

## 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.	103,933
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	47,791
	- Business Rates Funding Baseline	56,142
Step 3	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.	56,417
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	Other adjustments – Impact of small business rate relief and discretionary reliefs	904
Step 6	Locally Retained Business rates (Step 3 less step 4 add step 5)	54,384
Step 6	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 2)	2,033