



Llywodraeth Cymru  
Welsh Government

STATISTICS, DOCUMENT

# Non-domestic rates (actuals): April 2022 to March 2023

Information on the amount of non-domestic rates due and reliefs applied for April 2022 to March 2023.

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# Introduction

Non-domestic rates (NDR), often referred to as business rates, are a local tax through which owners or occupiers ('ratepayers') of non-domestic properties contribute financially towards the provision of local services.

This bulletin has been compiled by the Welsh Government and provides information on the revenue generated by NDR for the financial year 2022-23 (1 April 2022 to 31 March 2023), along with comparisons with previous years.

This introduction gives an overview of the key concepts relating to NDR, with more detailed information and definitions available in the [glossary](#).

## How is an NDR bill calculated?

The Valuation Office Agency (VOA), which is independent of the Welsh Government, values properties for the purposes of charging NDR and assigns each property a 'rateable value' (RV).

The NDR bill for each property is calculated by taking its RV and multiplying it by the 'NDR multiplier' for the year in question. There are also various reliefs available to support ratepayers. If a ratepayer is eligible for relief, this will reduce the rates bill for the property.

The following equation illustrates how these elements of an NDR bill come together:

$$\text{NDR Bill} = (\text{Rateable Value} \times \text{NDR Multiplier}) - \text{Relief}$$

The Welsh Government sets the NDR multiplier each year. It is generally increased each year in line with the Consumer Price Index (CPI). For the

financial year 2022-23 the multiplier was 0.535. To support ratepayers, the Welsh Government took the decision to not increase the multiplier by CPI in 2022-23, freezing it at the same level as 2020-21 and 2021-22.

## Rating lists

Property details and RVs are held by the VOA on a 'rating list'. The VOA splits this rating list up into local and central rating lists. Each of the 22 billing authorities in Wales (the county and county borough councils) has its own local list for the purposes of calculating and issuing bills for properties in their area. A combination of all 22 local lists is often referred to as 'the local list'

As well as the local list, there is also a 'central list', which covers certain cases where property crosses billing authority boundaries, for example, railways, pipelines and water infrastructure. Bills for central list properties are calculated and issued by the Welsh Government. Properties on the central list do not receive any rates relief.

Some non-domestic properties are wholly exempt from NDR and are not assigned a RV. These properties do not appear on rating lists, and include agricultural land, parks and places of worship.

## Distributing NDR revenue raised

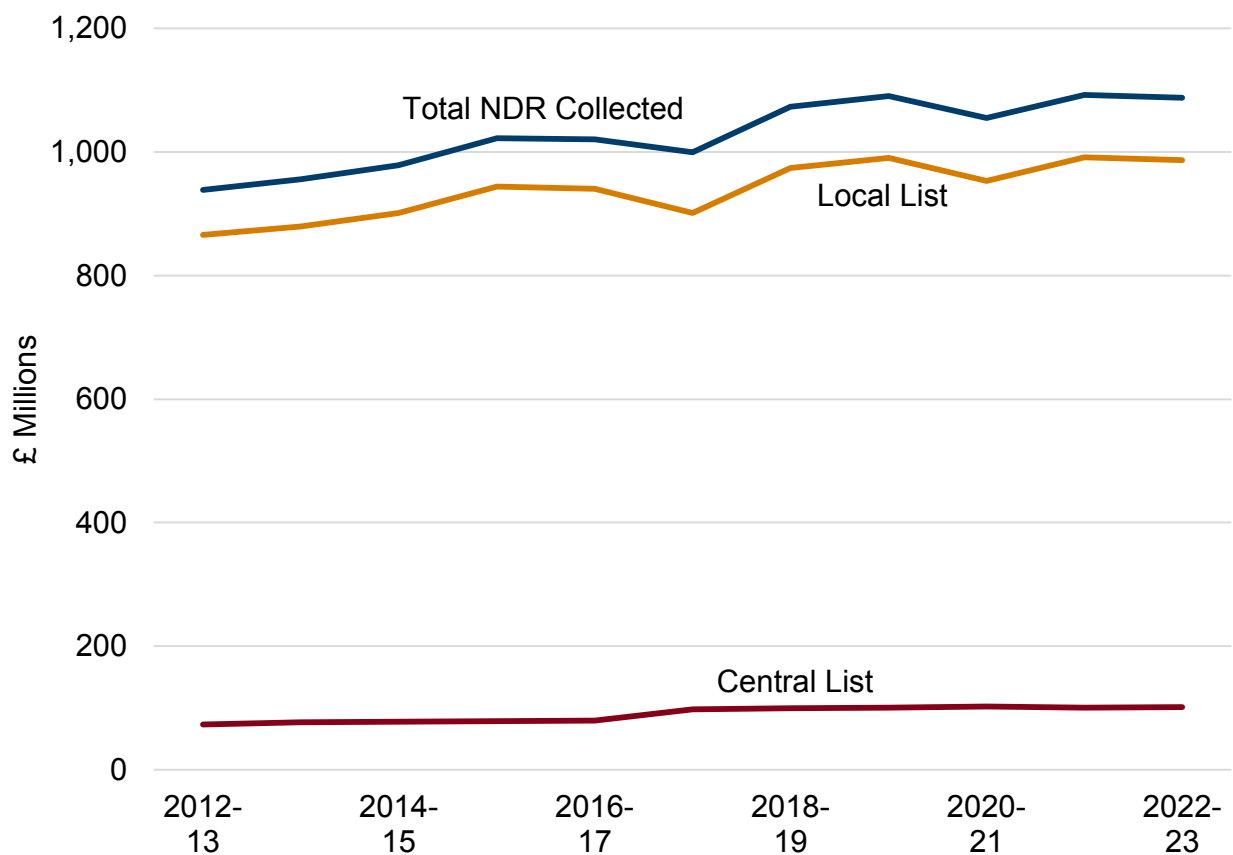
All NDR revenue collected by billing authorities is paid into the Welsh Government's 'Non-Domestic Rates Pool'. Funds collected from the central list are also added to this pool. The total revenue is then distributed to billing authorities as part of the local government revenue settlement each year. The pool is split between the 22 county and county borough councils and the four police and crime commissioners, and is distributed between each authority according to shares of adult population.

