



Llywodraeth Cymru  
Welsh Government

STATISTICS

# Data used in Welsh Revenue Authority performance reporting 2021 to 2022

The Welsh Revenue Authority's performance measures. Provides transparency to the underlying data in the performance report within our Annual Report and Accounts.

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# Introduction

The Welsh Revenue Authority (WRA) published its **2021-22 annual report** on 26 July 2022, including a section covering the performance of the organisation over the year (the '**performance report**'). The intention of this report is to provide a statistical view of the data used in that document, and to make the underlying datasets fully accessible for further reference or analysis.

There are several charts used in this report, presenting each of the different performance indicators for the WRA for the period 2021-22. Each is included somewhere in the performance report, and referenced accordingly, although not necessarily in the same order.

This report includes brief analysis of each measure, and the reader may wish to consider this in conjunction with the more detailed narrative in the performance report, which is set in the context of the organisation's approach and objectives. Where applicable, bookmarks to the relevant parts of the annual report are added under each chart.

Note that most of the analysis below applies to Land Transaction Tax (LTT), although where it is also relevant to include Landfill Disposals Tax (LDT) data, that data are also included in the measure. For example, it is not possible to submit an LDT return on paper, and so LDT returns are excluded in chart 1. However, LDT payments can be made by cheque, so LDT payments are included in chart 2.

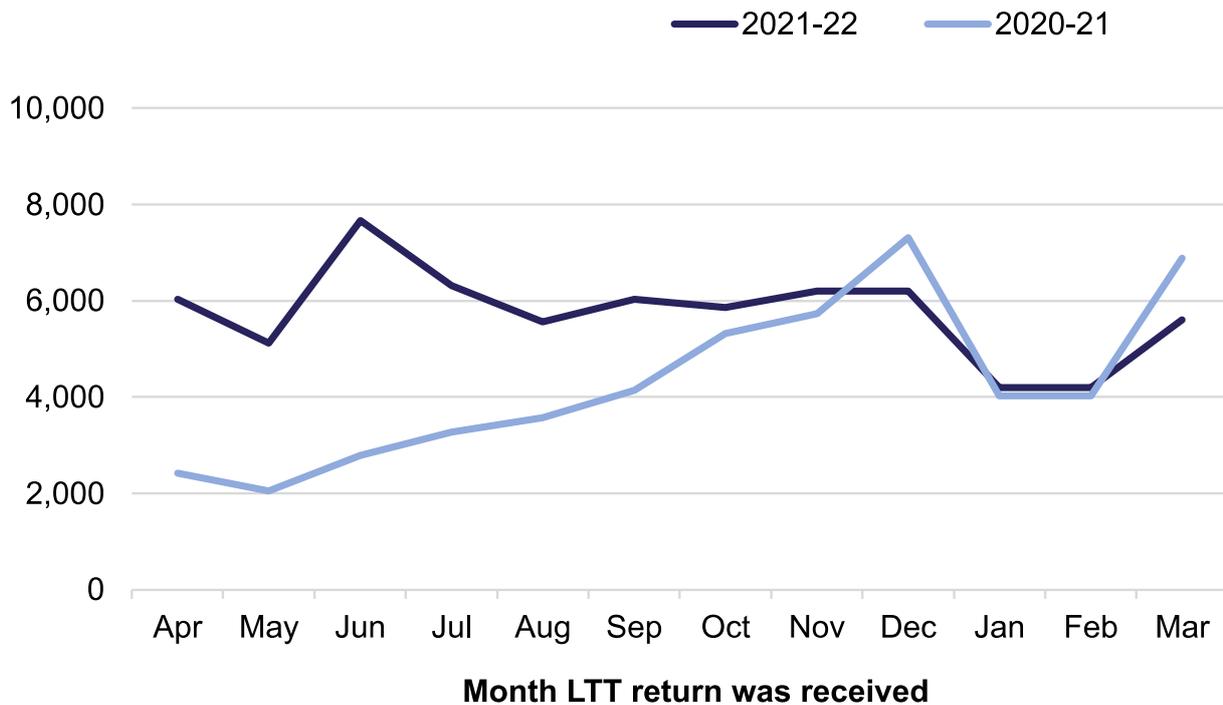
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# Data

**Chart 1: Number of LTT transactions submitted to the WRA, by month received**



This chart sets out the context against which the performance measures should be considered. It shows how the numbers of LTT transactions received in each month has changed over the course of 2021-22, comparing this to the similar data for 2020-21.

The chart shows the impact of coronavirus (COVID-19) in the early part of 2020-21, with a recovery towards the end of that year, which was then maintained into 2021-22. Transaction numbers peaked in June 2021, as the temporary reduction in Land Transaction Tax first introduced in July 2020 came to an end, with some transactions brought forward to take advantage of the

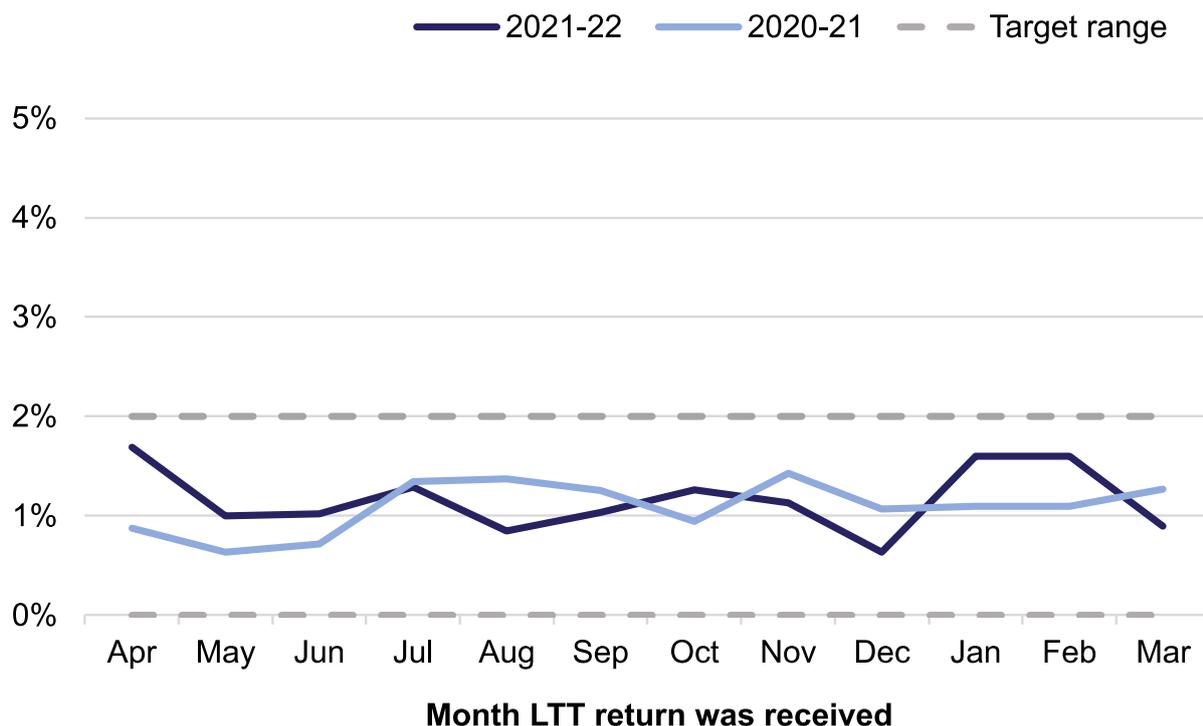
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reduced tax. Numbers then reduced to around 6,000 per month (but still historically high levels) over the latter part of 2021, before settling back down to more historically typical levels at the start of 2022.

