Scottish Government
Local Government & Analytical Services Division

Council Tax Reduction Statistics

Definition and Methodology

Last updated September 2015

Contents

1. **BACKGROUND**

From 1 April 2013, Council Tax Benefit (CTB), which was run by the Department for Work and Pensions (DWP), was abolished and replaced by the Scottish Government's Council Tax Reduction (CTR) Scheme. Since then, the Scottish Government have asked all Local Authorities (LAs) to provide individual record level extracts on a monthly basis, similar to the Single Housing Benefit Extract (SHBE) they previously provided to DWP. This information enables monitoring of the CTR scheme, in terms of the numbers and characteristics of recipients and their awards. Statistics on CTR can be found at:
http://www.gov.scot/Topics/Statistics/Browse/Local-Government-Finance/CTR

The information in the dataset will also allow Scottish Government statisticians to calculate average days taken to process applications and changes in circumstances.

There are two type of records contained in the CTR extract which might feed into caseload statistics. 'D' records are 'live' cases extracted on a specified date, which is called the count date, although LAs can provide data up to a week after that count date[1]. 'C' records are cases that have been 'closed' since the previous count date. The CTR data count dates for all LAs are shown in table 1.

Table 1: Count dates for CTR extracts, April 2014 – March 2016

Month	Earliest Data Count Date	Month	Earliest Data Count Date
Apr-14	10/04/2014	**Apr-15**	16/04/2015
May-14	15/05/2014	**May-15**	14/05/2015
Jun-14	12/06/2014	**Jun-15**	11/06/2015
Jul-14	10/07/2014	**Jul-15**	09/07/2015
Aug-14	07/08/2014	**Aug-15**	06/08/2015
Sep-14	11/09/2014	**Sep-15**	10/09/2015
Oct-14	09/10/2014	**Oct-15**	08/10/2015
Nov-14	06/11/2014	**Nov-15**	05/11/2015
Dec-14	04/12/2014	**Dec-15**	03/12/2015
Jan-15	15/01/2015	**Jan-16**	14/01/2016
Feb-15	12/02/2015	**Feb-16**	11/02/2016
Mar-15	12/03/2015	**Mar-16**	10/03/2016

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[1] In the transition from CTB to CTR some IT systems were not in place for the first few months of the CTR scheme in 2013. This has meant that some of the data was extracted more than a week after the earliest extraction date. From December 2013 onwards all monthly extracts for all LAs should be provided within one week of the extraction date.

2. NUMBER OF RECIPIENTS DEFINITION

A CTR '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 number of CTR recipients published is a snapshot measure of the number of recipients where CTR is awarded (i.e. CTR > 0p) on a particular day. Having this snapshot of data on the same day for each LA means we can compare their figures. This is consistent with the definition used for DWP benefit statistics.

The snapshot is a measure of individual applicants, rather than all **applications**. So, if an individual has two separate CTR applications at the same point in time, they will be recorded in the statistics as one individual receiving CTR. However, the number of applicants who have more than one CTR application is very small.

3. INCOME FOREGONE DEFINITION

For the quarterly publications, total income foregone has been estimated as the number of recipients multiplied by the average weekly CTR amount per recipient for the local authority and benefit type. However, 'C' records, which comprise 1-2% of the total, do not contain information on total weekly reduction amounts. The estimates therefore assume that the weekly reduction for 'C' records was the same as the average weekly reduction based on the 'D' records.

In the larger annual publication, the total income foregone over the year, as reported by LAs, is used. This total is preferred as it removes the risk of variance due to closed cases or cases which are subsequently re-determined.

4. METHODOLOGY

The broad methodology is to use 'D' records (live claims) and 'C' records (closed claims between extracts) to calculate the number of recipients. The count date for the data extracts are shown in Table 1. Sometimes LAs are unable to extract the CTR data on the count date itself, therefore 'D' records in a particular extract can relate to a date before or after the count date. To allow complete coverage of the count date across all LAs, CTR extracts from a minimum of two months need to be used – for example, for complete coverage of a count date of 16th May 2015, both the May 2015 and June 2015 CTR extracts are used.

Using 'C' records will identify short term claims that were live on the count date but not on the date that the data was extracted. 'C' records will also be used to check that 'D' records had not in fact finished before the count date.

Please see ANNEX A: DIAGRAM for an illustration of how the methodology takes account of local authorities that extract data before or after the count date. In summary, start and end dates are used to confirm whether or not a record was live on the count date.

