



Ministry of Housing,
Communities &
Local Government

Statistical release
Local Government Finance

National non-domestic rates to be collected by local authorities in England 2021-22 (revised)

On 5 August 2021 data was published on the cost of the additional expanded retail discount and nursery discount that had been announced in the March 2021 Budget as continued Covid-19 support to businesses. This information was collected from local authorities through a separate data collection exercise in July so that additional on-account compensation payments could be calculated. This statistical release and associated tables continue to reflect the position as at 31 January collected through the usual NNDR1 form. We will incorporate the additional data when the 2022-23 release is published, but users may wish to recognise that these additional costs will affect the figures published regarding discretionary reliefs and the non-domestic rating income shown in Table 1 and 2. Due to the way payments are made, figures would not be included in Table 3 until the 2021-22 NNDR3 has been collected.

This release provides data on the forecast of non-domestic rating income due to local authorities in 2021-22, including data relating to the amount of business rates reliefs forecast to be given to businesses. The data are based on returns received from all 309 billing authorities in England. This release does not directly compare figures to the previous year's data as it would be inappropriate due to the exceptional business rates reliefs announced in response to the COVID-19 pandemic which were in place during 2020-21.

In this release:

- Local authorities estimate the non-domestic rating income for 2021-22 will be £25.1 billion. This is what authorities estimate they will collect after all reliefs, accounting adjustments and sums retained outside the rates retention scheme are taken into consideration.
- Local authorities estimate that they will grant a total of £4.7 billion of relief from business rates in 2021-22. Of this £1.5 billion is the net cost of small business rate relief, £3.1 billion is the cost of other mandatory relief and £122 million is the cost of discretionary relief.
- The £1.5 billion small business rate relief cost is a net figure. Authorities estimate they will grant £2.1 billion relief under the Small Business Rate relief scheme, but this offset by other businesses contributing £633 million in the form of a supplement to cover some of

the cost of this relief.

- Total relief provided to charitable occupations (that is both mandatory and discretionary relief) is expected to amount to £2.1 billion in respect of 2021-22, and these reliefs account for 44% of the total relief to be granted.

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Introduction

This release has been compiled by the Ministry of Housing, Communities and Local Government (MHCLG) and it provides information on national non-domestic rates and associated information for the financial year 2021-22. This information is derived from the national non-domestic rates (NNDR1) returns submitted by the 309 billing authorities in England that will be in existence from 1 April 2021. This release replaces the release and tables published on the 17 February, which were based on returns from 305 authorities. This release now contains data from all authorities and also reflects some minor corrections received from nine authorities since the publication. The inclusion of the late data accounts for an increase of 1.1% in the headline figure (non-domestic rating income).

The data in this release are not directly compared to 2020-21 because of the exceptional business rates reliefs introduced in the year in response to the COVID-19 pandemic. These reliefs provided 100% relief to businesses in the retail, hospitality and leisure sector and to eligible nurseries. This means forecast income is significantly lower and forecast reliefs are higher for 2020-21 than normal, and so not comparable to previous or subsequent years. These reliefs are included in the figures for 2020-21 in tables 1 and 2.

Non-domestic rates, or business rates, are collected by billing authorities and are the way in which those that occupy a non-domestic property (or hereditament) contribute towards local services. Since 2013-14 local authorities are allowed to retain a proportion of the revenue that is generated in their area. The NNDR1 form collects data that estimates what authorities will collect and the outturn data (collected on the NNDR3) is what was collected.

Apart from properties that are exempt from business rates, such as agricultural land, parks and places of worship, each non-domestic property has a rateable value which is set by the Valuation Office Agency (VOA). Billing authorities work out the business rates liability for every hereditament by multiplying the rateable value of the property by the appropriate multiplier. There are two multipliers, the non-domestic multiplier and the small business non-domestic rate multiplier. The

former is higher because it includes a supplement which is used to fund the Small Business Rate Relief scheme, which is designed to help small businesses meet the cost of their business rates.