**Chart 2: The percentage of Land Transaction Tax returns received on paper, by month received**



### Related content in main body of report

The WRA has a performance target range of 98-100% in respect of receiving LTT returns electronically. For the purposes of viewing the data, it is easier to visualise the reverse of that measure, namely the percentage of returns received by paper, with a target range of 0-2%. The data for both measures is available in the accompanying spreadsheet.

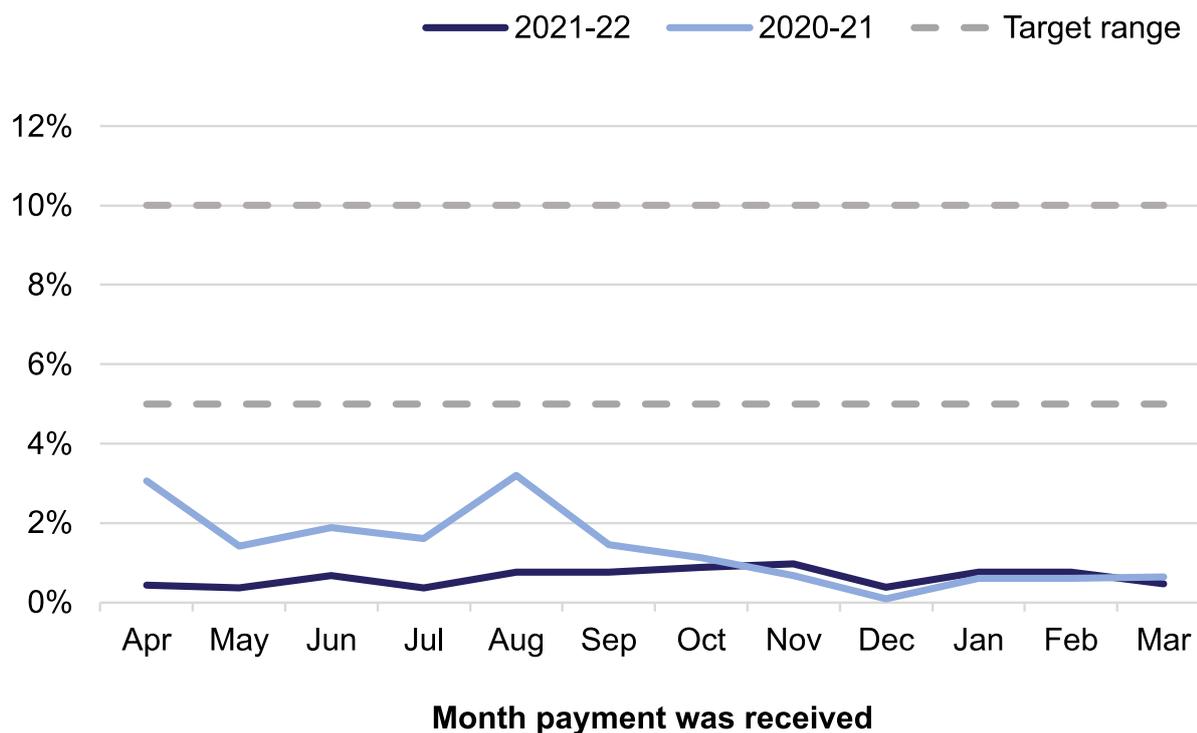
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This chart shows that the percentage of returns received on paper were consistently within the target range during 2020-21 and 2021-22, finishing at below 1% in March 2022.

**Chart 3: The percentage of payments received by cheque, by month received**



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The WRA has a performance target range of 90-95% in respect of receiving payments electronically, and this covers both LTT and LDT. For the purposes of viewing the data, it is easier to visualise the reverse of that measure, namely the percentage of payments received by cheque, with a target range of 5-10%. The data for both measures is available in the accompanying spreadsheet.

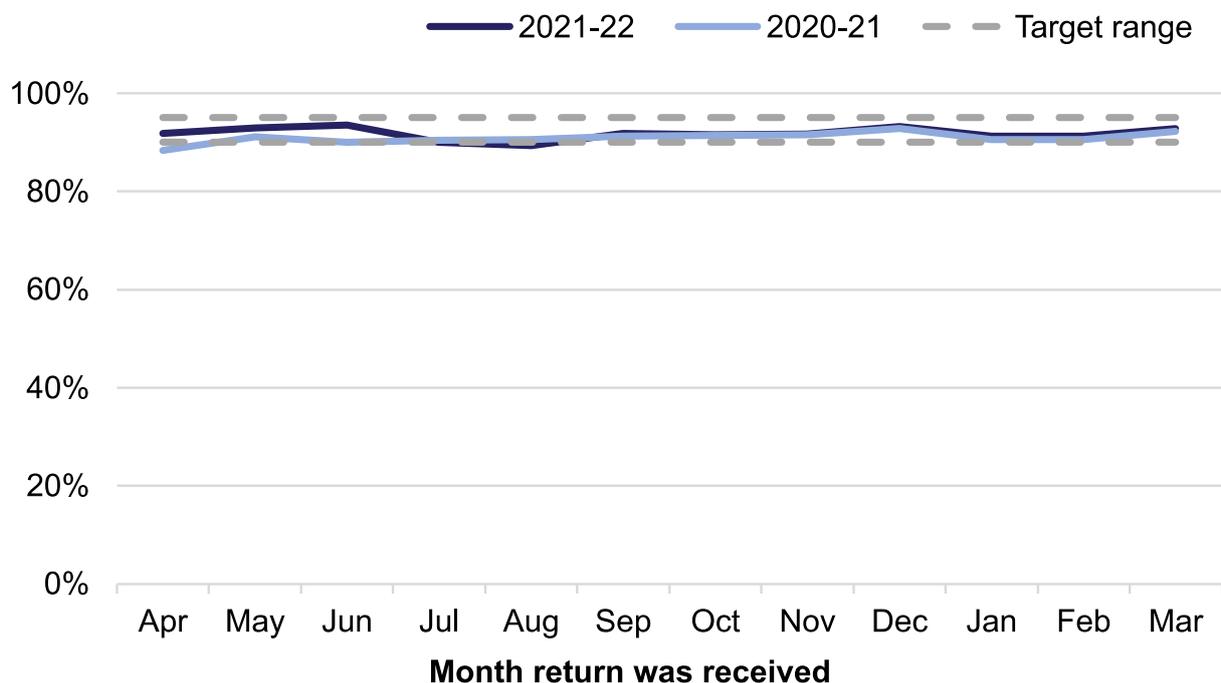
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This chart shows that the percentage of payments received by cheque stayed consistently low and actually well below the target range over the course of both 2020-21 and 2021-22. This shift towards electronic payment has been part of the response to the challenges caused by coronavirus (COVID-19).

**Chart 4: The percentage of transactions that are processed automatically through to initial payment, with no manual involvement, by month received**



This only includes initial submission and payment (if relevant) and not future action the WRA might undertake to manage tax risk.

