

Child Tax Credits – Small Area Analysis

The statistics used in this update come from a new dataset published by HM Revenue and Customs (HMRC) and are potentially useful to users seeking information about the economic profile of families with children in small geographical areas. In this initial release, the main focus of HMRC is to make the figures available and seek feedback on the value of these data. Therefore these data are still experimental.

Child Tax Credit (CTC) provides support to families with children and "qualifying" young people¹ for which they are responsible. It is paid in addition to Child Benefit (CB). The figures include out of work families with children who receive the same level of support as provided by CTC, but where it is paid as child allowances in Income Support or income-based Jobseeker's Allowance (IS/JSA). This is the first time that these families have been included in detailed statistics on tax credits.

Maps 1 to 5 present a selection of the data available. Table 1 shows the number of SOAs as a percentage of all SOAs within a borough that have a value above the Greater London average. The main findings are:

- 97 per cent of Newham's SOAs have more CTC recipients than the average for London. The second highest percentage is in Barking and Dagenham with 88 per cent. The lowest is in Richmond with 10 per cent.
- Barking and Dagenham has the highest percentage of SOAs above the London average in terms of families receiving CTC above the family element² with 91 per cent. The lowest are seven per cent of SOAs in Kensington and Chelsea and eight per cent in Camden.
- The borough with the highest percentage of SOAs with values above the London average in terms of lone parents in work receiving CTC is Lewisham with 93 per cent. Richmond upon Thames has the lowest percentage of SOAs with 14 per cent.
- Richmond upon Thames also has the lowest percentage of SOAs when considering out of work lone parents receiving CTC with just nine per cent. The borough with the highest percentage of SOAs with values above the London average is Newham with 85 per cent.
- Only 21 per cent of SOAs in Tower Hamlets have a higher number of lone parents in work receiving CTC than the average for London, whereas 61 per cent of its SOAs have a higher number of out of work lone parents receiving CTC.
- As well as showing the number of families receiving CTC, HMRC also publishes figures showing the number of children in families receiving CTC. 98 per cent of Newham's SOAs have more children in families receiving CTC than the average for London. The lowest percentage is again in Richmond upon Thames with nine per cent.

¹ In full-time non-advanced education until their 19th birthdays.

² All families with incomes at or below £58,000 a year receive at least the family element of child tax credit. Families can receive credits above the family element if they have more than one child, or a child under 1 year old, or a disabled child or a combination of these factors.

- 91 per cent of Bexley's and Havering's SOAs have more in work couples receiving CTC than the average for London. Newham and Tower Hamlets have the highest percentage of SOAs with out of work couples receiving CTC above the London average with 93 and 92 percent respectively.

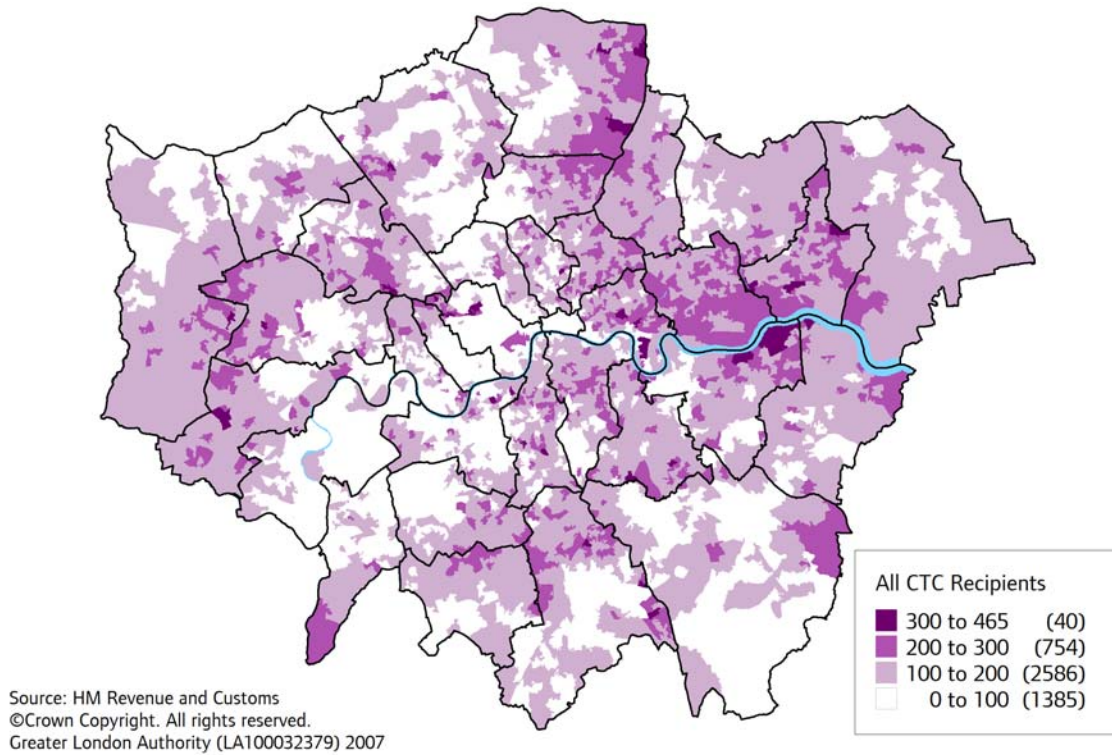
Table 1 Percentage of total SOAs in a borough with a figure above the average figure¹ for Greater London, August 2005

