

### The Business Rates Retention Scheme for Hammersmith and Fulham

		2017/18 £'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.	87,264
Step 2	Split of the SFA between Revenue Support Grant (34%) and a Business Rates Funding Baseline (66%). The % split is the same for all authorities.	
	- Revenue Support Grant payable by the government	29,499
	- Business Rates Funding Baseline	57,765
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.	74,208
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.	(18,060)
Step 5	Other adjustments – Impact of small business rate relief and discretionary reliefs (grant from government)	1,712
Step 6	Locally Retained Business rates (Step 3 less step 4 add step 5)	57,860
Step 6	The difference between what LBHF expects to retain in (step 6) and the government target (step 2)	96
Step 7	Levy payable at 23.82% - this is payable on the sum we have forecast that is above what the government expects us to collect (step 6)	(23)

### Summary – 2017/18 Business Rates in the Budget Report

	£000s
LBHF Business Rates Forecast (step 4)	74,208
Other Adjustments (step 5)	1,712
Cost of Collection Allowance	584
Less levy (step 7)	(23)
	<b>76,481</b>
Less tariff payable to Government (step 4)	(18,060)
<b>Locally Retained Share</b>	<b>58,421</b>