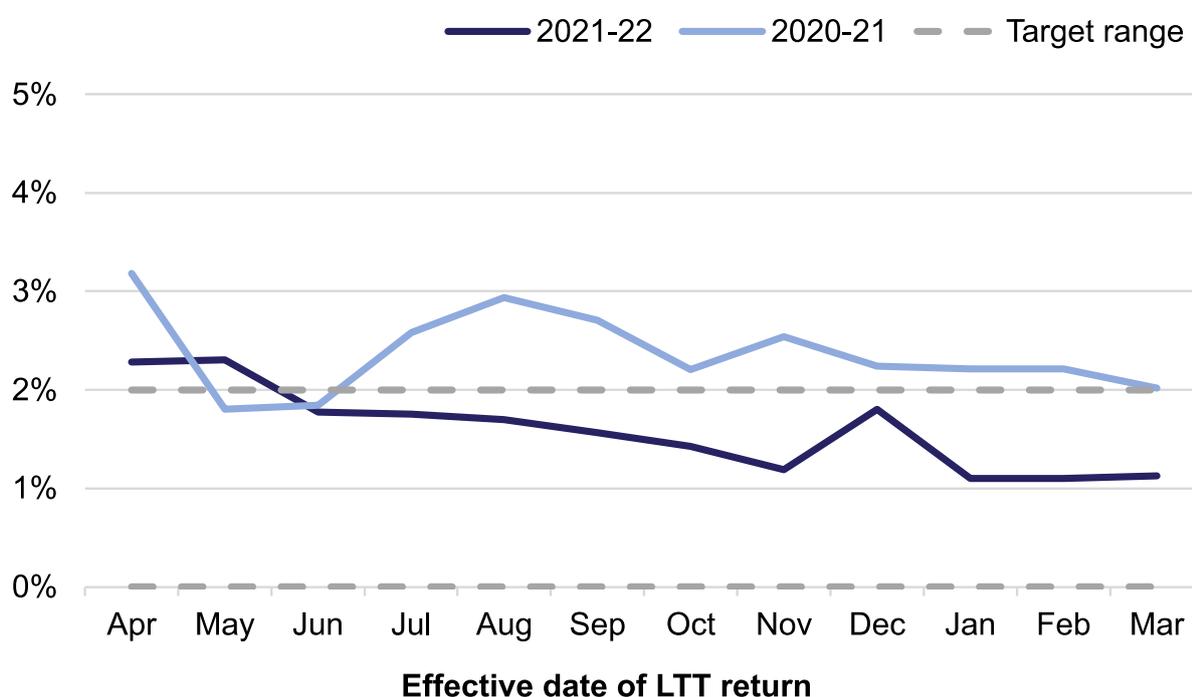
**Related content in main body of report**

The WRA has a performance target range of 90-95% in respect of automatic processing of its transactions. This covers both the receipt of digital transactions and automatic matching of payments received to any transactions where there is

a financial liability and covers both LTT and LDT.

This chart shows that the percentage of transactions processed automatically had increased to reach the upper end of the target range by the end of 2021-22, continuing the high rate that was also evident in the previous year. This is heavily influenced by the trend towards electronic payment seen in chart 3.

**Chart 5: The percentage of Land Transaction Tax returns received outside 30 days, by month transaction was effective**



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The WRA has a performance target range of 98-100% in respect of receiving LTT returns on time, that is within 30 days of the effective date as specified in the legislation.

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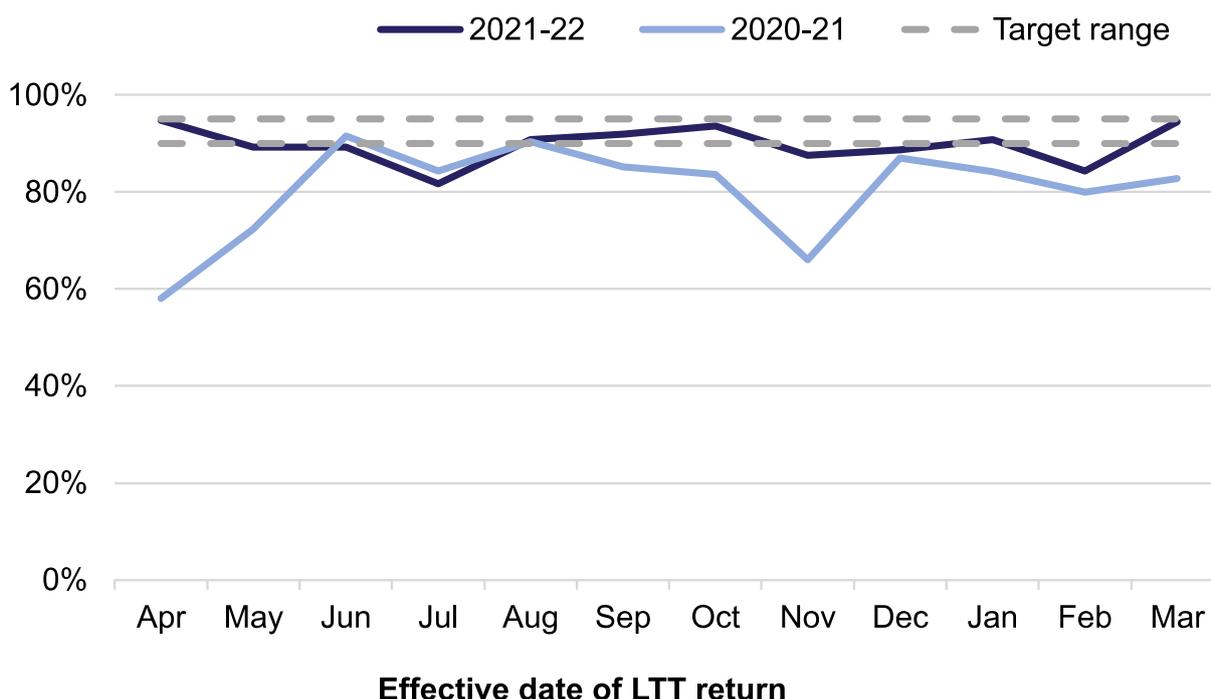
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For the purposes of viewing the data, it is easier to visualise the reverse of that measure, namely the percentage of returns received outside 30 days of the effective date, with a target range of 0-2%. The data for both measures is available in the accompanying spreadsheet.

This chart shows that the percentage of returns received after 30 days of the effective date has been successfully reduced over 2021-22, continuing the recovery in the measure that began in 2020-21. That recovery followed an initial increase in the measure in the summer of 2020, reflecting challenges faced by agents in submitting timely returns as a result of coronavirus (COVID-19), which are now largely mitigated.

**Chart 6: The percentage of manageable Land Transaction Tax debts collected within 30 days, by month transaction was effective**



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For each LTT transaction with a financial liability that is not submitted and paid within 30 days, a debt is created. The WRA aims to collect transactions that become a debt within 30 further days and has a target range of collecting 90-95% of those debts in that timeframe. Transactions that are submitted later than this 60 days after the effective date create a bias in this measure and are excluded from the calculation. Instead, the WRA keeps abreast of the number of these cases with a view to keeping them low, with the numbers available in the accompanying spreadsheet highlighting this is generally the case.