Source: HM Revenue and Customs

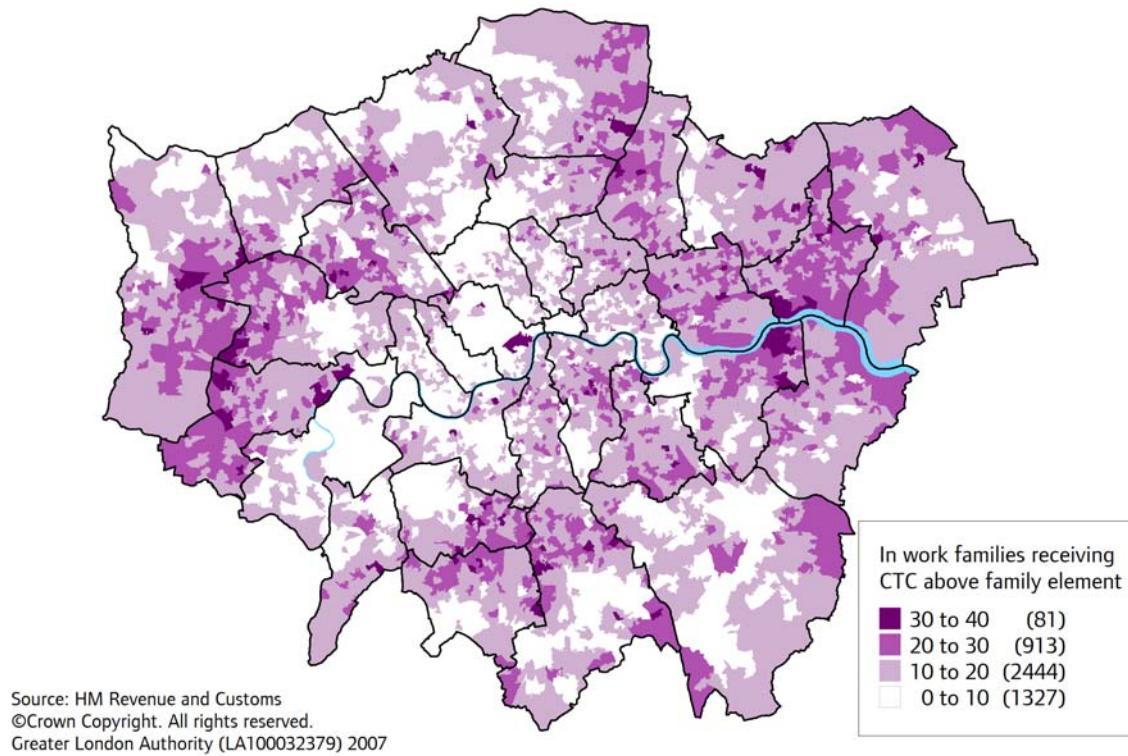
London borough	Percentage of SOAs above the average value for London						
	All CTC recipients	In work families receiving CTC above family element	In work Lone Parents receiving CTC	Out of work Lone Parents receiving CTC	All children in families receiving CTC	In work couples receiving CTC	Out of work couples receiving CTC
Barking and Dagenham	88	91	87	77	90	88	68
Barnet	29	31	32	28	30	37	23
Bexley	51	64	55	24	48	91	12
Brent	48	53	51	42	48	45	39
Bromley	31	37	40	21	27	57	9
Camden	32	8	24	44	33	5	47
Croydon	55	59	69	45	51	65	18
Ealing	51	49	37	35	50	51	44
Enfield	61	55	55	49	57	67	52
Greenwich	65	64	73	60	62	50	42
Hackney	75	43	80	75	79	18	74
Hammersmith and Fulham	20	12	38	42	20	0	21
Haringey	56	32	63	67	59	5	63
Harrow	44	46	26	22	44	71	26
Havering	47	64	40	19	41	91	11
Hillingdon	56	60	48	37	55	75	21
Hounslow	55	68	44	35	55	71	43
Islington	42	14	59	73	40	0	44
Kensington and Chelsea	15	7	20	25	15	0	17
Kingston upon Thames	27	25	24	13	24	45	4
Lambeth	50	37	82	70	44	3	20
Lewisham	64	63	93	64	57	24	22
Merton	42	42	42	27	35	53	23
Newham	97	83	74	85	98	74	93
Redbridge	55	52	38	30	58	77	40
Richmond upon Thames	10	13	14	9	9	19	4
Southwark	61	47	84	72	58	4	23
Sutton	40	55	50	21	36	76	9
Tower Hamlets	70	16	21	67	78	50	92
Waltham Forest	73	70	81	51	72	75	57
Wandsworth	19	21	36	25	19	3	13
Westminster	24	18	20	28	24	10	33
<i>The average SOA value in London</i>	136	12	25	39	252	55	11

