



**Child Tax Credit and Working  
Tax Credit statistics -  
December 2016 (provisional)**

[www.lancashire.gov.uk](http://www.lancashire.gov.uk)

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## 1. Overview

People have been able to apply for Child Tax Credit (CTC) and Working Tax Credit (WTC) since December 2003 when these two benefits replaced the Working Families' Tax Credit. Generally, to qualify for tax credits you must be aged 16 or over and usually live in the United Kingdom. Couples are required to make a joint tax credits application.

Tax credits are designed to deliver support as and when a family needs it, tailored to their specific circumstances. They are part of wider government policy to provide support to parents returning to work, to alleviate child poverty and provide financial support for families. The flexibility of the design of the system means that as families' circumstances change, so the entitlement to tax credits changes.

Universal Credit is gradually replacing Child Tax Credit and Working Tax Credit. The roll out process for Universal Credit is expected to be completed for the majority of claimants by 2021.

As from 6 April 2017, the eligibility criteria for claiming Child Tax Credit changed. However, the data in this report pre-dates these changes and are therefore not affected.

## 2. Key findings for the Lancashire-14 area

### 2.1 Families receiving Child Tax Credit and/or Working Tax Credit, December 2016 (provisional)

In December 2016, there were provisionally estimated to be 78,400 families in receipt of Child Tax Credit and/or Working Tax Credit in the Lancashire-12 area. In addition, there were 14,800 recipient families in Blackburn with Darwen unitary authority and 13,800 in Blackpool unitary authority. These latter two figures were the greatest totals in the Lancashire-14 area, followed by Preston (11,100 families) and Pendle (8,400 families). Ribble Valley (2,300) had the lowest number of recipient families of CTC/WTC in the area.

### 2.2 Change in the number of families receiving Child Tax Credit and Working Tax Credit, December 2014 to December 2016

Between December 2014 and December 2016, there was an estimated provisional fall of 8.6% in the number of families receiving Child Tax Credit and/or Working Tax Credit in the UK (389,100 families) and a 13.1% reduction in the Lancashire-12 area (11,800 families).

Within the Lancashire-14 area, Lancaster (2,400 families, 23.8%) has seen the largest reduction over the period, followed by Blackpool (1,900 families, 12.1%) and Blackburn with Darwen (1,600 families, 9.8%).

In addition to Lancaster, large percentage decreases were recorded in Fylde (19.0%, 800 families), West Lancashire (18.2%, 1,400 families), Ribble Valley (14.8%, 400 families) and Chorley (13.7%, 1,000 families).

Only Pendle (7.7%, 700 families) has seen a percentage fall in recipient families of CTC/WTC in the Lancashire-14 area that was lower than the UK average (8.6%) between December 2014 and December 2016.

Universal Credit is replacing Child Tax Credit and Working Tax Credit over the next few years and the decline in the number of recipient families of CTC/WTC is likely to be owing, in part, to the introduction of Universal Credit. Other reasons may include changes to benefits and tax credits.

### 3. Background information

#### 3.1 Data source and provisional status of the statistics

The local authority level estimates in this article were obtained from the [Gov.uk](http://Gov.uk) website containing the Child Tax Credit and Working Tax Credit statistics: provisional awards - geographical analyses. Data is provided by HM Revenue and Customs for the beginning of the months of April and December each year.

The CTC/WTC award figures are provisional when initially published and relate to a snap shot in time. The provisional figures are analysed in this report. Over the course of the year, a family's circumstances may or may not change. As and when a family's circumstances change, the provisional award is updated each time with the latest set of circumstances and a new provisional award re-calculated. Provisional figures are therefore subject to change. Finalised numbers are less timely as they are not available until around 12 months after the end of the entitlement year in question. However, they take into account the family's circumstances for the whole year.

#### 3.2 Sample size and note of caution interpreting the results

The figures are estimates based on a samples comprising 10% of single adults (and couples receiving their child support via benefits) and 20% of other couples with awards at the reference date. The 95% confidence interval ranges listed in Table 1 highlight the potential ranges of error, and thereby the care that needs to be taken when using these results.

#### 3.3 Child Tax Credit

Child Tax Credit (CTC) is for people who are responsible for at least one child (aged under 16) or qualifying young person (aged between 16 and 19) and in approved

education or training. The credit brings together income-related support for children and for qualifying young people into a single tax credit, payable to the main carer. Families can claim whether or not the adults are in-work

### 3.4 Working Tax Credit

Working Tax Credit (WTC) is a payment to top up the earnings of low paid working people (whether employed or self-employed) including those who do not have children. The tax credit helps to make work pay for low income workers. The 'childcare element' of Working Tax Credit is paid directly to the main carer of the child or children along with Child Tax Credit.