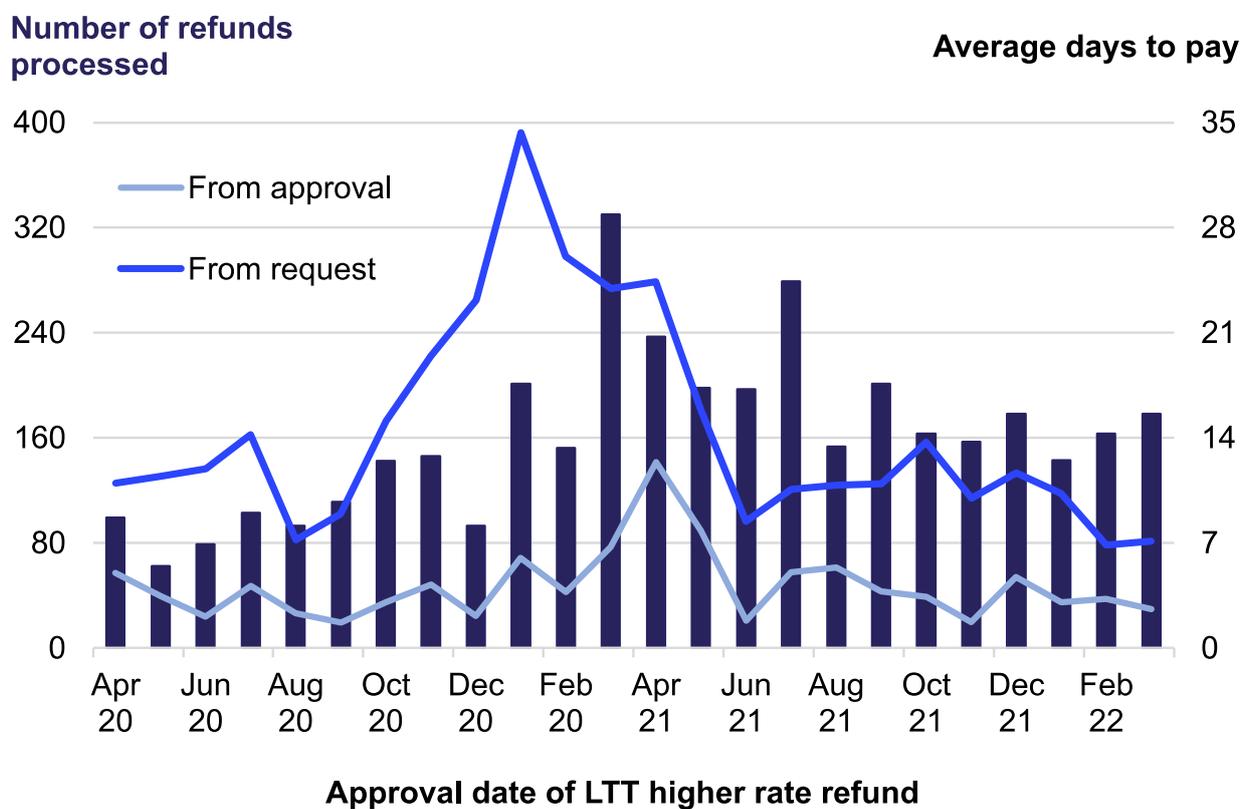
This chart shows that transactions were within or near the target range for the majority of 2021-22, although the percentage dropped a little below in July 2021 and February 2022. These drops were influenced by temporary stops on collection of post, and in the case of February, some further issues related to the most recent lockdown over Christmas 2021 and January 2022. Generally, though the measure has been impacted less by coronavirus (COVID-19) than it was in 2020-21, when similar issues caused by lockdowns presented, alongside further issues as some taxpayers were themselves impacted by the pandemic.

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**Chart 7a: The number of and average days to pay Land Transaction Tax higher rate refunds, by month of approval**



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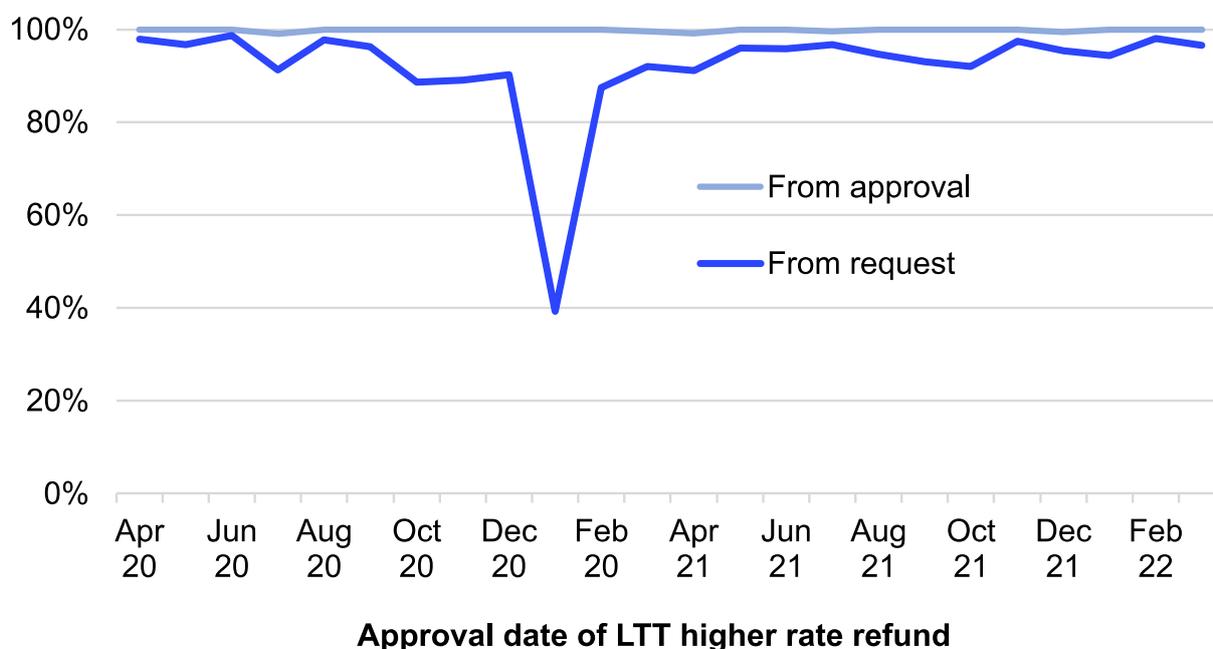
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**Chart 7b: The percentage of Land Transaction Tax higher rate refunds paid within 30 days, by month of approval**

Percentage of refunds completed within 30 days



### Related content in main body of report

Generally, where a taxpayer purchases a new main residence without selling their former main residence at the same time, they are subject to the higher rate of residential LTT. Those that sell their former main residence within three years are usually eligible for a refund of the difference between the higher rates and main rates LTT on the original transaction.

The WRA aims to make payments of these refunds, termed higher rate refunds as timely as possible. Since April 2020, it has been possible to measure the time taken to make the payment from both the point the refund was approved as well as from the point the request is received. The latter gives a fairer reflection of the

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true time taken to receive a refund from the perspective of the taxpayer, while the two measures allow WRA to understand which part of the process causes any delay that may occur.