¹ The average figure for Greater London equals the average of all SOAs in London.

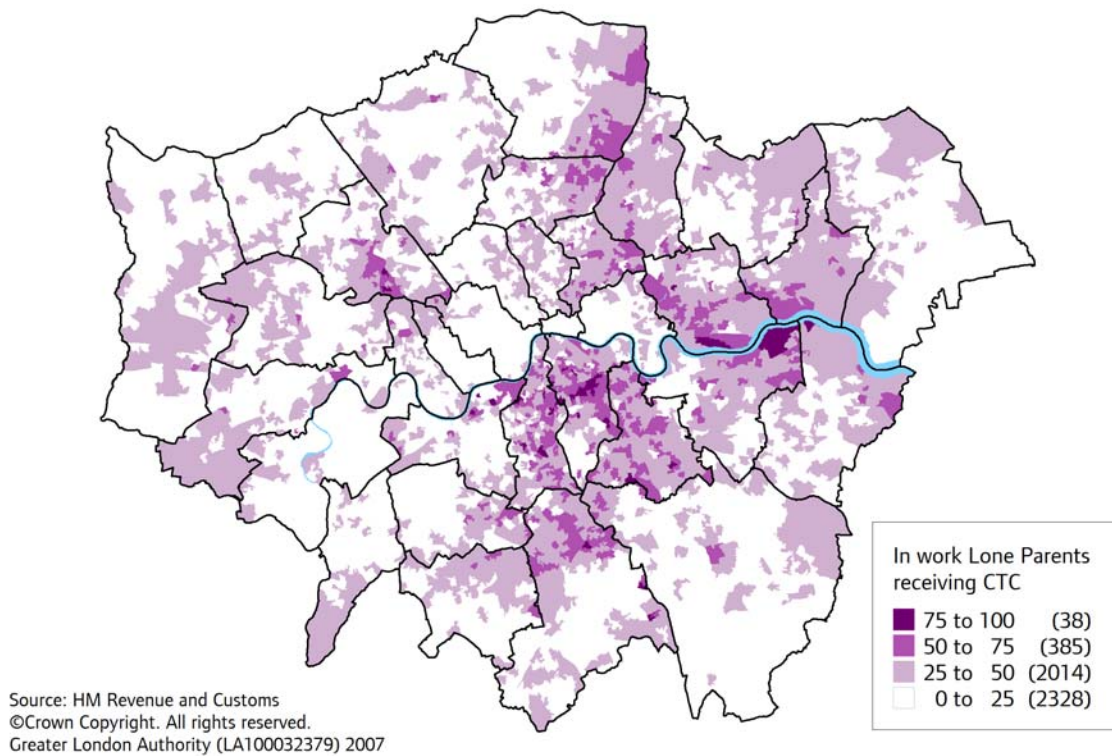
Map 1 All Child Tax Credit Recipients, August 2005



