



QRC4 AND LCTS VALIDATION NOTES FOR 2020-21

The QRC4 is subjected to a strict validation process as detailed below. On receipt of your form we carry out a number of checks to satisfy ourselves that the form has been completed correctly. In order to do this, we include validations in the form that should be reviewed before the form is submitted. These validations consider whether the data on QRC4 2020-21 varies significantly from that provided on either the QRC3 2020-21 or QRC4 2019-20 (where applicable) and if they do, we seek an explanation for the variance. We have considered the impact of Covid in setting these validations, so some parameters have been set wider than usual.

The QRC4 has four sections. Sections 1 & 2 collect data on the receipts of council tax and national non-domestic rates. Section 3 collects data relating to localised council tax support. Section 4 collects data that will be used to support the loss of income guarantee.

The QRC4 form in DELTA has in-built validation checks and these clearly identify areas where further information is required. Local authorities are asked to complete the explanation boxes with reasons for the variance, where applicable. We will contact the named local authority contact if a validation has flagged and no comment or an inadequate comment has been provided. An inadequate comment is one which provides little explanation as to the reason of the change, such as 'OK', 'It's correct' or 'It's gone up or down'. An adequate comment will provide some evidence as to why the figures are correct, and so will aid our understanding of changes. This then helps us explain the figures that are published.

If no validation box appears, then the change in data is within our validation boundaries. However, we still may contact you if we believe there are other issues.

Specific details on the validation checks on each part of the QRC4 are described in this document.

GENERAL VALIDATION CHECKS

Please ensure the following before returning the form:

Certification – This year, certification should be completed in DELTA. Once the form has been completed, the data provider should submit the form. This will then notify the CFO/Section 151 Officer to certify the form. Where possible, the data provider and certifier should be two different people.

Calculations – Please check that all calculations are correct. In addition, please ensure that the collection rate figures calculated at Line 5 columns 1 & 2 do not exceed 100%.

VALIDATION CHECKS

Please note that we refer to receipts collected in specific quarters throughout the following paragraphs. Reference is as follows:

Quarter 1	-	Receipts collected between April and June
Quarter 2	-	Receipts collected between July and September
Quarter 3	-	Receipts collected between October and December
Quarter 4	-	Receipts collected between January and March

SECTION 1

PART A

COUNCIL TAX

Comparisons with QRC4 2019-20

Test 1: Prepayments & cash receipts

We check the prepayments & cash receipts collected in previous years in respect of 2020-21 charges (line 2) with the information shown on **line 7 of QRC4 2019-20** (i.e. the estimated receipts for 2020-21 charges, received before 1 April 2020 (if any) and other credits carried forward on 31 March 2020).

We would generally expect the prepayments & cash receipts figure on QRC4 2020-21 to be the same as, or less than (due to refunds), the information provided on QRC4 2019-20. But we do realise that this is not always the case. An explanation will be required where the information has changed by more than 10% (either up or down) and there has been an actual change of £250,000 or more.

Test 2: In-year Collection Rates

We compare 2019-20 collection rates with 2020-21 collection rates (line 5) and request an explanation for variances of 0.5 percentage points or more (either up or down) between the two financial years.

Test 3: Collection of arrears

We compare the amount of arrears collected in 2020-21 as reported in line 6 with the figure reported in line 6 of the QRC4 2019-20 form. An explanation is required where the amount of arrears collected in 2020-21 has changed by more than 20% (either up or down) over that for 2019-20 and the actual difference is £500,000 or more.

Test 4: Total estimated receipts of Council Tax

A comparison is made between the total collection of receipts in 2020-21 irrespective of the year to which it relates (line 8), with the total collection of receipts in 2019-20 (again, irrespective of the year to which it relates). An explanation will be required where the information has changed by more than 5% (either up or down).

NON-DOMESTIC RATES

Comparisons with QRC4 2019-20

Test 1: *Prepayments/cash receipts*

We check the prepayments & cash receipts collected in previous years in respect of 2020-21 charges (line 2) with the information shown on **line 7 of QRC4 2019-20** (i.e. the estimated receipts for 2020-21 charges, received before 1 April 2020 (if any) and other credits carried forward on 31 March 2020).

We would generally expect the prepayments & cash receipts figure on QRC4 2020-21 to be the same as, or less than (due to refunds), the information provided on QRC4 2019-20. But we do realise that this is not always the case. An explanation will be required where the information has changed by more 10% (either up or down) and there is an actual difference of £1,000,000 or more.

Test 2: *In-year Collection Rates*

We compare 2019-20 collection rates with 2020-21 collection rates (line 5) and request an explanation for variances of 1 percentage point or more (either up or down) between the two financial years.

Test 3: *Collection of arrears*

We compare the amount of arrears collected in 2020-21 as reported in line 6 with the figure reported in line 6 of the QRC4 2019-20 form. An explanation is required where the amount of arrears collected in 2020-21 has changed by more than 20% (either up or down) over that for 2019-20 and there is an actual difference of £5,000,000 or more.

Test 4: *Total estimated receipts of Non-Domestic Rates*

A comparison is made between the total collection of receipts in 2020-21, irrespective of the year to which it relates (line 8), with the total collection of receipts in 2019-20 (again, irrespective of the year to which it relates). An explanation will be required where the information has changed by more than 40% (either up or down).

