

**HOUSEHOLD ANALYSIS REVIEW GROUP: METHODOLOGY FOR
COMPILING HOUSEHOLD ESTIMATES AT LOCAL AUTHORITY LEVEL****Purpose**

1. At the last HARG meeting in February, HARG members agreed that GRO(S) should write to each council, proposing to publish revised household estimates based on Council Tax figures, in place of the current stock-based approach (paper HARG 2005(2)), and ask for comments on these proposals.
2. This paper describes the responses received from councils.
3. HARG members are asked to consider the responses received, and to state whether they are still in favour of the proposals, and whether anything else needs to be considered before revised household estimates can be published.

Summary of responses received from councils

4. GRO(S) wrote to each council, via the PAMS local authority member, outlining the proposal to produce revised household estimates based on Council Tax figures. The letter included the background to this, potential advantages of Council Tax-based figures, details of the methodology used, and the figures used to compile household estimates.
5. We received responses from the following councils:
Aberdeen City, Aberdeenshire, Argyll & Bute, East Lothian, East Renfrewshire, Eilean Siar, Falkirk, Fife, Glasgow, Highland, North Ayrshire, North Lanarkshire, Perth & Kinross, Renfrewshire, West Dunbartonshire and West Lothian.
6. Each council's response is summarised in the Annex. The majority of councils were in favour of basing revised household estimates on Council Tax figures. Some had additional comments and suggestions, which are briefly summarised here:
 - 6.1 HARG will need to monitor any administrative changes to Council Tax systems, and the potential impact on household estimates.
 - 6.2 GRO(S) should send local authorities draft figures each year for quality assurance purposes, before publishing.
 - 6.3 HARG may wish to carry out further comparisons with other sources of data, particularly on vacant dwellings and communal establishments, as we move away from the Census.
 - 6.4 Self-catering accommodation may fluctuate between being occupied, unoccupied, or recorded on the non-domestic valuation roll – GRO(S) will need to refer to this in the publication.
 - 6.5 A reduction in the number of second home owners claiming the discount could artificially inflate the number of occupied dwellings – HARG will need to monitor this over the next few years.
 - 6.6 There is little available information on household type. However, household type will still be included in the household projections, and it would be possible to include

summary figures from the Scottish Household Survey, in the publication (see HARG 2005(7)).

- 6.7 There may be lags in Council Tax systems being updated, which GRO(S) should refer to in the publication.
- 6.8 A small number of dwellings entitled to double discounts are occupied – this is part of the reason for anchoring the results to the Census.
- 6.9 Council Tax figures contain no information on sharing - this is part of the reason for anchoring the results to the Census.

7. GRO(S) has responded to each concern raised, as described in the Annex. While there are clearly a number of issues that need to be taken into account, no council suggested that these issues are serious enough to prevent us from publishing household estimates based on Council Tax figures.

8. In addition, some councils had specific questions about the figures for their council. These have been resolved, with the exception of Glasgow – Glasgow are now attempting to resolve discrepancies between these figures and their own household estimates.

Next steps

9. We propose to present a summary of the responses received at the PAMS meeting on June 2nd, and assuming that no further problems are identified, we would propose to publish revised household estimates based on this approach.

10. HARG members are asked whether they are content with this approach, or whether there is anything else that we need to consider before we could publish revised household estimates.

GROS: Household estimates branch
May 2005

ANNEX: Summary or responses received from each council

1. GRO(S) received responses from the following councils:
Aberdeen City, Aberdeenshire, Argyll & Bute, East Lothian, East Renfrewshire, Eilean Siar, Falkirk, Fife, Glasgow, Highland, North Ayrshire, North Lanarkshire, Perth & Kinross, Renfrewshire, West Dunbartonshire and West Lothian.
2. Of these, the following councils were happy with the proposals, and had no specific comments to make:
Aberdeenshire, East Lothian, North Ayrshire, Perth & Kinross and West Lothian.
3. The majority of the remaining councils were happy with the overall approach, but had specific comments, questions or suggestions to make – these comments, and the response from GRO(S), are listed below.

3.1 Aberdeen City

- **Comment from Council:** In favour of the approach. Noted that the Council Tax figures for Aberdeen showed 4,600 unoccupied exemptions in 1996, more than double the equivalent figure in subsequent years. This may be due to an administrative change, and we will have to be aware of any sudden changes in the future.
 - **Response from GRO(S):** Agreed that we will need to be aware of any sudden changes such as this. When Finance Departments return Council Tax figures to the Scottish Executive, they are now asked to explain any large changes since the previous year, which should make it easier to identify such issues. In addition, we will provide PAMS members with draft figures before publishing each year's household estimates, for quality assurance purposes.