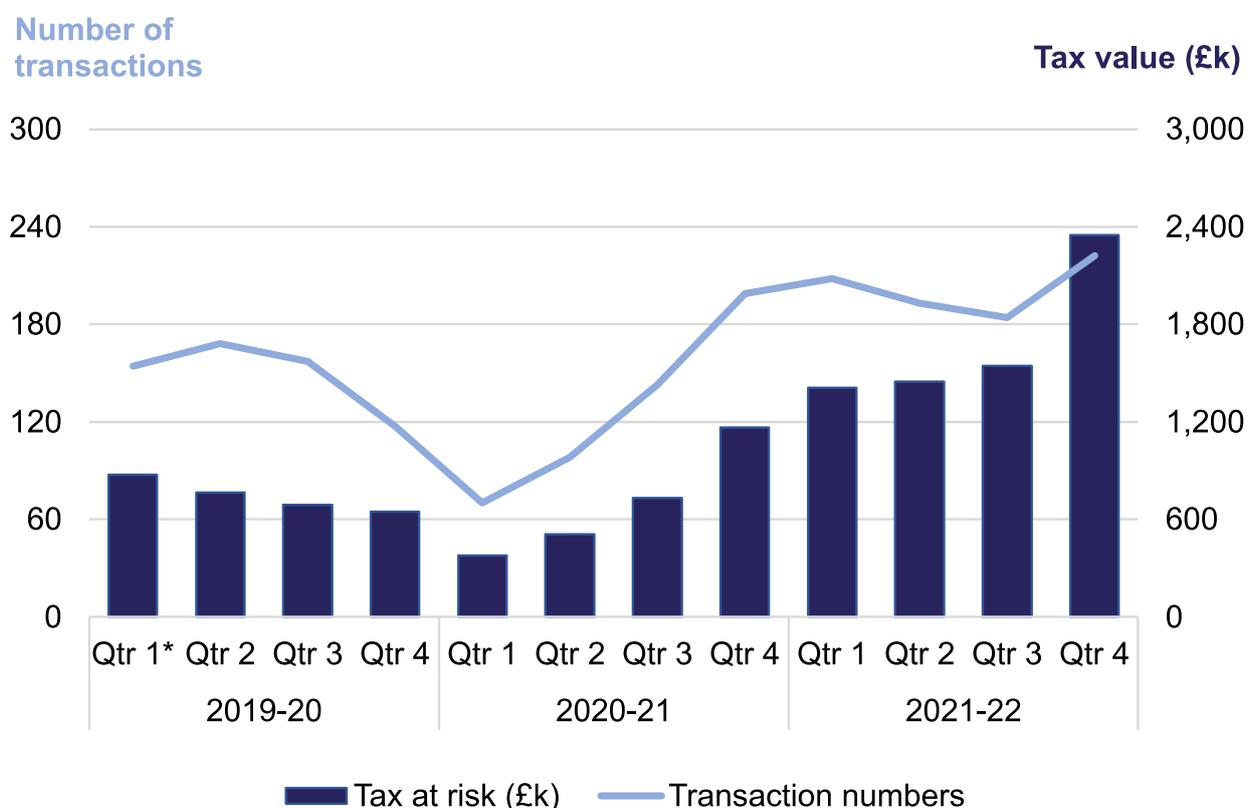
The two charts 7a and 7b show how the time taken to receive higher rates refunds has changed over time and the proportion of all refunds that are paid within 30 days. Both charts use the month of approval as the point at which data are aggregated, which is point in the process at which a measurement can be consistently taken for both measures covered. In time, it might be preferable to base the latter measure on the month of the original request, and this is something WRA will consider in due course.

Chart 7a shows that the average time taken to process higher rates refunds (measured from the point of request) decreased from a high in late 2020-21, reaching an initial low of 8 days in June 2021, and since stabilising between 7 and 14 days. The high at the end of 2020-21 reflected challenges in resourcing within the relevant part of the WRA, and the subsequent decrease and stabilisation was achieved by improving processes and re-organising staff resource with more details given in the annual report.

The impact on the proportion of refunds handled within 30 days is shown in chart 7b. The low levels in the average time to process refunds is reflected by a steadiness in this measure over the course of 2021-22.

The charts also show the data on the time taken from the point of approval, changes in which largely track changes in the counts of refunds in any given month, with the financial processes being naturally influenced by volumes.

**Chart 8: Number of transactions and total tax in LTT risks 1 to 5**



(\*) large outlier replaced with mean value of tax at risk

### Related content in main body of report

The WRA is able to carry out detailed analysis on the data contained in each transaction it receives to check for the presence of different characteristics that may indicate common errors or risks in the information provided. Each of those ‘tax risks’ are then analysed separately to identify the numbers of transactions and tax at risk, so that this can be tracked over time. The performance chapter of the annual report explains more about the WRA’s approach to managing tax risks.

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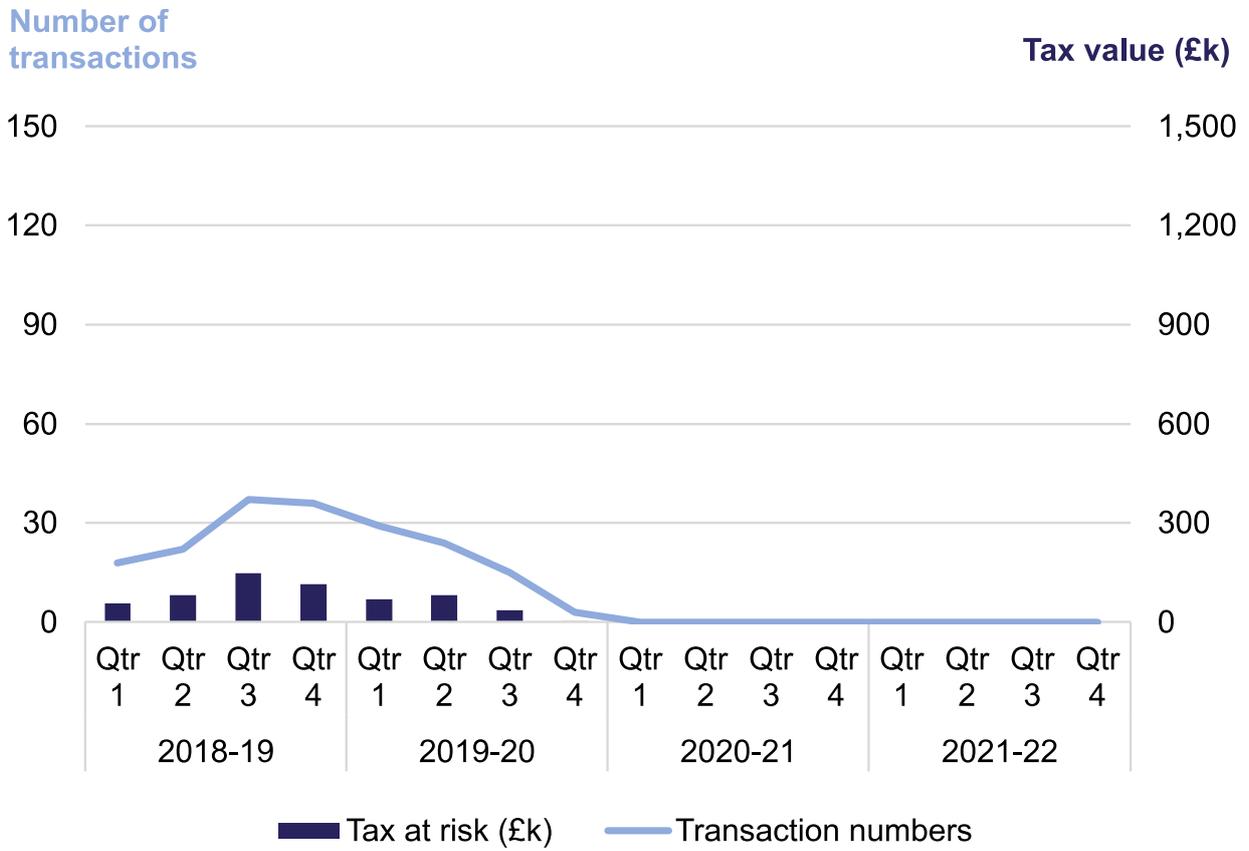
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During 2021-22, attention was focussed on several tax risk areas. We have reported on the 5 main tax risks that were identified at the start of the year. The individual datasets for each of those are shown in charts 9-13 below, whilst this chart shows the aggregation of the data for those 5 tax risk areas up to and including data for 2021-22.