## Source of information in this bulletin

Most of the information in this bulletin is taken from the 'NDR3' financial returns submitted by the 22 billing authorities in Wales. Welsh Government information on the central list has also been included in parts of this bulletin.

# Total non-domestic rates collected from properties in Wales

**Figure 1: Total non-domestic rates (NDR) collected from ratepayers on the central and local lists (£ millions), 2012-13 to 2022-23**



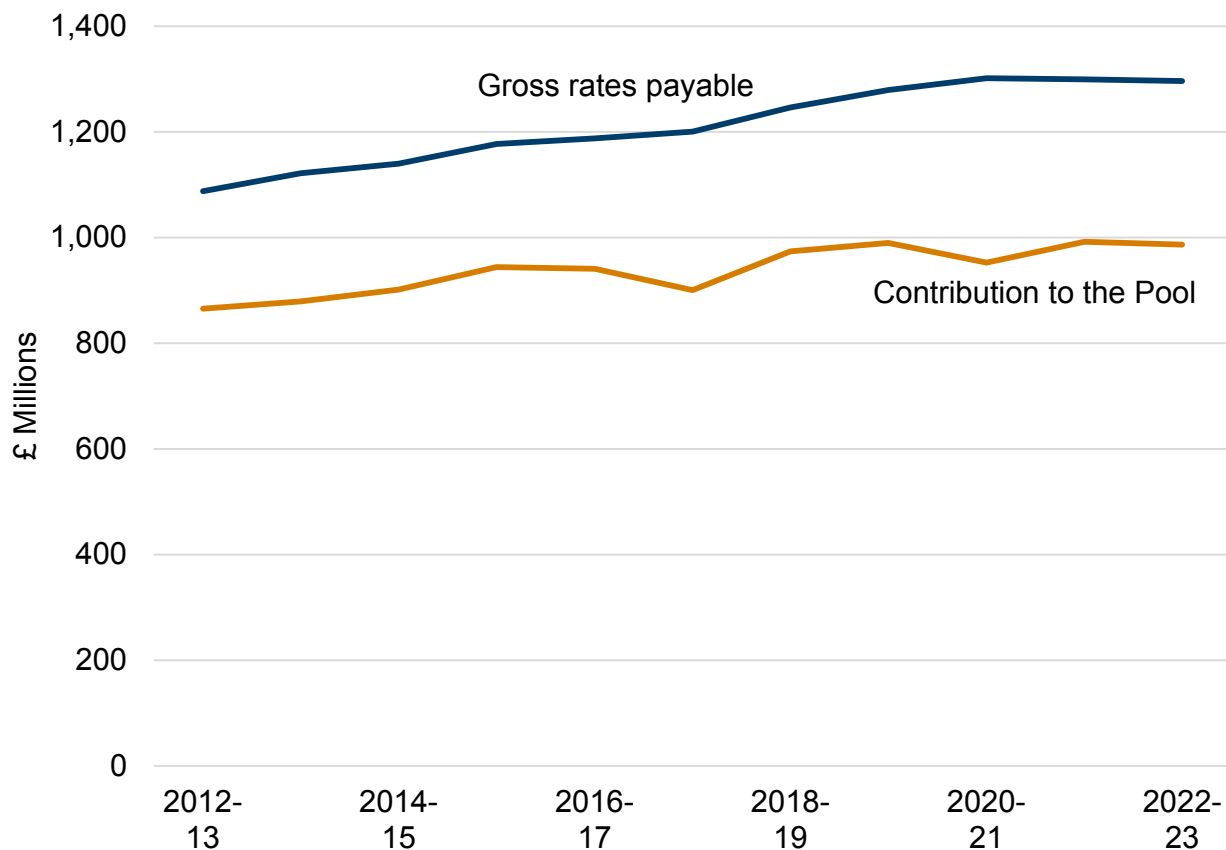
Description of Figure 1: The line chart shows the amounts of Non-Domestic Rates collected in total. This is split into amounts collected from the local and central lists. The total amount was around 1.1 billion pounds in 2022-23, with 1 billion coming from the local list and 100 million from the central list.