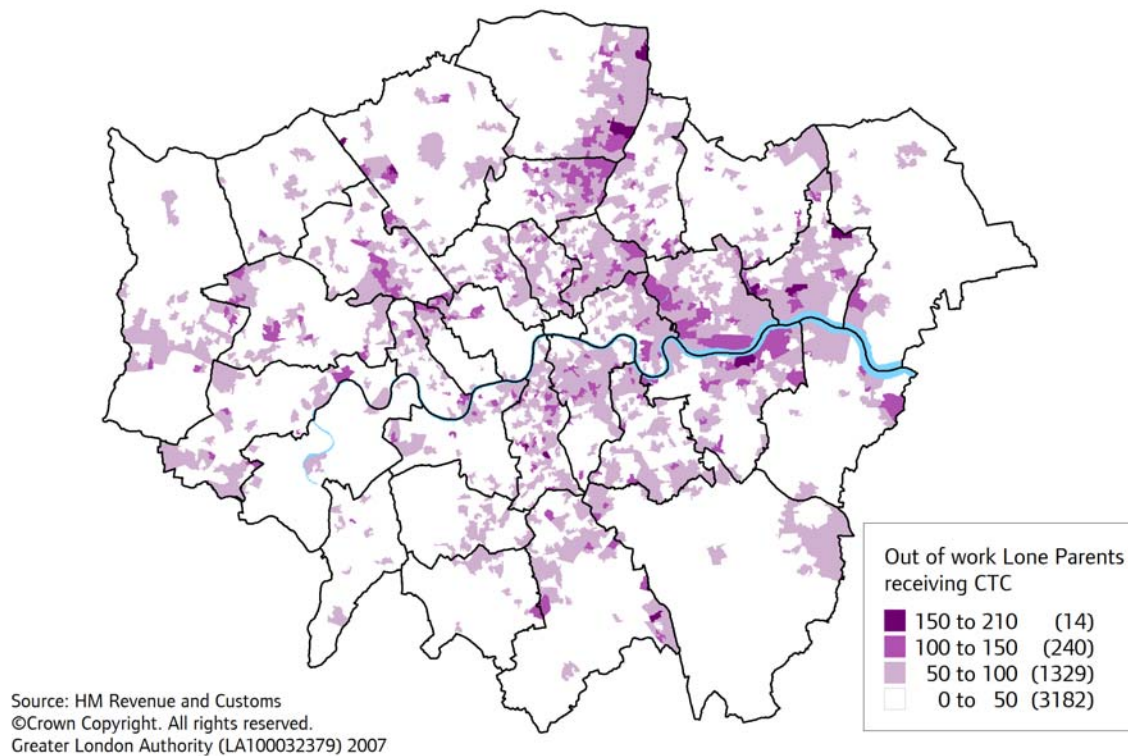
Map 2 In-work families receiving Child Tax Credits above the family element, August 2005