The Government sets the multipliers for each financial year for England according to formulae set by legislation. Previously, the multipliers increased in line with the Retail Price Index (RPI) in September of the preceding year however in 2014-15 and 2015-16 the Government capped the increase in the multiplier at 2% to provide business rate payers with additional support, and this has had a knock on effect in subsequent years which authorities are being compensated for through a Section 31 grant. In the Autumn 2017 Budget, Government announced that the multipliers would increase in line with the Consumer Price Index (CPI) in September of the preceding year from 2018-19. This change is also being compensated for through a Section 31 grant.

In addition to the Small Business Rate Relief scheme, rateable properties may also be eligible for other discounts or reliefs on their business rates bills. Some of these are mandatory i.e. they are automatic entitlements in any billing authority area, and some are discretionary relief which are granted at a billing authority's discretion. New reliefs have been introduced since the start of this series, and some of these reliefs are time limited, as a result changes across years are not strictly comparable. Further information about the types of reliefs available are presented in Table 2.

Further details about the business rates retention scheme and an explanation of hereditaments can be found in the Definitions section of the accompanying technical document.

Special Factors since 2017-18

Revaluation and transitional relief

Every few years, the government adjusts the rateable value of business properties to reflect changes in the property market. This is known as a revaluation. At revaluation, the Government also revises the non-domestic and small business non-domestic multipliers to reflect the aggregate change in rateable values. The latest revaluation came into effect on the 1 April 2017 and reflected the rental market as at 1 April 2015.

At a Revaluation, the Government also puts in place a transitional scheme that protect small and medium business ratepayers from significant step-changes in bills, by phasing-in increases over a number of years. The net transitional arrangements shown in Table 1 reflects the difference between revenue foregone and additional revenue collected, because the rates bills of ratepayers are being phased up or down as a result of the transitional scheme.

Small business rates relief

In the 2016 Budget, Government announced a permanent doubling of small business rates relief and there have been changes to the thresholds, meaning that 100% relief will be given to all businesses that have a rateable value of below £12,000, and tapering of the relief for businesses with a rateable value between £12,000 and £15,000. This was previously a temporary doubling that required an extension each year. The threshold at which a higher multiplier is applied has been increased from £18,000 (or £25,500 in Greater London) to £51,000.

Multipliers

In the Autumn 2017 Budget, Government announced that the multipliers would increase in line with the Consumer Price Index rather than the Retail Price Index. Further details of the national multiplier and small business rate multiplier and the new reliefs can be found in the technical notes accompanying this release (at this address: <https://www.gov.uk/government/statistics/national-non-domestic-rates-collected-by-councils-in-england-forecast-for-2021-to-2022>).

Special factors affecting 2021-22

As there was no Autumn Budget 2020 due to the coronavirus pandemic, no new reliefs or extensions to existing time-limited reliefs were announced. Therefore, this release reflects the forecasts made by local authorities as at 31 January 2021. If additional reliefs are announced in the March 2021 Budget that will take effect from 1 April 2021, we will consider whether a separate collection is required. The 2020-21 data in this release incorporates data from a similar separate collection last year for the expanded retail discount, local newspaper and nursery reliefs.

The business rates multiplier was capped in the 2020 Spending Review for 2021-22 at the same level it was in 2020-21.

1. National non-domestic rates to be collected by local authorities in England 2021-22

Table 1 gives details of the amount of national non-domestic rates local authorities estimate they will collect in 2021-22 and the reliefs they will grant. The multipliers used are also shown. The national non-domestic multiplier for 2021-22 includes a 1.3p supplement to fund the Small Business Rate Relief scheme.

- Local authorities estimate the non-domestic rating income for 2021-22 will be £25.1 billion. This is what authorities estimate they will collect after all reliefs, accounting adjustments and sums retained outside the rates retention scheme are taken into consideration.
- Local authorities report they will grant a total of £4.7 billion of relief from business rates in 2021-22. Of this £1.5 billion is the net cost of small business rate relief, £3.1 billion is the cost of other mandatory relief and £122 million is the cost of discretionary relief.

