2%
West Lothian	14,760	15,850	7.4%

¹ Recipients are as at monthly count date. See Methodology Notes, Section 2 for more details. Available at 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.

As can be seen, most local authorities recorded an increase in CTR recipients between March and April 2020 ranging from 0.5 per cent (Aberdeen City) to 11.7 per cent (Highland) whilst West Dunbartonshire was the only council to record a decrease¹ (-1.2 per cent). In total, two-thirds (66 per cent) of local authorities recorded a rise between 3 per cent and 9 per cent across these 2 months. Factors reported which can explain variations in percentage change between local authorities are initial processing delays, different characteristics of regional populations, additional pressures on local authority resources related to Covid-19 and the introduction of the Furlough scheme and Self-

¹ The drop in cases between March and April 2020 in West Dunbartonshire was due to a technical issue which resulted in CTR cases being suspended or cancelled. It is expected that their CTR applications will increase when the outstanding Universal Credit applications are processed.

Employment Income Support Scheme which may have caused fluctuations in CTR recipient figures across local authorities.

Between April and May 2020, a further increase was recorded in Scotland of 1.6 per cent (7,800 recipients) to 497,950 in May 2020. The rise in CTR recipients amongst local authorities was more moderate than the rise recorded in April 2020, with the largest increase being 5.0 per cent (Renfrewshire) followed by 4.5 per cent (City of Edinburgh) and 3.4 per cent (Orkney Islands). These rises may be a result of the continued economic impacts from Covid-19 with most local authorities recording a greater number of additional CTR recipients in April 2020 than in May 2020. Of the 32 local authorities, 7 recorded a decrease in CTR recipients in May 2020 with the largest decrease recorded in East Dunbartonshire (-1.4 per cent). These decreases may be a result of short term CTR recipients no longer eligible for CTR.

At the end of this quarter, the number of CTR recipients in Scotland remained broadly flat at 497,960 in June 2020. There was a levelling out in most local authorities as 25 recorded either an increase or decrease between 0 and 1 per cent from May 2020. The largest increase in June 2020 was 2.2 per cent (City of Edinburgh) followed by 1.0 per cent (Dundee City), whilst Inverclyde recorded the largest decrease (-1.6 per cent).

Table 2: CTR Recipients by Local Authority, April to June 2020^{1,2}

	Apr-20	May-20	Jun-20	% Change (Apr-Jun 20)
SCOTLAND	490,160	497,950	497,960	1.6%
Aberdeen City	13,790	14,110	14,220	3.1%
Aberdeenshire	13,130	13,410	13,240	0.9%
Angus	9,150	9,110	9,010	-1.5%
Argyll and Bute	7,100	7,170	7,130	0.5%
City of Edinburgh	34,010	35,530	36,310	6.8%
Clackmannanshire	5,370	5,510	5,540	3.2%
Dumfries and Galloway	14,230	14,220	14,240	0.1%
Dundee City	18,130	18,140	18,310	1.0%
East Ayrshire	13,430	13,650	13,660	1.8%
East Dunbartonshire	6,040	5,960	5,930	-1.9%
East Lothian	6,940	7,070	7,060	1.7%
East Renfrewshire	4,480	4,580	4,590	2.5%
Falkirk	12,890	13,020	12,970	0.6%
Fife	30,360	30,460	30,410	0.2%
Glasgow City	90,400	93,380	93,410	3.3%
Highland	18,650	18,500	18,230	-2.3%
Inverclyde	10,040	10,100	9,940	-1.0%
Midlothian	6,100	6,170	6,160	1.0%
Moray	5,740	5,850	5,850	1.9%
Na h-Eileanan Siar	2,160	2,170	2,160	-0.1%
North Ayrshire	17,690	17,650	17,450	-1.3%
North Lanarkshire	36,840	37,350	37,550	1.9%
Orkney Islands	1,360	1,410	1,410	3.5%
Perth and Kinross	8,430	8,370	8,340	-1.0%
Renfrewshire	18,690	19,620	19,660	5.2%
Scottish Borders	8,980	9,130	9,110	1.4%
Shetland Islands	1,140	1,150	1,160	1.9%
South Ayrshire	10,510	10,510	10,450	-0.5%
South Lanarkshire	31,780	32,010	31,970	0.6%
Stirling	5,550	5,650	5,650	1.9%
West Dunbartonshire	11,240	11,340	11,360	1.1%
West Lothian	15,850	15,670	15,510	-2.2%

¹ Recipients are as at monthly count date. See Methodology Notes, Section 2 for more details. Available at 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.