- The vast majority of NDR comes from the local list, and the amount collected here tends to drive the overall trends in total NDR collected. The amounts given in the above chart are after reliefs have been applied to the initial bill.
- Since 2018-19, the total NDR collected from ratepayers has been over £1 billion. This amount fell slightly in 2020-21 before increasing to a five year high of £1.1 billion in 2021-22. The amount collected remained at a similar level in 2022-23.
- Roughly £100 million in NDR was collected from the central list each year from 2017-18 to 2022-23. This constitutes a little less than 10% of all NDR collected overall.

## **Non-domestic rates collected by billing authorities**

The remainder of this bulletin focuses on information relating to local lists only. Information relating to revenue collected from central list ratepayers is not included.

**Figure 2: Total non-domestic rates collected by billing authorities, 2012-13 to 2022-23**



Description of Figure 2: The line chart shows the total Non-Domestic Rates due before reliefs were applied, and the amount actually collected by billing authorities from 2012-13 to 2022-23. The total Non-Domestic Rates due has increased each year up to 2020-21 before levelling off, while the amount actually collected has fluctuated on an upwards trend.

- A total of £986 million in NDR revenue was collected by billing authorities in 2022-23. This is referred to as the ‘contribution to the pool’ and is the final amount collected after all reliefs and losses have been factored in.
- The ‘gross rates payable’ is the amount due before reliefs and losses have



been factored in. The total gross rates payable for 2022-23 was £1.3 billion. This has remained at a similar level since 2021-22, after increasing year on year for the previous decade.

- 20% of the total NDR collected by billing authorities comes from Cardiff. This is more than double the next largest (8% from Swansea).

## Rates relief

There are a number of permanent relief schemes in place in Wales to support ratepayers with their bills. The initial bill (gross rates payable) can have relief applied to it to provide anything from a 0% to 100% discount, depending on eligibility.

Some rates reliefs are ‘mandatory’ and these are automatically applied to bills of eligible properties. Other reliefs are ‘discretionary’, meaning that the billing authority can decide whether to award the relief to a property.

Relief figures in this bulletin only include permanent relief schemes. Other reliefs, such as Retail, Leisure and Hospitality Rates Relief, are not included. More information on the types of relief available can be found in the glossary.

### Table 1: Total reductions in gross rates due to permanent reliefs, 2012-13 to 2022-23

Year	Percentage of gross rates reduced by mandatory reliefs	Percentage of gross rates reduced by discretionary reliefs	Percentage of gross rates reduced by all reliefs
2012-13	15.5%	0.5%	16.1%

Year	Percentage of gross rates reduced by mandatory reliefs	Percentage of gross rates reduced by discretionary reliefs	Percentage of gross rates reduced by all reliefs
2013-14	16.1%	0.5%	16.7%
2014-15	16.6%	0.5%	17.2%
2015-16	16.2%	0.5%	16.7%
2016-17	16.8%	0.4%	17.3%
2017-18	19.4%	0.5%	19.9%
2018-19	18.6%	0.5%	19.1%
2019-20	18.5%	0.5%	19.0%
2020-21	19.8%	0.5%	20.2%
2021-22	19.2%	0.5%	19.7%
2022-23	18.8%	0.5%	19.4%

Source: NDR3 returns

- In 2022-23, the overall gross rates payable figure for Wales was reduced by 19% from the application of permanent reliefs.
- Reductions in bills from mandatory reliefs have generally been increasing over the past decade, as more schemes have been introduced and existing