3.2 East Renfrewshire

- **Comment:** Pointed out that the letter incorrectly stated that shared dwellings would result in Council Tax figures being higher than the Census – they would actually be lower.
 - **Response:** We wrote to all councils to rectify this mistake.

3.3 Eilean Siar

- **Comment:** In favour of the approach, but emphasised the need to consult local authorities every year to check draft figures and how they relate may to Council Tax system issues.
 - **Response:** Agree that we will consult with local authorities on the draft figures, every year.

3.4 Fife

- **Comment:** In favour of the approach. Note that the only possible disadvantage is that the household and population estimates may not directly relate to one another, which makes it easier to produce self-consistent models of service demand etc. However, it is better to use an accurate count of households than to use an indirect estimate based on the last Census.

3.5 Highland

- **Comment:** In favour of the approach, but note that the new systems could be affected by any changes in the Council Tax system, which we would need to monitor.

- **Response:** Agree that we will need to monitor any changes to Council Tax systems, and assess the implications for these statistics.

3.6 North Lanarkshire

- **Comment:** In favour of this approach, and agreed with the benefits. Suggested that we need to investigate communal establishments more fully, and vacant/empty dwellings. Perhaps HARG could carry out different comparisons to check these figures as we move away from the Census, e.g., local research, house condition surveys and/or Scottish Household Survey.

3.7 Falkirk

- **Comment (1):** In favour of this approach, and see benefits to it. Noted that while the combined total of unoccupied exemptions and double discounts gave a reasonable estimate of the number of vacancies, the letter implied that the majority of 'double discounts' are holiday homes or self-catering accommodation, and these figures appeared to be too high.
 - **Response:** Dwellings entitled to a double discount are actually those where no-one is resident. This includes second homes and self-catering accommodation, and in some areas they will make up the majority of such dwellings. However, it also includes other long-term vacant dwellings, which wasn't made clear in the original letter. This would explain why the figures for Falkirk were higher, and why the combined figure gave a reasonable estimate. When a dwelling is unfurnished and unoccupied for up to six months, it is exempt from Council Tax and classified as an 'unoccupied exemption'. After this period, it may be classified as a 'long-term vacant' dwellings, and be entitled to a double discount. This could explain some of the fluctuation between the two sets of figures, which is seen in some local authorities.
- **Comment (2):** Suggested that the GROS postcode index could be used as a proxy for housing stock.
 - **Response:** GRO(S) has published small area estimates of the number of dwellings, from the Assessors' Portal (www.sns.gov.uk). We have compared the figures for 2003 and 2004, and compared the dwelling counts from the Assessors' Portal with the household counts from the GROS postcode directory, at datazone level. We have also compared the figures with the Council Tax based household estimates, at local authority level. Overall, there is a high level of consistency between the figures from the different sources, which is reassuring. We will continue to develop comparisons between different sources of figures, to improve our understanding of these sources and how the figures tie-in together. This will also help as we develop small area household estimates from Council Tax systems, and we will compare these figures with the Small Area Population Estimates that the GRO(S) demography team is developing.

3.8 Argyll & Bute:

- **Comment (1):** Self-catering holiday accommodation can yo-yo between being recorded as an unoccupied dwelling (if let for less than 140 days per year), included on the non-domestic rates valuation roll (if let for more than 140 days per year) and an occupied dwelling.