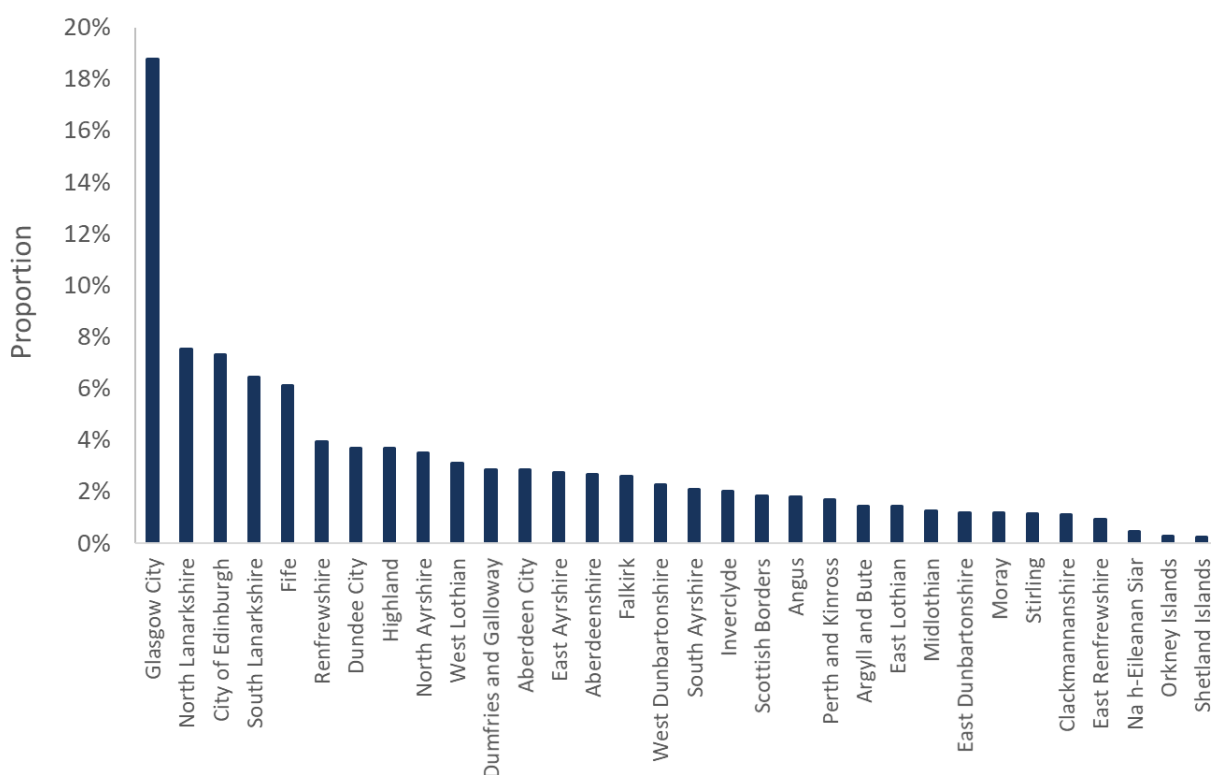
During this quarter, the number of CTR recipients in Scotland increased by 1.6 per cent from 490,160 in April 2020 to 497,960 in June 2020. The rise between April and June 2020 is not the general pattern seen for the same period in previous years for the reasons mentioned above. This is the first rise in CTR recipients between these months as all previous years recorded a decrease or remained broadly flat. Covid-19 has resulted in more individuals becoming eligible to claim for CTR as their financial circumstances have been affected. The CTR recipient levels in Scotland at the end of the quarter are therefore now similar to the levels seen 4 years ago in June 2016. The number of CTR recipients for each local authority between April and June 2020 is shown in Table 2.