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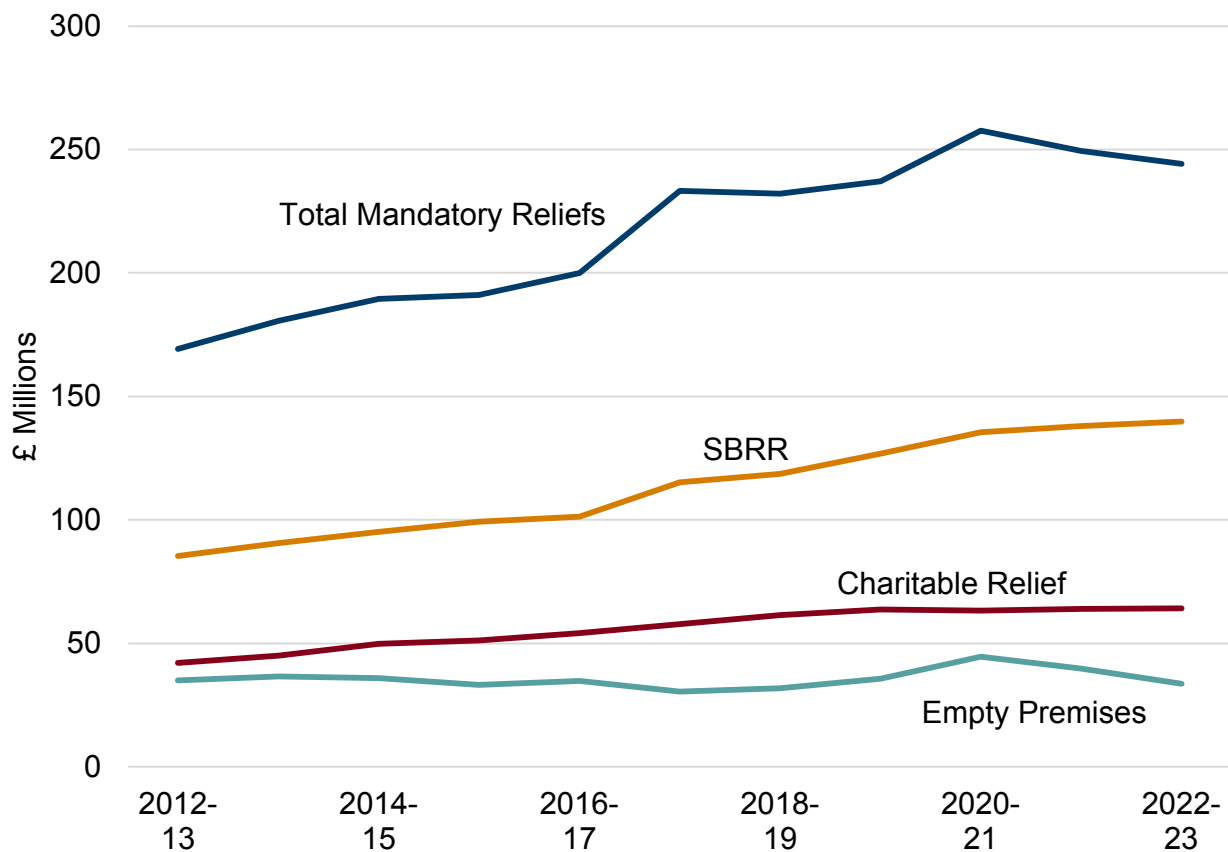
schemes have become more generous.

- Reductions due to discretionary reliefs (excluding Retail, Leisure and Hospitality Rates Relief), have remained at a similar level (0.5% of gross rates payable) over the past decade.

## **Mandatory reliefs**

Properties that meet criteria set out in legislation are automatically entitled to mandatory relief for all or part of their rates bill. These mandatory reliefs are funded in full by the Welsh Government.

**Figure 3: Total value of mandatory reliefs across Wales provided by category, 2012-13 to 2022-23**



Description of Figure 3: The line chart shows Total Mandatory Reliefs, Small Business Rates Relief, Charitable Relief and Empty Premises Relief across Wales from 2012-13 to 2022-23. Total Mandatory Reliefs increased each year between 2012-13 and 2020-21, and Empty Premises Relief had the lowest total for each year.

- £244 million in mandatory reliefs was provided in Wales in 2022-23. This is lower than the £259 million provided in 2020-21 when there was an increase in empty property relief, possibly due to the effects of the coronavirus (COVID-19) pandemic.

