

The Business Rates Retention Scheme for Hammersmith and Fulham

		LBHF Figure for 2016/17 £'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.	95,062
Step 2	Split of the SFA between Revenue Support Grant (40%) and a Business Rates Funding Baseline (60%). The % split is the same for all authorities.	
	- Revenue Support Grant payable by the government	38,453
	- Business Rates Funding Baseline	56,609
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 2016/17.	59,629
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.	2,961
Step 5	Other adjustments – Impact of small business rate relief and discretionary reliefs	400 ¹
Step 6	Locally Retained Business rates (Step 3 less step 4 add step 5)	56,668
Step 6	The difference between what LBHF expects to retain in 2016/17 (step 6) and the government target (step 2)	59

¹ The total business rates identified in the budget report includes this £400k.