Chart 2 below shows the number of CTR recipients by local authority as a proportion of the Scottish CTR population for June 2020 in descending order. It can be seen that Glasgow City continues to account for the highest proportion, with almost one fifth of all recipients in Scotland. That is more than twice the number of recipients in North Lanarkshire (the next highest ranking authority). In contrast, the three island authorities continue to account for just 1 per cent when combined together, with Shetland Islands accounting for the least (0.2 per cent).

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 in Scotland in June 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 (93,410 recipients);
- North Lanarkshire accounting for 8 per cent (37,550 recipients);
- City of Edinburgh accounting for 7 per cent (36,310 recipients);
- South Lanarkshire accounting for 6 per cent (31,970 recipients); and
- Fife accounting for 6 per cent (30,410 recipients).

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



2. Weekly Income Forgone

The total weekly income forgone for Scotland was £7.334 million in June 2020, an increase of 1.6 per cent between April and June 2020 which is the highest ever recorded. Income forgone estimates follow the same general pattern as the number of recipients, with the exception of April each year when local authority CT increases the level of CT income foregone due to CTR.

In addition to CT increases by local authorities in 2020, the rise in total weekly income forgone in April 2020 is a result of the increased CTR recipients due to Covid-19 mentioned in section 1. During this month, there was a sharp rise of 10.6 per cent from the previously reported £6.525 million in March 2020 to £7.218 million in April 2020.

A breakdown of the total weekly income forgone by each local authority in April, May and June 2020 is shown in Table 3 below. 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 (8 per cent) and North Lanarkshire (7 per cent) in June 2020, consistent with the higher numbers of CTR recipients recorded for these local authorities.

Table 3: Weekly Income Forgone (£'000s) by Local Authority, April to June 2020^{1,2,3}

	Apr-20	May-20	Jun-20	% Change (Apr-Jun 20)
SCOTLAND	7,217.7	7,339.5	7,334.2	1.6%
Aberdeen City	206.5	212.4	214.3	3.8%
Aberdeenshire	191.6	195.8	192.5	0.4%
Angus	116.9	116.7	115.3	-1.4%
Argyll and Bute	117.0	118.5	117.4	0.3%
City of Edinburgh	527.0	552.5	564.0	7.0%
Clackmannanshire	75.0	76.3	76.0	1.4%
Dumfries and Galloway	202.5	199.2	197.7	-2.3%
Dundee City	257.7	257.9	260.1	0.9%
East Ayrshire	192.8	196.5	197.0	2.2%
East Dunbartonshire	103.7	102.7	101.7	-1.9%
East Lothian	107.4	109.8	109.8	2.2%
East Renfrewshire	78.0	79.5	79.7	2.2%
Falkirk	167.4	169.7	168.7	0.8%
Fife	423.5	426.0	425.0	0.4%
Glasgow City	1,444.6	1,491.3	1,492.2	3.3%
Highland	287.2	282.4	276.3	-3.8%
Inverclyde	138.7	140.1	138.1	-0.5%
Midlothian	100.6	102.9	102.6	2.0%
Moray	81.0	82.7	82.7	2.1%
Na h-Eileanan Siar	28.1	28.2	28.0	-0.5%
North Ayrshire	256.1	256.1	253.1	-1.2%
North Lanarkshire	485.8	494.1	496.4	2.2%
Orkney Islands	18.1	18.8	18.7	3.4%
Perth and Kinross	130.1	129.2	129.0	-0.9%
Renfrewshire	276.9	290.9	291.8	5.4%
Scottish Borders	120.4	123.1	123.5	2.6%
Shetland Islands	14.8	15.0	15.1	2.0%
South Ayrshire	167.3	168.2	167.4	0.1%
South Lanarkshire	420.5	423.6	423.0	0.6%
Stirling	86.5	88.2	88.6	2.4%
West Dunbartonshire	168.8	170.7	171.5	1.6%
West Lothian	225.1	220.5	217.1	-3.5%

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

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. Percentage change are based on unrounded figures.

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