

Household Analyses Review Group. Use of council tax information

Introduction

1. This paper follows up the discussion at the last meeting on the scope for using council tax base information within the process of producing the household estimates. It provides a council by council analysis of comparative trends in household estimates and 'occupied dwellings' estimates from council tax data; and a brief update on the related neighbourhood statistics projects on the use of council tax data sources.
2. Members are invited to discuss the points raised and agree possible next steps.

Issues raised at June HARG meeting

3. At the previous meeting it was agreed that councils would provide available background information on the use which they currently make on Council Tax sources. Annex 1, is a note from Stephen Fraser which points to the Council Tax base as being a potentially useful source. I haven't received any other information on current experiences with use of council tax data, but haven't been chasing up responses on this, partly because of the need to tie this in with the related neighbourhood statistics work.

Further comparisons

4. From the council tax paper for the June meeting there is a clear, but not precise, relationship between the count of 'occupied dwellings' derived from councils' annual council tax base returns to the Scottish Executive and the mid-year household estimates.
5. Annex 2 provides a table and suite of charts which compare trends in these two figures for each council from local government reorganisation in 1996 to date. From the charts it is clear that:-
 - 5.1 In some councils there can be quite large differences between the two totals; possibly explained by the differences in CTax coverage discussed in the June paper.
 - 5.2 For most councils the two sets of figures tend to track quite well, but there are some anomalies; some of which (e.g. Glasgow in 1999, Aberdeen City in 1996) appear to be because of inconsistencies in the council tax data.
6. As discussed in June, we will need to wait for information from the 2001 Census to assess possible reasons for differences between 'occupied dwellings' and households for each council, including the possibility that the household estimates may be under or over stated.
7. The lack of year-on-year consistency in some of the council tax figures suggests that a fair degree of caution would be needed in using data from the current statistical source. However, the charts do appear to provide a useful credibility cross-check for each year's household estimates figure. Divergence between the two would point to the need to re-examine both the household estimates and council tax figures.

Neighbourhood statistics

8. Progress on housing related neighbourhood statistics is described in a separate paper. There are a few points worth noting in relation to the two council tax base exercises:-

8.1 Once we have the dwellings data from Assessors' council tax lists up on the neighbourhood statistics website (hopefully later this year), we might consider through HARG setting up some form of assessment of the information.

8.2 The proposed pilot exercises in obtaining and using of council tax billing data (which will distinguish discount and exemption status) will concentrate in the first instance on costs/ feasibility of amending systems to provide the data. We will also carry out some exploratory analyses to consider the appropriate uses of Council Tax billing data for small area statistics, and the implications of this for the methodology used to produce mid-year household estimates.

8.3 Having reviewed Highland council's concerns about the apparent limitations which the Local Government Finance Act places on the use of information collected by councils for council tax purposes; through policy colleagues I have sought legal advice from Scottish Executive solicitors on the points raised. Essentially, if there is a problem, the Act provides for Ministers to make regulations to permit the sort of uses which we wish to make of the data. We will approach Ministers on this if our legal advice confirms Highland's concerns. We are expecting a response from solicitors in early March and will, hopefully be able to update you at the meeting.

Conclusion/ next steps

9. Members are invited to:-

9.1 Agree whether further examples can be provided/ should be sought of current uses within councils of council tax base information.

9.2 Comment on the more detailed trend analyses in Annex 2 described in para 4-7 above.

9.3 Note that we will alert them when neighbourhood level council tax base information is available on the SE website.

9.4 Comment on ways in which we might develop interpretation/ guidance on the use of neighbourhood level information from council tax billing systems.

9.5 Note the further action in relation to possible restrictions on the use of council tax billing data for neighbourhood statistics purposes.

ANNEX 1: HOUSEHOLD ANALYSIS REVIEW GROUP**POTENTIAL USE OF COUNCIL TAX BASE INFORMATION FOR INPUT TO MID-YEAR HOUSEHOLD ESTIMATES PROCESS**

The following note provides a summary of the key findings based on my initial discussions with the Council's Heads of Revenue Services and Building Control respectively regarding the reliability and currency of North Ayrshire Council's Council Tax System for estimating dwellings and households.

It was generally felt that the system in its present state would provide good approximations for 'effective' and 'non-effective' residential dwellings. Some work is currently underway, however, to improve certain aspects of the data. Property that is on a 50% discount for example, may be a second home or vacant. Although the system has recently been changed to differentiate between the two, these will have to be changed on a case by case basis.

Some delays are expected where, for example, a property has a completion certificate but has yet to be valued by the Assessor's Office. Similarly, property that has a closing order or is scheduled for demolition will continue to appear on the list until removed by the Assessor's Office.

Information on properties that have exemptions (e.g. being modernised, rebuilt etc) is thought to be good and it is a straightforward process to identify non-residential properties and those eligible for non-domestic rates.

More detailed information on single person households is reported where they identify themselves. Some don't and it is thought that a small number claim to be single but aren't. Households in Multiple Occupation (HMOs) are thought to be substantially underestimated at this stage though the actual numbers involved are considered to be relatively small in North Ayrshire.

On balance, it would appear that CTAX system would provide reasonable estimates of residential dwelling stock and household estimates for North Ayrshire that are likely to be more up to date than those derived from statutory council returns. The Ayrshire Valuation Joint Board have suggested that an assessment of the Key Performance Indicators held by SE would better inform the position with regard to time lag between dwellings becoming occupied and valued and their subsequent inclusion on the register for billing purposes. This would help get a better picture of the position across local authorities in Scotland.

On the basis of this information, it would appear that the option to use CTAX is, at least, worthy of further investigation.

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