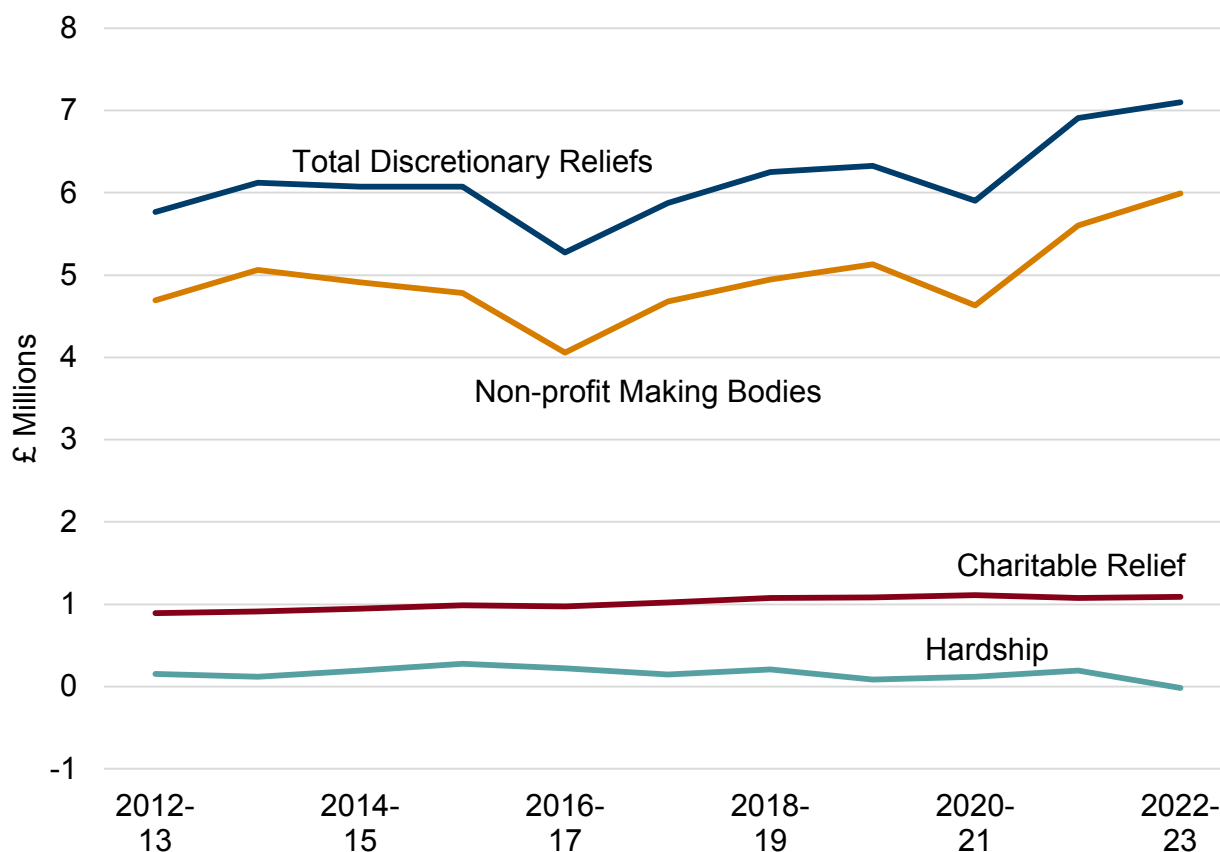
- Small Business Rates Relief (SBRR) made up the majority of mandatory relief in 2022-23, at a total of £140 million. This value is higher than it has been at any point in the last decade.
- A further £64 million in mandatory reliefs was provided to charitable occupations in 2022-23. This amount remained at the highest it has been in the last decade.

## Discretionary reliefs

In addition to mandatory reliefs, billing authorities have powers to award relief at their discretion provided a property meets locally set criteria. Some discretionary reliefs take the form of a 'top up', increasing the amount already provided in mandatory relief.

The values for discretionary reliefs in Figure 4 only include the amounts funded by the Welsh Government. There is a further amount of these discretionary reliefs that is funded by billing authorities and not included in the below figures.

**Figure 4: Total value of discretionary reliefs across Wales provided by category, 2012-13 to 2022-23**



Description of Figure 4: The line chart shows Total Discretionary Reliefs across Wales from 2012-13 to 2022-23. The chart is split into Non-profit Relief, Charitable Relief and Hardship Relief. Non-profit organisations make up the majority of all discretionary reliefs in Wales, and charities make up most of the remainder. Hardship relief makes up the smallest amount each year.