- **Response:** This is true, and we will need to make this clear in the publication. Although fluctuations such as this can occur, an advantage of Council Tax figures is that information on vacant properties/second homes is updated annually, rather than relying on information from the last Census to estimate the number of unoccupied dwellings in some sectors.
- **Comment (2):** In the past, second homes have been eligible for a 50% reduction in Council Tax – this discount is being reduced to 10%, and it is possible that some second home owners may not think it is worth applying for this discount. This would lead to household estimates being inflated by non-claimants
 - **Response:** We will need to monitor this, and look carefully at any changes over the next few years.
- **Comment (3):** Would like more information to be available on household type
 - **Response:** Quite limited information is available on household type from Council Tax figures, and no information on household type was available from the previous, stock-based figures. However, we will still include information on household type in the household projections. We could also consider including information on changes in household type across Scotland in the Household Estimates publication, using the results of the Scottish Household Survey (see paper HARG 2005(7)).
- **Comment (4):** There can be lags in the Council Tax systems being updated. These may be higher around September.
 - **Response:** Agree that this may be an issue, which we will have to highlight in the publication.
- **Comment (5):** Not all properties receiving a double discount are unoccupied – they may include a few households where all the resident adults are disregarded for Council Tax purposes.
 - **Response:** This is one of the reasons that we are proposing to anchor the results to the Census.
- **Comment (6):** There is a danger of people taking projections too literally - would it be possible to publish projections as bands or with margins of error?
 - **Response:** We always try to make it clear how our household estimates and projections are produced, and potential problems that may arise in interpreting them. As we review the household projections, we will work with the Household Analysis Review Group to consider different ways of presenting the figures, to illustrate this.

3.9 West Dunbartonshire:

Council Tax information is reliable and up to date as an indicator for the number of dwellings, but raised concerns about the number of households:

- **Comment (1):** Concerned that certain categories of people who are exempt from Council Tax (students, people under 18, certain care providers and people with severe mental impairment) will not be included.
 - **Response:** Council Tax returns distinguish occupied and unoccupied exempt dwellings, so occupied exempt properties, such as all-student households, will be included in the total number of households.
- **Comment (2):** Council Tax systems contain no information about shared households, where there is more than one household in a dwelling.

- **Response:** This is true – this is partly why we are anchoring the results to the Census. Across Scotland, 1,951 households living in shared dwellings were recorded in the 2001 Census. Stock-based household estimates, which have been published in the past, also depend on the Census to estimate the number of shared dwellings.
- **Conclusion:** Following this discussion, West Dunbartonshire are now happy for us to go ahead with publishing Council Tax-based household estimates.

3.10 Renfrewshire:

In favour of the approach of basing household estimates on Council Tax figures. However, they were concerned with the figures for Renfrewshire, and suggested:

- **Comment (1):** Instead of subtracting the number of vacant dwellings recorded in Council Tax systems and tying the overall household estimates to the Census, the number of vacant dwellings should be tied to the results of the 2001 Post Census Vacant Survey (PCVS).
 - **Response:** We considered this approach, and investigated the impact on figures for Scotland and other local authorities. The PCVS only covered 3-10% of dwellings in each council – the smallest sample size was just 17. This is likely to reduce the accuracy of the results in some areas. In addition, there are some differences between the definitions used in Council Tax systems and the Census, including some self-catering accommodation, some communal establishments and shared dwellings. By anchoring the results to the Census, we would account for these differences. However, just anchoring the number of vacant dwellings recorded in the Council Tax figures to the PCVS, would mean using different sets of definitions for vacant and occupied dwellings, which would not be consistent. In Renfrewshire, there is a difference of 0.6% between the two sets of figures, but in some councils the difference is as high as 4.5%, and we need to agree a consistent approach which will produce figures that are as accurate as possible, for the whole of Scotland.
- **Comment (2):** Expressed a concern about the way in which we proposed to adjust the number of households recorded in the Census in April 2001, to produce a figure for September 2001. They have evidence that over 60% of the dwellings demolished during this period were vacant, so the number of households would not change by as much as our figures showed.
 - **Response:** We don't have any consistent information of each local authority, on changes between April and September 2001. Therefore, we took a fraction of the overall change in Council Tax figure between September 2000 and September 2001. This assumes that there is a smooth change in the number of dwellings across the year, which may not be the case, but there is no obvious way of producing more accurate figures to reflect changes during these months which would be consistent across Scotland as a whole.
- **Conclusion:** Renfrewshire have since said that while they would prefer to use their suggested approach, they understand the need to use a method that is consistent across Scotland, so accept our proposals.

3.11 Glasgow:

- **Comment (1):** Concerns about the Census household estimate and sharing allowance for Glasgow. This, and some other issues, is being discussed as part of the technical dialogue on the 2001 Census results between GROS and Glasgow City Council.
- **Comment (2):** The figures for total dwellings, and vacant dwellings, are different to the Council's estimate, despite the fact that both come from the Council Tax Register. This is an issue that needs to be taken up with colleagues in Financial Services in Glasgow Council.
 - **Response:** Waiting for clarification from Glasgow Council, on these issues.