Appeals

As part of the NNDR1 process authorities are required to make an estimate of how much income they will forego as a result of changes to rating lists, including appeals by businesses against their valuations. This includes both income not collected in year and also refunds they have to make in respect of previous years.

- Local authority estimates of the addition to the appeals provision is £1.2 billion in 2021-22. The figure for 2021-22 represents authorities' best estimate of the total future loss of non-domestic rates on the 2017 Rating list.

Authorities' estimates of losses are higher this year than previously. In part, this is because some (but not all) authorities have reflected the fact that, as a result of the COVID-19 pandemic, some ratepayers have sought temporary reductions to their rates liability on the grounds that there has been a material change of circumstance.

Table 1: National non-domestic rates to be collected by local authorities 2017-18 to 2021-22

	£ million				
	Outturn			Forecast	
	2017-18 ^(a)	2018-19	2019-20	2020-21	2021-22 ^(R)
Gross rates payable in year	28,492	28,492	30,934	32,128	31,904
Net cost of Small Business Rate relief	1,062	1,258	1,415	1,379	1,470
Other mandatory relief	2,782	2,995	3,071	3,046	3,089
Discretionary relief ^(b)	306	229	603	11,300 ^(R)	122
Total cost of reliefs	4,150	4,483	5,089	15,725 ^(R)	4,682
Gross Rates Payable in year less total cost of reliefs	24,342	25,474	25,845	16,403 ^(R)	27,222
Net cost of transitional arrangement	9	-5	83	50	58
Net Rates Yield (Gross Rates Payable plus net cost of Transition)	24,351	25,470	25,927	16,452 ^(R)	27,280
Accounting adjustments					
Losses in collection ^(c)	209	181	298	266	653
Net addition to appeals provision ^(d)	171	114	-21	927	1,162
Interest payable	0	0	0	-	-
Total cost of accounting adjustments	380	295	278	1,193	1,815
Other deductions from collectable rates^(e)	104	91	179	146	154
Disregarded Amounts					
Amounts retained in respect of Designated Areas	40	52	83	88	100
Amounts retained in respect of Renewable Energy schemes	61	65	72	73	87
Amounts retained in respect of Shale Gas	-	0	0	0	0
Total Disregarded Amounts	101	117	155	161	187
Non-domestic rating income from rates retention scheme (Net Rates Yield less Accounting adjustments, Other deductions & Disregarded amounts) for year	23,765	24,966	25,316	14,953 ^(R)	25,124

	2017-18 ^(a)	2018-19 ^(f)	2019-20 ^(g)	2020-21 ^(h)	2021-22 ⁽ⁱ⁾
Small business rate multiplier (pence)	46.6	48.0	49.1	49.9	49.9
National non-domestic rates multiplier (pence)	47.9	49.3	50.4	51.2	51.2
Number of hereditaments on rating list as at 30 Sept ('000s)	1,856	1,882	1,942	1,976	1,996
Total aggregate rateable value of all hereditaments on rating list as at 30 Sept (£ million)	63,212	63,213	63,637	64,045	63,910

Footnotes on following page

Footnotes to Table 1

Source: Outturn data are taken from auditor confirmed NNDR3 forms, forecast data are taken from NNDR1 forms.

(R) = revised. Revisions to 2020-21 figures were made in the February 2021 release. Revisions to 2021-22 figures reflect the inclusion of late data.

- (a) Revaluation comes into effect 1 April 2017. VOA Data as at 30 September 2016.
- (b) This reflects both the data reported on the NNDR1 2020-21 (excluding retail relief) and the data reported in additional exercises. For Telecoms Relief, this is as reported in April 2020 and for the Expanded Retail Relief and Nursery Relief, this is as reported in October 2020.
- (c) Losses in collection - write offs are not included in the Total cost of Accounting Adjustments.
- (d) The outturn data for net addition to appeals is systematically lower than the forecast data; this may be due to a change in the advice provided by some auditors, who now only require provision to be made once an appeal is lodged.
- (e) Other deductions from collectable rates includes an allowance for cost of collection & legal costs, a special authority deduction for the City of London, and the net cost of transitional protection payments made to authorities to reverse the effects of transitional arrangements.
- (f) 2018-19 VOA Data as at 1 April 2017.
- (g) 2019-20 VOA Data as at 3 October 2018.
- (h) 2020-21 VOA Data as at 3 October 2019.
- (i) 2021-22 VOA Data as at 7 October 2020.