Households which include someone who is entitled to WTC are excluded from the benefit cap. This is intended to increase the incentive for people to find employment because once they are in receipt of WTC their benefits will no longer be subject to the cap.

### 3.5 Small area statistics

Small area statistics for finalised awards of personal tax credits are also available in a separate publication at Lower Super Output Area (LSOA) and Data Zone for England, Scotland and Wales. These are less timely than the provisional statistics as all the changes within a tax year need to be calculated. The small area statistics are however published for the 31 August each year. This date was selected because it is also the reference date for published Child Benefit statistics at the LSOA level.

## 4. Description of the geographies used in this report.

The Lancashire-12 area is comprised of the 12 local authorities that fall within the Lancashire County Council administrative boundary. The Lancashire-14 area incorporates the two additional unitary authorities of Blackburn with Darwen and Blackpool and has the same geographic footprint as the Lancashire Local Enterprise Partnership (LEP) area.

The 12 local authorities within the LCC boundary are Burnley Borough Council, Chorley Borough Council, Fylde Borough Council, Hyndburn Borough Council, Lancaster City Council, Pendle Borough Council, Preston City Council, Ribble Valley Borough Council, Rossendale Borough Council, South Ribble Borough Council, West Lancashire Borough Council and Wyre Borough Council.

## 5. Analysis of the Lancashire-14 figures

## 5.1 Provisional number of families receiving Child Tax Credit and/or Working Tax Credit (both in and out of work), December 2016

Table 1 shows the provisional number of families receiving CTC and/or WTC, either in or out of work, in December 2016.

**Table 1: Number of families receiving Child Tax Credit and/or Working Tax Credit awards, December 2016 (provisional)**

Area	Families out of work (with children) so no WTC		Families in work						Total families	
			WTC and CTC		CTC only		Child care element <sup>[1]</sup>	WTC only (No children so no CTC)	Total families with +/- range to calculate lower and upper limit if the number of families at the 95% confidence interval	
	Families	Children	Families	Children	Families	Children	Families	---	Families	+/- Range <sup>[2]</sup>
Burnley	2,000	4,100	3,500	6,800	1,300	2,600	1,000	1,200	8,000	400
Chorley	1,200	2,300	2,700	4,800	1,600	3,100	1,000	800	6,300	400
Fylde	700	1,500	1,500	2,700	800	1,500	500	400	3,400	300
Hyndburn	1,800	3,500	3,400	6,500	1,000	2,200	800	800	7,000	400
Lancaster	1,800	3,500	3,200	5,500	1,600	3,400	1,000	1,100	7,700	400
Pendle	1,900	4,000	4,000	9,100	1,400	2,800	900	1,000	8,400	400
Preston	2,700	5,200	4,600	9,100	2,200	4,600	1,600	1,500	11,100	500
Ribble Valley	400	700	1,000	2,000	600	1,200	400	300	2,300	200
Rossendale	1,300	2,500	2,400	4,300	900	1,700	700	700	5,100	300
South Ribble	1,300	2,400	2,600	4,400	1,500	2,900	1,200	900	6,200	400
West Lancashire	1,300	2,600	2,700	4,700	1,400	2,900	800	800	6,300	400
Wyre	1,700	3,300	2,600	4,500	1,300	2,600	900	1,000	6,600	400
<b>Lancashire -12</b>	<b>18,200</b>	<b>35,600</b>	<b>34,200</b>	<b>64,400</b>	<b>15,600</b>	<b>31,600</b>	<b>10,800</b>	<b>10,400</b>	<b>78,400</b>	<b>1,300</b>
Blackburn with Darwen	3,500	7,400	6,900	15,000	2,700	6,000	1,200	1,800	14,800	500
Blackpool	4,200	8,000	5,300	9,100	2,100	4,100	1,700	2,100	13,800	500
North West	134,900	264,000	218,200	411,500	88,500	181,300	59,900	63,000	504,600	3,300
<b>United Kingdom</b>	<b>1,166,700</b>	<b>2,262,900</b>	<b>1,725,800</b>	<b>3,211,300</b>	<b>780,600</b>	<b>1,622,600</b>	<b>395,900</b>	<b>436,600</b>	<b>4,109,700</b>	<b>4,600</b>

Note: [1] Families benefiting from the child care element are part of in-work families receiving CTC & WTC or CTC only, and are not counted separately in the total numbers. [2] Add or subtract this value to obtain the boundaries of the 95% confidence interval for the number. Within these boundaries it is 95% certain that the actual figure would be found if a 100% survey was used.