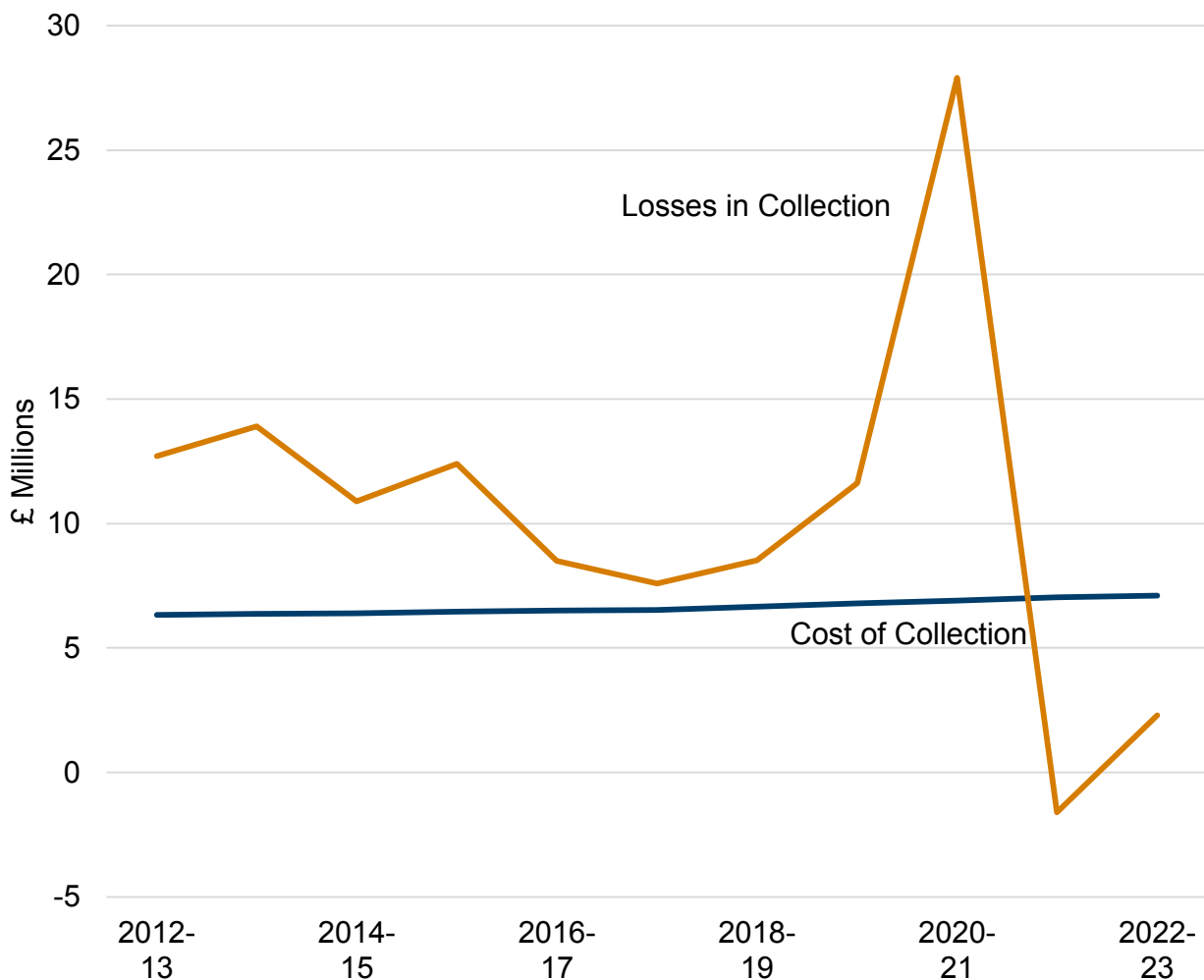
- £7.1 million in discretionary relief was provided by billing authorities in 2022-23 (excluding Retail, Leisure and Hospitality Rates Relief). This is £200,000 more than in 2021-22, and is the highest amount in the past decade.

- Over four-fifths of discretionary reliefs went to non-profit making bodies, with most of the remainder going to charities.
- Swansea provided £950,000 in discretionary relief in 2022-23, the highest value across all the billing authorities. This amounts to 13% of all discretionary relief provided that year.
- Monmouthshire provided £26,000 in discretionary relief in 2022-23, the lowest value across all the billing authorities. This amounts to 0.4% of all discretionary relief provided that year.
- Discretionary Hardship Relief fell to just below zero in 2022-23. This was driven by a small number of billing authorities making adjustments to relief awarded in previous years, outweighing the new relief awarded in the year.

## Losses in collection

Losses in collection are debts which either cannot be collected, or a decision has been made by the billing authority not to collect the debt. This includes both 'bad debt' or write-offs where the debt cannot be collected, and 'doubtful debts' where the debt is unlikely to be repaid due to financial difficulties.

**Figure 5: Total losses in collection of non-domestic rates across Wales by type, 2012-13 to 2022-23**



Description of Figure 5: The line chart shows the Losses in Collection and Costs of Collection across Wales from 2012-13 to 2022-23. The cost of collection increased very slightly, while losses in collection fluctuated with a spike in 2020-21 followed by a large drop in 2021-22.

- The cost of collection has gradually increased over the past decade, from £6.3 million in 2012-13 to £7.1 million in 2022-23.



- Losses in collection have fluctuated in this time. The value ranged from £7.5 million to £14 million between 2011-12 and 2019-20, with a spike of £27.9 million in 2020-21 as a result of the COVID-19 pandemic.
- £1.6 million was actually gained in 2021-22 from 'losses in collection'. This was due to a large amount of recovered debt from 2020-21 being carried forward and included in the 2021-22 figure.
- The losses in collection amounted to £2.3 million in 2022-23.

**Table 2: Losses in collection of non-domestic rates as a percentage of net yield, 2016-17 to 2022-23**

2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
0.9%	0.8%	0.9%	1.2%	2.8%	-0.2%	0.2%

- 0.2% of the overall net yield was lost in 2022-23. This is lower than the loss in any year between 2016-17 and 2020-21.
- In 2021-22, 0.2% of the overall net yield (final bills with all relevant reliefs applied) was actually gained due to 'losses in collection'. This was due to a large amount of recovered debt from 2020-21 being carried forward and included in the 2021-22 figure.

