

Localisation of Business Rates



A
Government determine tax rate for Business Rates each year

Main business rate : 47.1%
Small business rate : 46.2%



B
Valuation Office determines rateable value of businesses

Total rateable value of businesses in Stevenage = £111.98 million

Start
£51.732 m



A x B = Business Rate Yield for 2013/14

For Stevenage = £51.732 million

Businesses lodge appeals against VOA valuations

Total value of appeals against 2010 list for Stevenage = £50 m

C
Less : Appeals
Remove allowance for outcome of appeals

-£2.765 m

D
Less : Reliefs & transitions
Remove adjustments for reliefs

-£3.208 m

E
Less : Cost & Losses on Collection
Remove allowance for cost of collection

-£1.063 m

F
Forecasted Collection
(AxB)-C-D-E = £44.7 million

Respective Shares are then calculated



F x 50% = £22.35 m



G
F x 40% = £17.88 m



F x 10% = £4.47 m

Tariff

H
Less : Tariff
Business Rate Baseline less DCLG calculation of council baseline funding level

-£15.63 m

£15.63 m re-distributed across country



Local Share

G - H = £2.25 m

End
£2.25 m (4%)



Compare to Government Baseline Funding assessment for SBC of £2.25 million for 13/14

= Higher
For each 1% increase in the business rate yield, SBC retains £89,000 locally

= Lower
We need to absorb losses up to £168,551 (7.5%) until safety net kicks in