PART B

COUNCIL TAX

Comparisons with QRC3 2020-21

Tests 1 to 3: *Quarter comparison*

We compare quarter 1, 2 & 3 data from Part B on QRC4 2020-21 with the corresponding data for each of the quarters reported on QRC3 2020-21. An explanation will be required where the information has been changed.

Comparisons with QRC4 2019-20

Test 4: *Quarter 4 receipts*

We compare the collection of receipts in quarter 4 2020-21 (line 12) with the collection of receipts in **quarter 4 on the QRC4 2019-20 form**. An explanation will be required where the information has changed by more than 5% (either up or down) and there is an actual difference of £1,000,000 or more.

NON-DOMESTIC RATES

Comparisons with QRC3 2020-21

Tests 1 to 3: *Quarter comparison*

We compare quarter 1, 2 & 3 data from Part B on QRC4 2020-21 with the corresponding data for each of the quarters reported on QRC3 2020-21. An explanation will be required where the information has been changed.

Comparisons with QRC4 2019-20

Test 4: *Quarter 4 receipts*

We compare the collection of receipts in quarter 4 in 2020-21 (line 12) with the collection of receipts in **quarter 4 on the QRC4 2019-20 form**. An explanation will be required where the information has changed by more than 40% (either up or down) and there is an actual difference of £3,000,000 or more.

SECTION 2

COUNCIL TAX

Comparisons with QRC4 2019-20

Test 1: *Change in arrears*

We compare the total council tax arrears as at 31 March 2021 (line 24) with the total council tax arrears as at 31 March 2020 taken from line 24 of the QRC4 2019-20. An explanation is required where the collection of council tax arrears in 2020-21 has changed by more than 15% (either up or down) and there is an actual difference of £2,000,000 or more over that for 2019-20.

Test 2: *Court costs and admin costs*

We compare the court costs and administration costs (line 25) in the QRC4 2020-21 with the court costs and administration costs (line 25) in the QRC4 2019-20. An explanation is required where the court costs and administration costs in 2020-21 have changed by more than 10% and the actual difference is £250,000 or more.

Test 3: *Court and admin costs as a percentage of total arrears*

If the court costs and administration costs (line 25) are more than 10% of the total council tax arrears as at 31 March 2021 (line 24) we require an explanation.

Test 4: Write-offs

We compare the change in the total amount written off in 2020-21 (irrespective of the year to which it relates) (lines 18, 19 and 22) and the comparable figure from the QRC4 2019-20. We only need a comment if the change is greater than 25% (either up or down) and the actual difference is £500,000 or more.

NON-DOMESTIC RATES**Comparisons with QRC4 2019-20****Test 1: Change in arrears**

We compare the total non-domestic rates tax arrears as at 31 March 2021 (line 24) with the total non-domestic rates arrears as at 31 March 2020 taken from line 24 of the QRC4 2019-20. An explanation is required where the collection of non-domestic rates arrears in 2020-21 has changed by more than 20% (either up or down) over that for 2019-20 and there is an actual difference of £2,000,000 or more.

Test 2: Court costs and admin costs

We compare the court costs and administration costs (line 25) in the QRC4 2020-21 with the court costs and administration costs (line 25) in the QRC4 2019-20. An explanation is required where the court costs and administration costs in 2020-21 have changed by £50,000 or more.

Test 3: Court and admin costs as a percentage of total arrears

If the court costs and administration costs (line 25) are more than 5% of the total non-domestic rates arrears as at 31 March 2021 (line 24) we require an explanation.

Test 4: Write-offs

We compare the change in the total amount written off in 2020-21 (irrespective of the year to which it relates) (lines 18, 19 and 22) and the comparable figure from the QRC4 2019-20. We only need a comment if the change is greater than 25% (either up or down) and there is an actual difference of £1,000,000 or more.

SECTION 3**LOCALISED COUNCIL TAX SUPPORT (LCTS) FORM VALIDATION CHECKS****Comparisons with QRC3 2020-21**

Tests 1 to 3: We compare the total number of claimants in receipt of a reduced council tax bill (line 3) for quarters 1, 2 & 3 in QRC4 2020-21 with the corresponding data for each of the quarters reported on QRC3 2020-21 (where available). An explanation will be required where the information has been changed.

Comparisons with Quarter 3 data

Test 4: We compare the number of **pensioner** claimants for quarter 4 in QRC4 2020-21 with quarter 3 in the QRC4 2020-21. An explanation is required if they have changed by more than 2% and there is an actual difference of 10 or more.

Test 5: We compare the number of **working age** claimants for quarter 4 in QRC4 2020-21 with quarter 3 in the QRC4 2020-21. An explanation is required if they have changed by more than 3% and there is an actual difference of 10 or more.

Test 6: We compare the **total** number of claimants for quarter 4 in QRC4 2020-21 with quarter 3 in the QRC4 2020-21. An explanation is required if they have changed by more than 5% and there is an actual difference of 10 or more.

SECTION 4

LOCAL TAX INCOME GUARANTEE VALIDATION CHECKS

Test 1: *Estimated annual net collectable debit*

We compare the change in the estimated net annual collectable debit reported in QRC4 2020-21 with the figure reported in Section D in QRC3 2020-21. An explanation is required if there is a difference of 5% or more.

Test 2: *Estimated total value of discretionary council tax discounts*

We compare the change in the estimated total value of discretionary council tax discounts used to reduce 2020-21 liability reported in QRC4 2020-21 with the figure reported in Section D in QRC3 2020-21. An explanation is required if there is a difference of 5% or more.