## Glossary

### Appeal

A ratepayer can challenge their assigned rateable value at any time if they think it is incorrect by contacting the Valuation Office Agency. Further information on the appeals process: [How to check and challenge your rateable value in](#)

## Wales (Valuation Office Agency)

### Billing authority

A local authority empowered to collect non-domestic rates. All 22 county and county borough councils in Wales are considered to be billing authorities.

### Business rates

A term commonly used instead of the more accurate legal description, 'non-domestic rates'. Rates are not only paid by private businesses but also by public bodies and non-profit organisations.

### Central list

A small number of properties are on the 'central list'. These are mostly very extensive property holdings of industries that span multiple billing authorities. Each company or group of companies is given a single rateable value, and the revenue collected is paid directly to the Welsh Government. [Further information about the regulations covering the central list \(Valuation Office Agency\)](#).

### Charitable occupation

Registered charities that occupy non-domestic property.

## Community amateur sports club

Community and amateur sports clubs that occupy non-domestic property. Registered clubs may be entitled to relief.

## Contribution to the pool

This is the final amount collected in non-domestic rates from local lists, once all elements of bills have been considered and other aspects such as cost of collection and losses in collection have been factored in. The contribution to the pool figure for all billing authorities is combined with revenue raised by the central list to create a 'Non-Domestic Rates Pool' figure. This amount is distributed to billing authorities by the Welsh Government on a population basis as part of the annual local government settlements.

## Discretionary relief

In addition to mandatory reliefs, billing authorities have the power to award relief at their discretion, provided the property meets locally set criteria.

## The current categories of discretionary relief

- Charitable occupations
- Community amateur sports clubs
- Non-profit making bodies
- Hardship

## Empty property rates relief

A relief provided to the owner of an unoccupied property. Properties can claim 100% relief for the first three months (or six months for industrial properties) of being empty, after which they are liable for full rates.

## Gross liability

This is the initial bill before any reliefs are applied. It is equal to Rateable Value x NDR Multiplier. Factoring reliefs into the gross liability gives the 'net liability' or 'net yield'.

## Hardship relief

A discretionary relief that may be granted to properties that have suffered or will suffer financial hardship due to specific external factors.

## Hereditament

The legal term for the unit of non-domestic property that is, or may become, liable for non-domestic rates, and thus appears on the rating list. Often, hereditaments are simply referred to as properties. Hereditaments can include pylons, telephone boxes, advertising hoardings as well as offices, shops, warehouses, factories, and public buildings like hospitals and schools. A hereditament may be several buildings together, such as a university campus, or just one office within a block.

## Local list

Local rating lists include all non-domestic properties contained within a billing authority boundary. Billing authorities issue bills and collect rates from each property on their own list. The revenue collected is paid into the Welsh Government's Non-Domestic Rates Pool. This is then distributed to billing authorities as part of the local government revenue settlements each year.

## Losses in collection

The total amount lost due to two factors: any doubtful debts in the current year, and any debts that have been entirely written off. Doubtful debts are cases where the debt is unlikely to be repaid due to financial difficulties, and provisions are made for doubtful debts ahead of time.

## Mandatory relief

Properties are automatically entitled to relief for all or part of their rates bill provided they meet the criteria set out in legislation.

### The current categories of mandatory relief

- Charitable occupations
- Community amateur sports clubs
- Small business rates relief
- Partly occupied premises
- Empty premises
- Public lavatories

## The NDR multiplier

Often simply referred to as 'the multiplier'. This is the figure used to calculate an initial non-domestic rates bill from the rateable value of a property. Applying the multiplier to the rateable value gives the 'gross liability', which is the amount due before any reliefs are applied.

The Welsh Government sets the NDR multiplier each year. Prior to 2018-19, the multiplier normally increased in line with the Retail Price Index (RPI). From 1 April 2018, the Consumer Price Index (CPI) became the default measure for increasing the multiplier. However, the Welsh Government has limited or frozen the multiplier for each year between 2020-21 and 2023-24, and for the financial year 2022-23 the multiplier was 0.535.

## NDR

See [Non-Domestic Rates](#).

## Non-Domestic Rates

A local tax on the occupation of a non-domestic property, based on the notional annual rent for a property on the open market known as the rateable value.

## Non-profit making bodies

Non-profit making organisations that occupy non-domestic property.

## Net yield

This is the amount of NDR collected after reliefs have been applied to the gross liabilities of properties. It does not factor in losses in collection or funds provided to billing authorities to cover collection costs. These are factored into the final 'contribution to the pool' figure.

## Partly occupied premises

In some instances, some parts of a property are unoccupied and will remain so for a short time. Billing authorities may choose to provide a discretionary relief when there are practical difficulties in occupying or vacating a property. For instance, when the occupying or vacation of the property needs to be phased in and over a number of weeks or months or when some event such as fire or flood has rendered part of the property unusable.