Following a general drop in the number of transactions falling into these 5 tax risks and shown by the line (left hand axis) during 2019-20, numbers then increased during 2020-21, before levelling off for most of 2021-22, but with a fresh increase in the last quarter of 2021-22. The related value of the tax at risk in those transactions shown by the bars (right hand axis) changed more rapidly than the number of transactions, due in the main to recent rises in the value of transactions.

Some, but not all, of the change over the last two years is due to the impact of coronavirus (COVID-19) and the subsequent recovery in transactions, suggesting increases in the various tax risks. More explanation of this data in the context of the WRA's approach and objectives is given in the annual report.

### Chart 9: LTT risk 1 - companies buying residential property

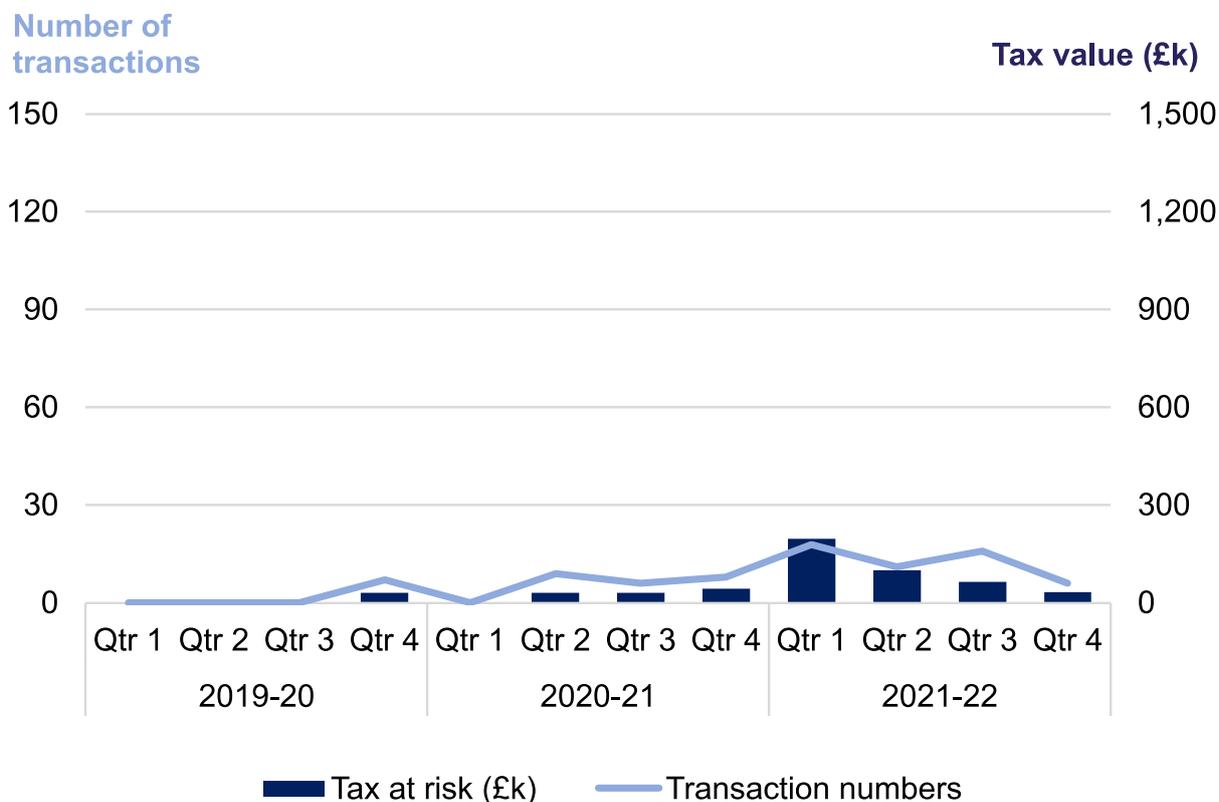


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## Chart 9a: LTT risk 1a - residual activity around companies buying residential property



Please see the commentary under chart 8.

Data are available for 4 years for this tax risk and for both the count of transactions (shown by the line, left hand axis) and tax at risk (shown by the bars, right hand axis).

Following a sustained fall in 2019-20, the general risk was mitigated. However, some residual activity started in 2020-21, which can be attributed to a specific type of transaction is now shown separately in chart 9a. This risk can be seen to be generally minimal over the course of the past few years, with a steady

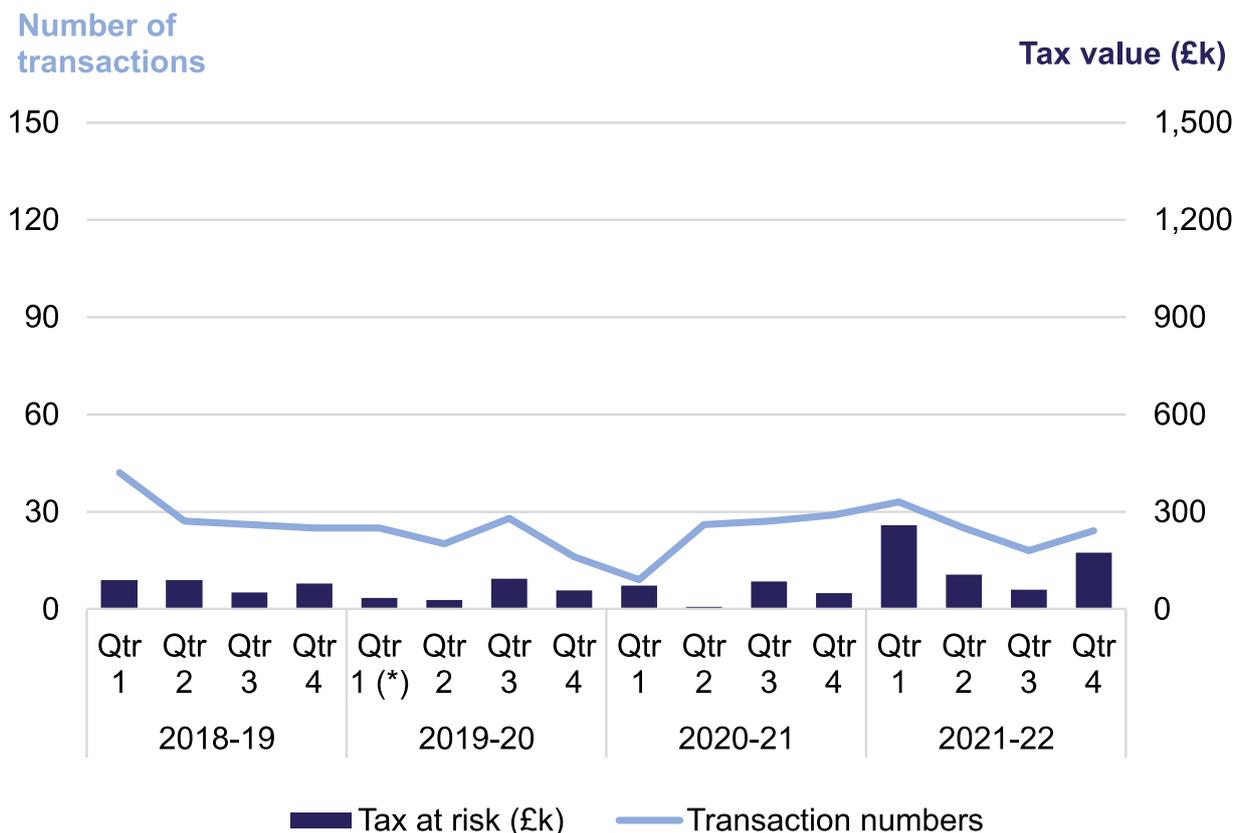
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number of transactions in 2021-22, slightly higher than that of the previous year, but generally less than the other risks presented here.

