

## Appendix H

## The Business Rates Retention Scheme for Hammersmith and Fulham

		LBHF Figure for 2015/16 £'000
Step 1	Notification from the government of the Settlement Funding Assessment (SFA). This combines formula funding (effectively what formula grant would have been had it continued) and a number of rolled in grants.	103,571
Step 2	Split of the SFA between Revenue Support Grant (46%) and a Business Rates Funding Baseline (54%). The % split is the same for all authorities.	
	- Revenue Support Grant payable by the government	47,429
	- Business Rates Funding Baseline	56,142
Step 3	Identification of an individual authority Business Rates Baseline. This is what the government effectively expect a local authority to collect based on the average sums collected in 2010/11 and 2011/12.	59,078
Step 4.	Payment of a tariff to the government. For LBHF because what the government expects this authority to collect in business rates (step 3) exceeds the funding identified through the SFA (step 2) a tariff is payable to the government. The tariff is a charge to the revenue budget. Most authorities receive a top-up rather than pay a tariff.	(2,937)
Step 5	Agreement of the localised element of non-domestic rates. This is the amount of business rates income that LBHF actually expects to collect in 2015/16.	tbc
Step 6	Locally Retained Business rates (Step 5 less step 4)	tbc
Step 7	Identification of the budgeted shortfall in business rates income. This is the difference between what LBHF expects to retain in 2015/16 (step 6) and the government target (step 3)	tbc
Step 8	Identification of safety net grant. Under the business rates retention scheme the maximum loss a local authority can suffer is capped at 7.5% of the business rates funding baseline (step 3). This is £4.211m.	51,932
Step 9	Net loss from the business rates retention scheme. As the budgeted shortfall in business rates is above the safety net then the expected grant loss is as per step 7.	tbc