## Rateable Value (RV)

The legal term for the market value of a property, assessed by the Valuation Office Agency. The rateable value is based on the annual rent that the property could have been let for on the open market at a particular date (currently 1 April 2021, using a list compiled for 1 April 2023). The RV is used in determining the rates liability, and therefore the bill. A ratepayer can appeal their assigned RV at any time if they think it is incorrect.

The latest data in this publication relates to the previous list compiled for 1 April 2017, which was based on the value of the property on 1 April 2015.

## Rating list

The combination of the central list and local lists, containing all relevant non-domestic properties in Wales. The rating list is compiled and maintained by the Valuation Office Agency.

## Retail, leisure and hospitality rates relief

A temporary relief provided to properties in Wales in the retail, leisure and hospitality sectors. This includes shops, pubs and restaurants, gyms, performance venues and hotels. The relief was introduced in 2020-21 to support properties affected by COVID-19 restrictions. It has been extended at varying levels in subsequent years to support recovery from the COVID-19 pandemic and other economic challenges.

## Revaluation

The VOA periodically reassesses all non-domestic properties in Wales, giving them new rateable values based on up-to-date market information. This is known as a 'revaluation' and results in a new rating list.

Following a revaluation undertaken by the VOA, the most recent rating list came into force on 1 April 2023. The latest data in this publication relates to the previous list compiled for 1 April 2017.

Revaluations do not raise extra revenue overall. Rateable values will go both up and down at revaluation in comparison to the average, and revaluation does not raise extra money for government. At revaluation, the multiplier is amended to ensure that nationally, overall NDR revenue is maintained at the same level in real-terms (once CPI has been factored in).



## RV

See [Rateable Value](#).

## SBRR

See [Small Business Rates Relief](#)

### Small Business Rates Relief (SBRR)

A mandatory relief provided to eligible small businesses. Eligible business premises with a rateable value of up to £6,000 receive 100% relief. Business premises with a rateable value between £6,001 and £12,000 receive relief on a tapered basis from 100% to 0%. Businesses are eligible for the relief for a maximum of two properties per billing authority.

The scheme is more generous for registered childcare premises, which receive 100% relief regardless of their rateable value. The RV thresholds are also more generous for post offices, which receive 100% relief up to a rateable value of £9,000 and 50% relief for rateable values from £9,001 to £12,000.

### Transitional relief

When the rateable values of properties are reassessed (see 'Revaluation'), transitional arrangements may be put in place to moderate significant increases in bills. A transitional relief scheme was introduced in response to the 2017 revaluation and provided relief to small businesses seeing increases in their bills. The scheme provided relief over a period of three years, with the amount of relief being reduced each year until full liability had been phased in. A new

transitional relief scheme took effect from 1 April 2023 to support ratepayers affected by the 2023 revaluation.

## Valuation Office Agency (VOA)

An executive agency of HMRC that provides valuations and property advice to support taxation and benefits to the government and billing authorities in Wales and England. It also provides valuation and surveying services to public sector bodies.

## VOA

See [Valuation Office Agency](#).

## Further information

More detailed data, including billing authority breakdowns and the figures behind the charts in this bulletin can be found on [StatsWales: Non-domestic rates, by billing authority and NDR row description \(£ thousand\)](#)

Further information on non-domestic rates and how bills are calculated can be found: [Business Rates in Wales \(Business Wales\)](#)

## Quality and methodology information

Information on general principles and processes leading up to the production of our statistics can be found in the [Local government finance statistics: quality](#)

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report.

## Well-being of Future Generations Act (WFG)

The Well-being of Future Generations Act 2015 is about improving the social, economic, environmental and cultural wellbeing of Wales. The Act puts in place seven wellbeing goals for Wales. These are for a more equal, prosperous, resilient, healthier and globally responsible Wales, with cohesive communities and a vibrant culture and thriving Welsh language. Under section (10)(1) of the Act, the Welsh Ministers must (a) publish indicators (“national indicators”) that must be applied for the purpose of measuring progress towards the achievement of the wellbeing goals, and (b) lay a copy of the national indicators before Senedd Cymru. Under section 10(8) of the Well-being of Future Generations Act, where the Welsh Ministers revise the national indicators, they must as soon as reasonably practicable (a) publish the indicators as revised and (b) lay a copy of them before the Senedd. These national indicators were laid before the Senedd in 2021. The indicators laid on 14 December 2021 replace the set laid on 16 March 2016.

Information on the indicators, along with narratives for each of the wellbeing goals and associated technical information is available in the [Wellbeing of Wales report](#).

Further information on the [Well-being of Future Generations \(Wales\) Act 2015](#).

The statistics included in this release could also provide supporting narrative to the national indicators and be used by public services boards in relation to their local wellbeing assessments and local wellbeing plans.

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