2. Reliefs to be granted by local authorities in 2021-22

Table 2 shows figures for mandatory and discretionary reliefs billing authorities expect they will grant in 2021-22. Mandatory reliefs are automatic entitlements in any billing authority area whereas discretionary reliefs are granted at a billing authority's discretion.

- Of the estimated £4.7 billion relief to be granted from business rates, £3.1 billion is mandatory relief excluding small business rate relief.
- Authorities estimate they will grant £2.1 billion relief under the Small Business Rate relief scheme for 2021-22, whilst receipts from the supplement paid by some businesses to fund the Small Business Rate relief scheme in 2021-22 are expected to be £633 million. This gives a net cost of the scheme of £1.5 billion.
- Total relief provided to charitable occupations (that is both mandatory and discretionary relief) is expected to amount to £2.1 billion in respect of 2021-22, and these reliefs account for 44% of the total relief to be granted.
- Authorities estimate the amount of relief to be granted to empty premises in 2021-22 will be £943 million.
- Local authorities expect to grant a total of £122 million discretionary relief in 2021-22.

Table 2: Cost of reliefs from national non-domestic rates: 2017-18 to 2021-22

	Outturn			Forecast	
	2017-18 ^(a)	2018-19	2019-20	2020-21	2021-22 ^(R)
MANDATORY RELIEFS					
Small Business Rate Relief					
In respect of current year					
Relief provided in year	1,670	1,820	1,970	2,016	2,103
<i>of which: relief on existing properties where a 2nd property is occupied</i>	4	4	4	3	4
Additional yield generated from the small business supplement	621	631	633	637	633
Net cost of small business rate relief in respect of current year	1,049	1,190	1,338	1,379	1,470
Net cost of small business rate relief in respect of previous years	13	68	77	-	-
Net cost of small business rate relief	1,062	1,258	1,415	1,379	1,470
Other Mandatory reliefs					
In respect of current year					
Charitable occupation	1,825	1,933	2,011	2,036	2,015
Community Amateur Sports Clubs (CASCs)	19	20	21	21	21
Rural rate relief	4	4	4	4	4
Telecomms ^{(b)(c)}	-	0	0	0	0
Partially occupied hereditaments	24	24	26	20	15
Empty premises	916	996	1,006	874	943
Total other mandatory relief in respect of current year	2,789	2,789	3,069	2,956	2,997
Other mandatory relief in respect of previous years	-6	18	2	-	-
Changes as a result of local estimates of growth or decline in mandatory relief	-	-	-	91	92
Total cost of other mandatory relief	2,782	2,782	3,071	3,046	3,089
Total cost of mandatory relief	3,844	4,253	4,486	4,425	4,559

(Table continued on following page)

Source: Outturn data are taken from auditor confirmed NNDR3 forms, forecast data are taken from NNDR1 forms and the additional data collection exercises run during 2020.

(R) = revised. Revisions to 2020-21 figures were made in the February 2021 release. Revisions to 2021-22 figures reflect the inclusion of late data.

(a) Revaluation came into effect 1st April 2017.

(b) Telecomms relief was reported as a discretionary relief funded through section 31 grant in 2019-20. However this relief is mandatory, but currently funded through a section 31 grant.

(c) Value below £0.5 million.