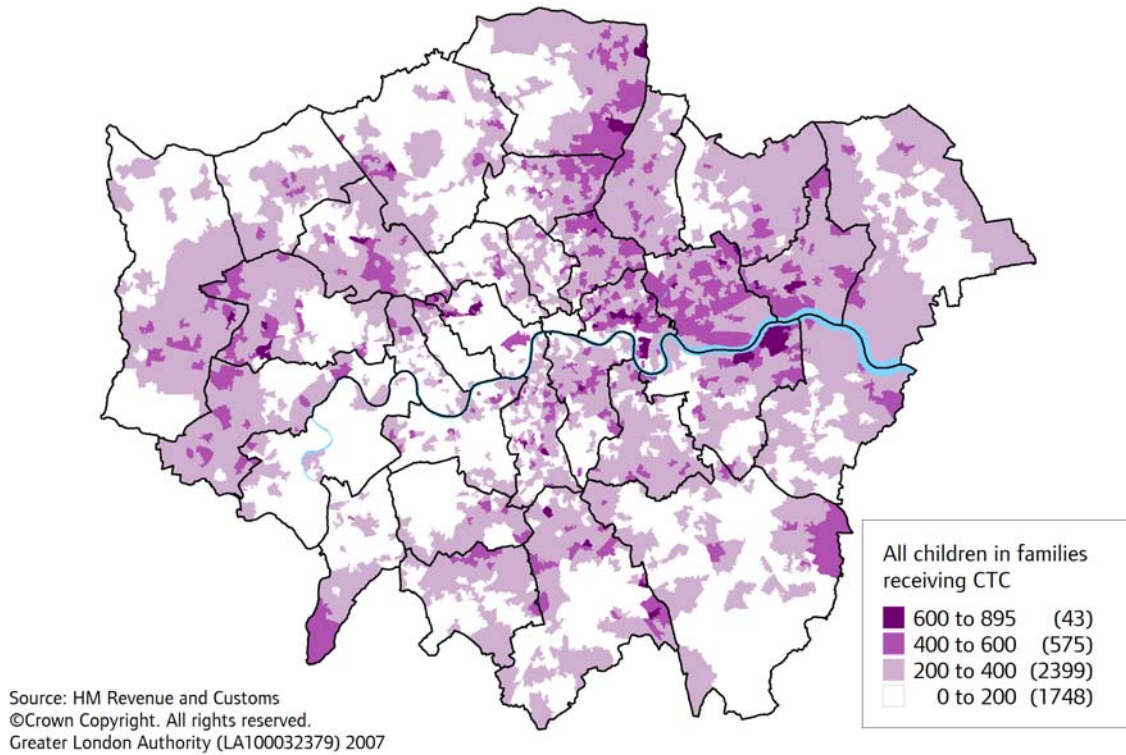
Map 3 In-work lone parent families receiving Child Tax Credits, August 2005



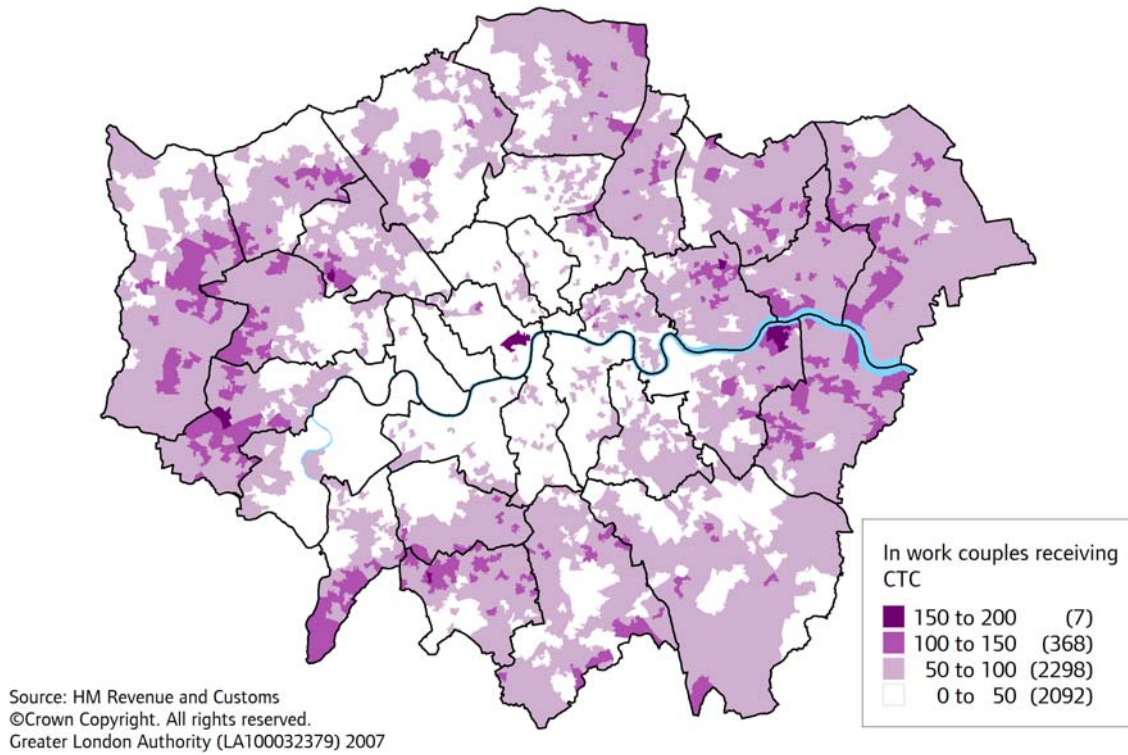
Map 4 Out of work lone parent families receiving Child Tax Credits, August 2005