Source: HM Revenue and Customs Child and Working Tax Credits statistics: provisional awards geographical analyses, via Gov.uk

The table has numbers rounded to the nearest 100 for the UK, North West region, the Lancashire-12 area, the 12 local authority area within the Lancashire-12 area, and the two unitary authorities of Blackburn with Darwen and Blackpool.

In December 2016, there were provisionally estimated to be 78,400 families in receipt of Child Tax Credit and/or Working Tax Credit in the Lancashire-12 area. In addition, there were 14,800 recipient families in Blackburn with Darwen unitary authority and 13,800 in Blackpool unitary authority. These latter two figures were the greatest totals in the Lancashire-14 area, followed by Preston (11,100 families) and Pendle (8,400 families). Ribble Valley (2,300) had the lowest number of recipient families of CTC/WTC in the area.

In the United Kingdom there were provisionally estimated to be 4,109,700 families receiving Child Tax Credit and/or Working Tax Credit in December 2016 and 5054,600 families in the North West region.

## **5.2 Change in the number of families receiving Child Tax Credit and Working Tax Credit, December 2014 to December 2016**

Table 2 shows that between December 2014 and December 2016, there was an estimated provisional fall of 8.6% in the number of families receiving Child Tax Credit and/or Working Tax Credit in the UK (389,100 families) and a 13.1% reduction in the Lancashire-12 area (11,800 families). Within the Lancashire-14 area, Lancaster (2,400 families, 23.8%) has seen the largest reduction over the period, followed by Blackpool (1,900 families, 12.1%) and Blackburn with Darwen (1,600 families, 9.8%).

In addition to Lancaster, large percentage decreases were recorded in Fylde (19.0%, 800 families), West Lancashire (18.2%, 1,400 families), Ribble Valley (14.8%, 400 families) and Chorley (13.7%, 1,000 families).

Only Pendle (7.7%, 700 families) has seen a percentage fall in recipient families of CTC/WTC in the Lancashire-14 area that was lower than the UK average (8.6%) between December 2014 and December 2016.

Universal Credit is replacing Child Tax Credit and Working Tax Credit over the next few years and the decline in the number of recipient families of CTC/WTC is likely to be owing, in part, to the introduction of Universal Credit. Other reasons may include changes to benefits and tax credits.



**Table 2: Change in the total number of families receiving Child Tax Credit and/or Working Tax Credit awards, December 2014 to December 2016 (provisional)**

Area	Dec-14	Dec-15	Dec-16	Change in total number of awards, Dec 2014 to Dec 2016	% change Dec 2014 to Dec 2016
Burnley	9,100	8,600	8,000	-1,100	-12.1%
Chorley	7,300	6,700	6,300	-1,000	-13.7%
Fylde	4,200	3,700	3,400	-800	-19.0%
Hyndburn	7,900	7,600	7,000	-900	-11.4%
Lancaster	10,100	9,200	7,700	-2,400	-23.8%
Pendle	9,100	8,700	8,400	-700	-7.7%
Preston	12,200	11,800	11,100	-1,100	-9.0%
Ribble Valley	2,700	2,600	2,300	-400	-14.8%
Rossendale	5,800	5,400	5,100	-700	-12.1%
South Ribble	6,900	6,700	6,200	-700	-10.1%
West Lancashire	7,700	7,100	6,300	-1,400	-18.2%
Wyre	7,300	7,100	6,600	-700	-9.6%
<b>Lancashire-12</b>	<b>90,200</b>	<b>85,300</b>	<b>78,400</b>	<b>-11,800</b>	<b>-13.1%</b>
Blackburn with Darwen	16,400	15,500	14,800	-1,600	-9.8%
Blackpool	15,700	14,600	13,800	-1,900	-12.1%
North West	574,500	542,700	504,600	-69,900	-12.2%
<b>United Kingdom</b>	<b>4,498,800</b>	<b>4,338,000</b>	<b>4,109,700</b>	<b>-389,100</b>	<b>-8.6%</b>

Source: HM Revenue and Customs Child and Working Tax Credits statistics: provisional awards geographical analyses, via Gov.uk