5. PROCESSING

The key points with regards to processing CTR extract data are:

- We can only use records with a non-missing National Insurance Number (NINOs)[2] and CTR start date (missing values are filtered out at the beginning).

- Processing takes account of the fact that some LAs return data before the count date and so we need to be sure the application is live on the count date.

- We use data on closed cases to include short term cases which were live on the count date.

- When de-duplicating cases (to get one record per individual) we take D records in preference to C records and take D records closest to count date.

This processing is used to obtain the overall 'frozen' dataset for a particular month. It is this 'frozen' dataset that is used to produce monthly figures for the number of recipients and weekly income foregone by local authorities. Further detail is described below and includes derivation rules used to obtain breakdowns such as entitlement amount, family type, etc. The SAS code used for this stage of the processing is available on request.

6. MONTHLY NUMBER OF RECIPIENTS

This section sets out how Scottish Government will derive the number of CTR recipients for a month using 2 months of CTR data[3].

Step 1
- Select D and C records only (Field 1 = D or C)

- Count cases with a value in Field 4 (NINO) **and** a value in Field 201 (CTR Start date) **and** Field 44 (Weekly CTR award amount) > 0

- If Field 201 (CTR Start date) is missing and Field 1 = D **then** count cases with a value in Field 229 (CTR Treat as Made date)

- Use Fields 201 and 203 (CTR start and end dates) **and** the file extraction date to retain cases that were 'live' on the relevant count date

Step 2
- Exclude cases where the case was not live **and** Field 44 < 1p **and** Field 60 (Second Adult Rebate) = 1

Step 3
- Only retain one record per individual using Field 1 (record type), Field 4 (NINO), Field 41 and Field 201 (CTR start date) as identifiers. D records will be retained in preference to C records and D records closest to the count date will be used.

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[2] It is not a legal requirement to have a NINO to receive CTR so there may be a very small number of valid cases that will be excluded. This is not thought to have a significant impact on the overall results.
[3] If CTR data is missing or incomplete for individual LAs for a particular month, then an earlier or later month's data is substituted.

7. POPULATION SPLITS

It is standard practice to split the total number of recipients into different groups based on various characteristics. In addition to splits by Council Tax band and SIMD decile, the following population splits are published annually:

1. Passported Status, Benefit Type & Employment

Many CTR recipients are also in receipt of income-related benefits. Field 12 (Passportind) is used to distinguish between these types of applicants.

Passported: Count cases where Field 12 = 1, 2, 3 or 5
Note: These are further split by benefit type where 1 = Income Support; 2 = Pension Credit; 3 = Jobseekers Allowance (JSA); 5 = Employment Support Allowance (ESA)

Non-passported (Standard Claims): Count cases where Field 12 = 4
Note: These are further split by employment status into 'in work' and 'not in work'

2. Under 65 / 65 and over

If the applicant (if single) **or** the elder of the applicant or partner (if applying as a couple) is under 65, then they are classed in the 'Under 65' group. Otherwise they are classed in the '65 and over' group.

Under 65: Count cases where Coupleage[4] < 65

65 and over: Count cases where Coupleage[4] >= 65

3. Family Type

The family type breakdown uses information on partners and Field 13 (number of child dependants) to split the caseload into 4 groups. The groups can then be further split by age and gender.

Single, no child dependants: Count cases where no partner data **and** Field 13 = 0

Single, child dependant(s): Count cases where no partner data **and** Field 13 > 0

Couple, no child dependant(s): Count cases where there is partner data[5] **and** Field 125 (Partner's End Date) < count date **and** Field 13 = 0

Couple, child dependant(s): Count cases where there is partner data[5] **and** Field 125 (Partner's End Date) < count date **and** Field 13 > 0

8. WHO TO CONTACT FOR MORE INFORMATION

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[4] Coupleage = MAX(Age, Pcage) w here Age = count date – Field 8 (Applicant's date of birth) **and**
Pcage = count date – Field 178 (Partner's date of birth)
[5] Field 126 (Partner's NINO) is populated **or** Field 123 (Partner Flag) > 0

9. ANNEX A: DIAGRAM SHOWING RECORDS TO BE INCLUDED

Local Authority Y
(deliver after count date)

EXCLUDE:
D records that started after the count date
INCLUDE:
C records that were closed after the count date

April extract

May extract

June extract

Calendar months — April — May — June

April count date

May count date

June count date

May extract

June extract

July extract

INCLUDE:
D records from June extract that started before the May count date
C records from June that closed after the May count date

Local Authority X
(deliver before count date)