	£ million				
	Outturn			Forecast	
	2017-18 ^(a)	2018-19	2019-20	2020-21	2021-22 ^(R)
DISCRETIONARY RELIEFS					
In respect of current year					
Charitable occupation	44	47	48	49	46
Non-profit making bodies	37	38	37	36	33
Community Amateur Sports Clubs (CASCs)	1	1	1	1	1
Rural rate relief ^(c)	1	0	0	0	0
Small rural businesses	1	1	1	1	1
Other relief awarded under s47	18	21	22	23	19
Hardship relief	2	2	2	-	-
Total discretionary relief in respect of current year	103	110	112	110	100
Discretionary relief in respect of previous years	2	5	3	-	-
Discretionary reliefs funded through Section 31 grants					
"New Empty" properties	4	-	-	-	-
"Long term empty" properties	1	-	-	-	-
Retail relief	-	-	-	-	-
Flooding relief	0	0	2	-	-
Rural rate relief	4	4	4	4	4
Local newspaper temporary relief ^(c)	0	-	0	0 ^(R)	0
In lieu of Transitional relief	-	-	-	-	-
Supporting small businesses	17	14	13	15	13
Discretionary Scheme (LA Framework)	155	77	30	5	-
Pub relief	18	17	-	-	-
Retail discount relief ^(d)	-	-	432	11,062 ^(R)	-
Nursery relief ^(d)	-	-	-	96 ^(R)	-
Total cost of discretionary reliefs funded through S31 grant	200	113	481	11,182^(R)	17
Discretionary relief funded through S31 grants in respect of previous years	1	1	7	-	-
Changes as a result of local estimates of growth or decline in discretionary relief	-	-	-	8	5
Total cost of discretionary relief	306	229	603	11,300^(R)	122
TOTAL COST OF ALL RELIEFS	4,150	4,483	5,089	15,725^(R)	4,682

(R) = revised. Revisions to 2020-21 figures were made in the February 2021 release. Revisions to 2021-22 figures reflect the inclusion of late data.

(a) Revaluation came into effect 1st April 2017.

(c) Value below £0.5 million.

(d) The retail discount relief was expanded and the nursery relief introduced in 2020-21 in response to the COVID-19 pandemic. These were time limited reliefs. As the figures were exceptional, these figures are not comparable across years.

3. Reliefs to be funded by Section 31 grants

Since 2013-14, a number of measures have been announced by the Chancellor in Autumn Statements and Budgets which have made changes to the national non-domestic rates scheme. Central government compensates local authorities for these changes and this compensation is made outside of the rate retention scheme by means of a Section 31 (S31) grant. The grants are given to local authorities to fund activities which are not covered by existing payment schedules or methods. Details on the measures in table 3 can be found in the technical notes published alongside this release which can be found here: <https://www.gov.uk/government/statistics/national-non-domestic-rates-collected-by-councils-in-england-forecast-for-2021-to-2022>.

The amounts shown in Table 3 are the Section 31 grant to be paid to local authorities to compensate them for the loss of income arising from the measures listed. They differ from the amounts shown in Table 2 which show the total amount of relief to be granted to business ratepayers under each of the measures as they exclude the central government share of the reliefs.

Since 2017-18, some authorities have been able to retain more than a 50% share of the income, and therefore will be compensated for more of the relief. Additionally, single year rate retention pilots took place in 2018-19 and 2019-20, where different authorities and different percentage shares were involved. Therefore, year-on-year changes in each measure are not directly comparable.

Table 3 shows the Section 31 grants paid to local authorities from 2017-18 to 2019-20 and what authorities expect to be paid in 2020-21 and 2021-22.

Following the submission of 2020-21 NNDR1s, the Government expanded the retail relief, nursery relief and local newspaper relief schemes. Billing authorities were asked to provide further estimates of the additional reliefs they anticipated giving. Exceptionally, they were then awarded on-account s.31 payments equal to the full amount of those estimates due to the size of the relief being given and the immediate financial pressures that authorities would be under by providing these reliefs. However, s.31 awards will be reconciled following the submission of 2020-21 NNDR3s and, as normal, local government's final compensation will reflect only their share of the lost income resulting from reliefs. Therefore the on-account s.31 payments have been excluded from the table.