**Chart 10: LTT risk 2 - outstanding tax return**



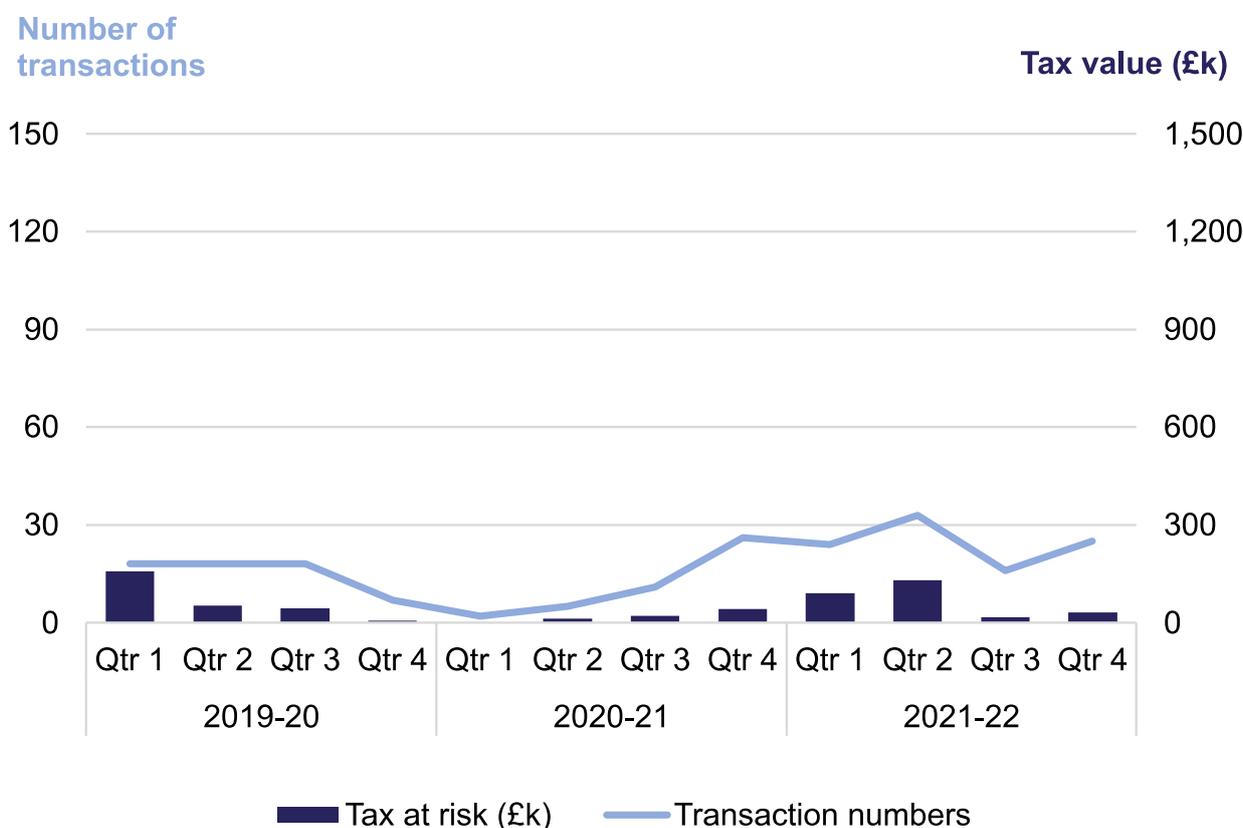
(\*) large outlier replaced with mean value of tax at risk

Please see the commentary under chart 8.

Data are available for 4 years for this tax risk and for both the count of transactions (shown by the line, left hand axis) and tax at risk (shown by the bars, right hand axis).

There was a general fall in transactions during the first two years from an early peak, into the first quarter of 2020-21. Since then, the risk grew mainly in line with increasing numbers of transactions as coronavirus (COVID-19) lockdowns eased in the latter part of the 2020-21 and then remaining relatively stable in 2021-22. The value of tax at risk has been affected by a few larger unrepresentative transactions over the period shown but largely tracks the numbers of transactions for this risk.

**Chart 11: LTT risk 3 - disagreeing with LTT calculator**



Please see the commentary under chart 8.

Data are available for 3 years for this tax risk and for both the count of transactions (shown by the line, left hand axis) and tax at risk (shown by the bars, right hand axis).

