

Appendix H

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 - Business Rates Funding Baseline | 29,499 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) |
| | 76,481 |
| Less tariff payable to Government (step 4) | (18,060) |
| Locally Retained Share | 58,421 |