Table 3: Section 31 grants due to authorities for national non-domestic rates measures 2017-18 to 2021-22

	Outturn			£ million Forecast	
	2017-18	2018-19	2019-20	2020-21	2021-22 ^(R)
a) Capping the increase in the small business rates multiplier	223	471	582	643	820
b) Cost of doubling SBRR and threshold changes ^(a)	773	1,065	1,054	926	972
c) Maintaining small business rates relief on "first" properties	3	4	3	2	2
d) Relief to newly built properties	3	0	0	-	-
e) Relief awarded on the occupation of "long-term empty" properties	2	0	0	-	-
f) Retail relief ^(b)	-1	0	6	-	-
g) Flooding relief ^(c)	0	0	1	-	-
h) Rural rate relief	2	3	3	2	2
i) Local newspaper temporary relief ^(d)	0	0	0	-	0
j) In lieu of Transitional Relief ^(d)	0	0	0	-	-
k) Supporting Small Businesses Relief	10	12	9	10	8
l) Discretionary Scheme Relief	97	68	21	3	-
m) Pub Relief	11	13	0	-	-
n) Enterprise Zone qualifying relief in 100% pilot areas	4	11	5	5	4
o) Additional Growth in Growth Pilot Areas (Tees Valley) ^(e)	1	-	1	-	-
p) Telecomms relief ^(d)	-	0	0	0	0
q) Retail Discount relief ^(f)	-	-	308	313	-
Total amount of reliefs funded by Section 31 grants	1,128	1,645	1,992	1,904^(g)	1,809

Footnotes on following page

Footnotes to Table 3

Source: Outturn data are taken from auditor confirmed NNDR3 forms, forecast data are taken from NNDR1 forms.

(R) = revised. Revisions to 2020-21 figures were made in the February 2021 release. Revisions to 2021-22 figures reflect the inclusion of late data.

Note: Since 2017-18 some authorities have been able to retain more than a 50% share of income. The amount of share and authorities involved have change from year to year, and so annual figures are not directly comparable.

- (a) Doubling was temporary between 2014-15 to 2016-17.
- (b) The level of retail relief was changed from £1,000 per qualifying property in 2014-15 to £1,500 per qualifying property in 2015-16. It is not available from 2016-17 onward.
- (c) No estimate of relief to be granted is made, it is paid "after the event".
- (d) Value below £0.5 million.
- (e) Additional Growth in Growth Pilot Areas was funded through a Section 31 grant only in 2017-18. In subsequent years, it has been accounted within their central share.
- (f) The figure for 2020-21 is as reported in the NNDR 2020-21, and does not include compensation for the expanded retail discount.
- (g) This total does not include the compensation for the expanded retail discount, local newspaper, and nursery reliefs introduced in or extended to 2020-21. Total payments of £10,725 million were made to billing authorities related to these reliefs, but they do not reflect the amount due to authorities, which will be calculated and reported in the NNDR3 for 2020-21.

Accompanying tables and open data

Symbols used

...	= not available
0	= zero or negligible (usually less than 0.5 million)
-	= not relevant
	= a discontinuity in data between years

Rounding

Where figures have been rounded, there may be a slight discrepancy between the total and the sum of constituent parts.

Tables

Accompanying tables are available to download alongside this release. These include Tables 1 to 3 for England. Table 4 with the number of hereditaments in receipt of mandatory and discretionary rate relief and data for individual local authorities will be available in a later update. These tables can be accessed at <https://www.gov.uk/government/collections/national-non-domestic-rates-collected-by-councils>.

Open data

These statistics are available in fully open and linkable data formats at <https://www.gov.uk/government/collections/national-non-domestic-rates-collected-by-councils>.

Technical Notes

Please see the accompanying technical notes document for further details. This can be found at <https://www.gov.uk/government/statistics/national-non-domestic-rates-collected-by-councils-in-england-forecast-for-2021-to-2022>.

Information on Official Statistics is available via the UK Statistics Authority website: <https://www.statisticsauthority.gov.uk/>

Information about statistics at MHCLG is available via the Department's website: www.gov.uk/government/organisations/department-for-communities-and-local-government/about/statistics



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