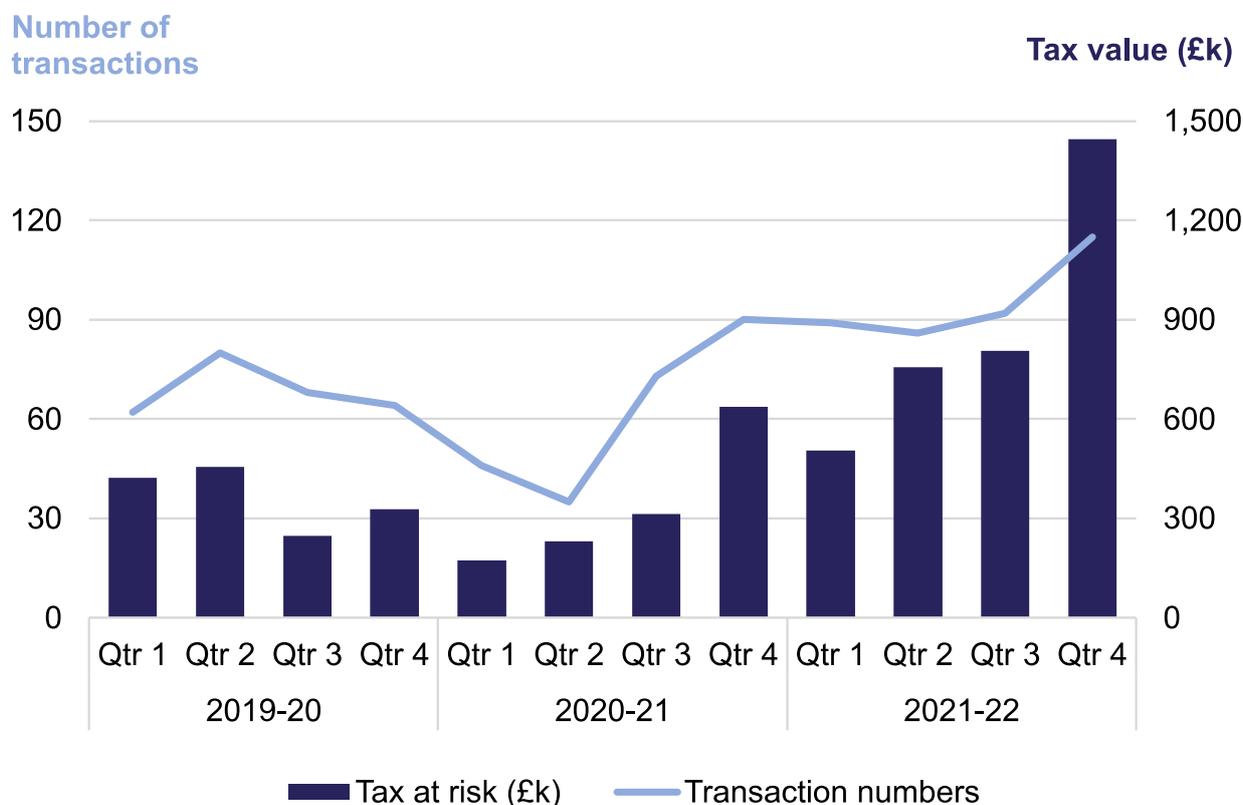
The count of transactions was generally flat in 2019-20 until a drop in the last quarter and the first quarters of 2020-21. Since then, cases have increased again, partly (but not solely) in line with increasing numbers of transactions as coronavirus (COVID-19) lockdowns eased in the latter part of 2020. During 2021-22, cases remained broadly stable apart from a small dip in quarter 3. The value of the tax at risk went up a little at the start of 2021-22 but has since dipped. Although somewhat higher relative to the previous year, the total for 2021-22 remains relatively small compared to the other risks covered here.

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**Chart 12: LTT risk 4 - tax treatment of different property types**



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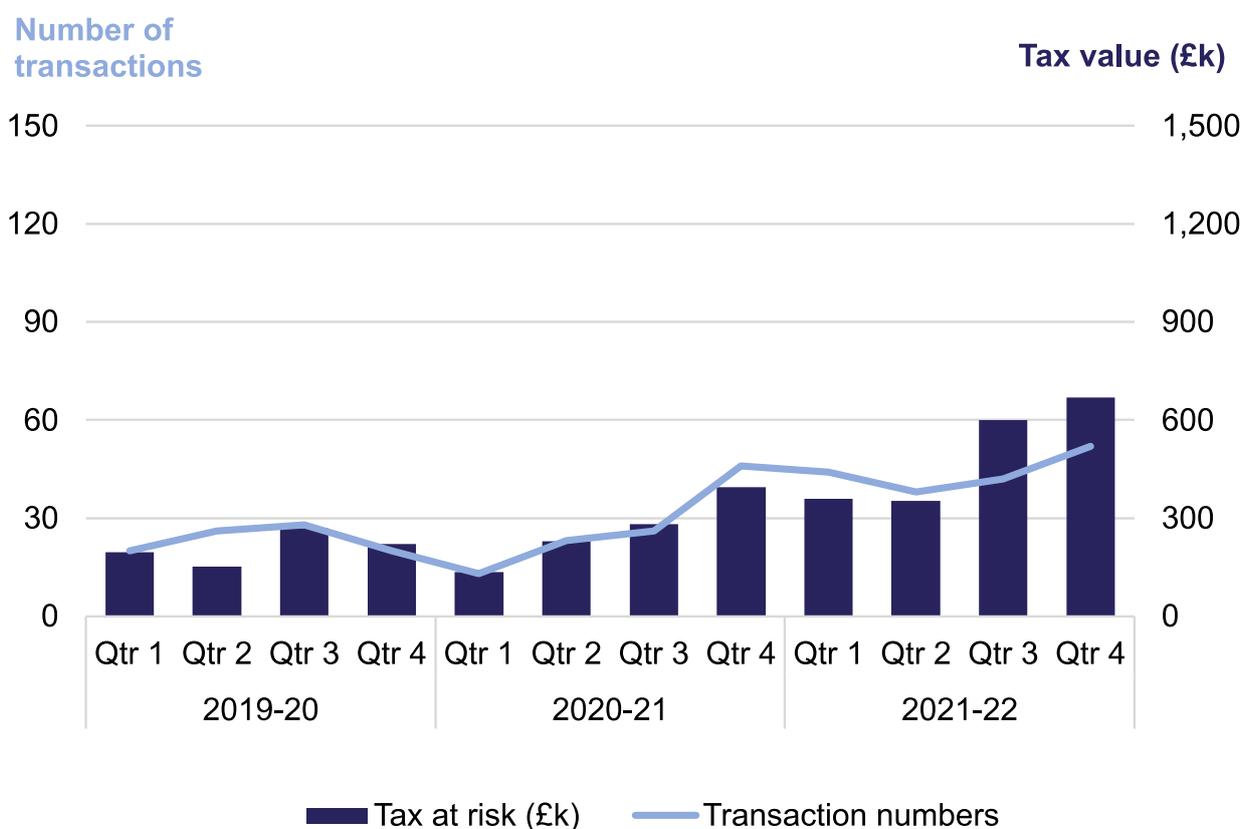
Please see the commentary under chart 8.

Data are available for 3 years for this tax risk and for both the count of transactions (shown by the line, left hand axis) and tax at risk (shown by the bars, right hand axis). This is the largest of the risks covered in both terms of numbers of transactions and the related value of tax at risk associated with those transactions.

After a period of reducing numbers during 2019-20 and early 2020-21, there has

been a marked increase in numbers in the second half of both 2020-21 and 2021-22, in excess of the numbers that might be expected as transactions recovered following coronavirus (COVID-19) restrictions easing, suggesting an increase in the risk itself. The value of tax at risk follows a similar pattern, although the data are also impacted by rising transaction values, with the figure in quarter 4 2021-22 being the highest seen to date by some margin.

**Chart 13: LTT risk 5 - in relation to a specific relief (relief a)**



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Please see the commentary under chart 8.

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Data are available for 3 years for this tax risk and for both the count of transactions (shown by the line, left hand axis) and tax at risk (shown by the bars, right hand axis).

The count of transactions at risk was relatively flat during 2019-20 until a drop in early 2020-21, in line with the reduction that might be expected as coronavirus (COVID-19) impacted. Since the lockdowns eased, the numbers have risen, broadly in line with the rise in general transactions, although the rise in the latter half of 2021-22 has been steeper than expected, suggesting an increase in the risk itself.

The value of tax at risk follows a similar pattern, although the data are also impacted by rising transaction values, with the figures in quarters 3 and 4 of 2021-22 being the highest seen to date, by some margin.

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