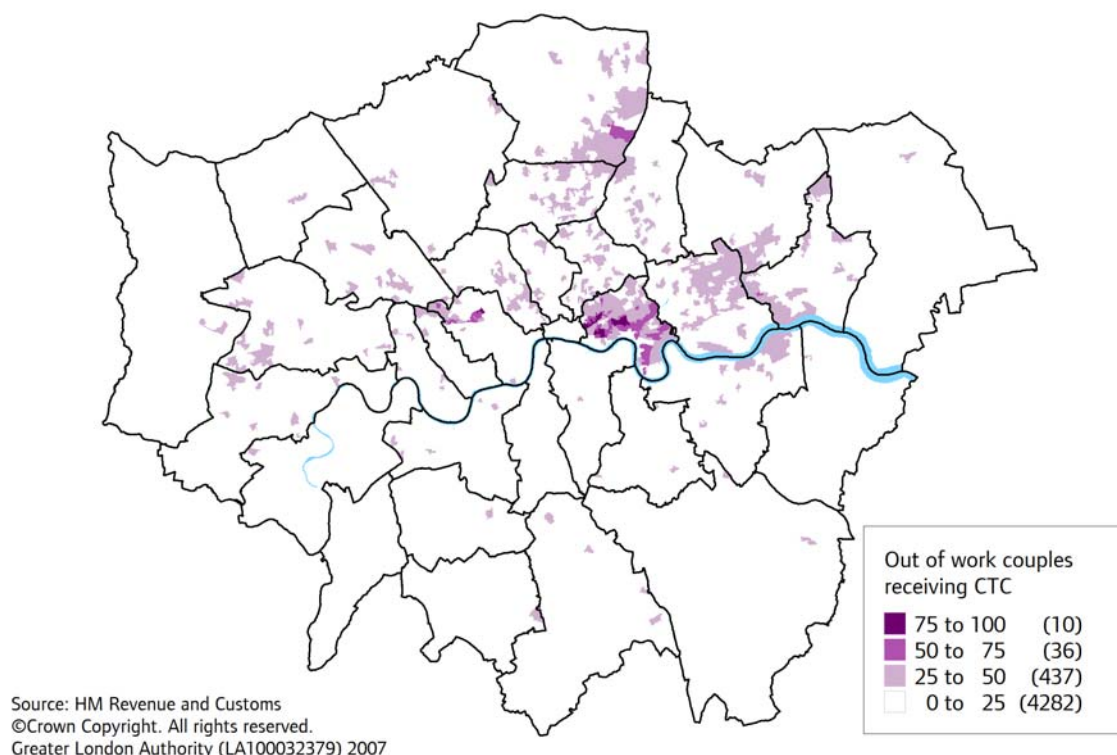
Map 5 Number of children in families receiving Child Tax Credits, August 2005



Map 6 In-work couple families receiving Child Tax Credits, August 2005



Map 7 Out of work couple families receiving Child Tax Credits, August 2005



Notes:

The figures include out of work families with children who receive the same level of support as provided by CTC, but where it is paid as child allowances in Income Support or income-based Jobseeker's Allowance (IS/JSA). This is the first time that these families have been included in detailed statistics on tax credits. These families are included in the figures to give a complete picture of out of work families with children in each LSOA; irrespective of the administrative system through which child support is delivered. For simplicity these are included in aggregates of families described as having CTC awards.

CTC and WTC are awards for tax years, but the entitlement level can vary over the year as families' circumstances change. The figures used for the maps are based on families' entitlements at 31 August 2005, given the family size, hours worked, childcare costs and disabilities at that date, and their 2005-06 incomes.

Lower Special Output Areas (LSOAs) are built from groups of Output Areas used in the 2001 Census. SOAs are of equal size (roughly 1,000 people in each). More information on the creation of these boundaries can be found on the NeSS website here:

<http://www.statistics.gov.uk/geography/soa.asp>

The tables can be downloaded from the HM Revenue and Customs website:

<http://www.hmrc.gov.uk/stats/personal-tax-credits/ctc-small-areas.htm>

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