

Validation Notes for QRC4 2008-09

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. Where the data on QRC4 2008-09 varies significantly from that provided on QRC3 2008-09 and QRC4 2007-08 we seek an explanation for the variance.

Please note that the QRC4 form has in-built validation checks and clearly identifies areas where further information is required. Local authorities are asked to complete the explanation boxes for variance, where applicable. If explanations are not provided, then we will always contact the named local authority contact to resolve an error or seek an explanation for all entries that fail our validation test.

The following paragraphs detail the validation checks that the QRC4 form is subjected to.

GENERAL VALIDATION CHECKS

Please ensure the following before returning the form:

Certification of Chief Financial Officer – Signature of Chief Financial Officer is provided on QRC4.

Please note that, even though authorities will be e-mailing us the QRC4, we still require the completed form to be signed by the CFO and forwarded to Communities and Local Government at the address on the front of the form.

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

SPECIFIC 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

Tests 1 to 3

Comparisons with QRC3 2008-09

Quarter comparison

We compare quarter 1, quarter 2 and quarter 3 data on QRC4 2008-09 with the corresponding data for each of the quarters on QRC3 2008-09. An explanation will be required where the information has changed by more than the following amounts:

- Council Tax - 10% (either up or down)*
- Non Domestic Rates - 10% (either up or down)*

Test 4

We also compare the sum of quarter 1, 2 & 3 data on QRC4 2008-09 with the sum of quarter 1, 2 & 3 data on QRC3 2008-09. An explanation will be required where the total has changed by more than the following amounts:

Council Tax - 20% (either up or down)

Non Domestic Rates - 20% (either up or down)

Total collection of receipts

We compare the total collection of council tax, non-domestic rates and community charge receipts for 2008-09 with the total collection of receipts up to 31 December 2008, (addition of quarters 1 to 3) as provided on QRC3 2008-09.

Two validation checks are carried out using this information:

Test 5

i. We would expect the total collection of receipts for 2008-09 to be higher than the total collection of receipts up to 31 December 2008.

Test 6

ii. We seek explanation where the total collection of receipts for 2008-09 has increased by a certain tolerance on the level of receipts collected up to 31 December 2008. Tolerance levels are:

Council Tax - 20%

Non-Domestic Rates - 20%

Comparisons with QRC4 2007-08

Test 7

Quarter 4 receipts

We compare the collection of receipts in quarter 4 in 2008-09 with the collection of receipts in quarter 4 during 2007-08. An explanation will be required where the information has changed by more than the following amounts:

Council Tax - 20% (either up or down)

Non Domestic Rates - 20% (either up or down)

In either case, if the actual difference amounts to less than £500,000 then no explanation is required

Test 8

Total collection of receipts

A comparison will be made between the total collection of receipts in 2008-09 with the total collection of receipts in 2007-08. An explanation will be required where the information has changed by more than the following amounts:

Council Tax - 30% (either up or down)

Non-Domestic Rates – 30% (either up or down)

Community Charge – 30% (increased only)

Test 9

Prepayments/cash receipts

We check the prepayments/cash receipts collected in previous years in respect of 2008-09 charges with the information shown on QRC4 2007-08 (i.e. the estimated receipts for 2008-09 charges, received before 1 April 2008 (if any) and other credits carried forward on 31 March 2008).

We would generally expect the prepayments/cash receipts figure on QRC4 2008-09 to be the same as, or less than (due to refunds), the information provided on QRC4 2007-08. We do realise that this is not always the case. However, we would appreciate an explanation in these instances.

Test 10

Collection Rates

We compare 2007-08 collection rates with 2008-09 and request an explanation for the following variances between the two financial years:

Council Tax – 1.5 percentage points (either up or down)

Non-Domestic Rates – 1.5 percentage points (either up or down)

Test 11

Council Tax – Arrears

We compare council tax receipts received in 2008-09 in respect of previous years (i.e. council tax arrears) with the amount of council tax arrears collected in 2007-08. An explanation is required where the collection of council tax arrears in 2008-09 has decreased by more than 10% over that in 2007-08.

Validation checks on data on QRC4 2008-09

Test 12

Collection of receipts in respect of 2008-09

We generally expect that the collection of receipts in 2008-09 relating to each of 2008-09 council tax and non-domestic rate to be greater than the amount of receipts collected in 2008-09 relating to previous years' charges. We seek explanation where this is not the case.

Test 13

Collection of Community Charge

We generally expect that the collection of Community Charge to be either zero or small. We seek explanation where the amount collected is more than £500,000.

Validation checks against data from other sources

Test 14

Council Tax Benefit

We seek explanation where the net amount in respect of Council Tax Benefit to be transferred to the Collection Fund (line 13) has changed (up or down) by more than 20% on the information provided on line 754 of the RA Form.

Test 15

Net collectable debit – council tax

A comparison will be made between the net collectable debit in respect of 2008-09 council taxes (line 1) plus the estimated net amount of council tax benefit transferred to the collection fund during 2007-08 in respect of 2007-08 council taxes (line 13) against information provided on the budget requirement form (BR1) for 2008-09. The information taken from the BR1 form is the gross taxbase (line 10) plus the contributions in lieu (line 12) multiplied by the band D council tax for the area of the billing authority (line 17). Explanation will be required for changes (up or down) of more than 15%.

Test 16

Net collectable debit – non-domestic rates

We compare the net collectable debit in respect of 2008-09 non-domestic rates with the net-yield information from the national non-domestic rates return (NNDR1) for 2008-09 (line 22). Explanation will be required for changes (up or down) of more than 10%.