

Report – Finance Committee

Report of Urgent Action Taken: Setting a Small Business Multiplier for the City Premium

To be presented on 25th April 2024

*To the Right Honourable The Lord Mayor, Aldermen and Commons
of the City of London in Common Council assembled.*

SUMMARY

The Court of Common Council is required to set an Annual Non-Domestic Rating Multiplier (the City Premium). Unfortunately, recent changes to the method in which the Multiplier is set were not included in the 2024/25 City Fund budget approved by the Court in March 2024. An adjustment to the Budget was accordingly approved by the Town Clerk under urgency procedures to set a correct Multiplier.

MAIN REPORT

1. The Court of Common Council is required to set an Annual Non-Domestic Rating Multiplier (the City Premium). At the Court of Common Council on 7th March 2024, the 2024/25 City Premium Multiplier was set at 1.8p. This was an increase of 0.4p on the 2023/24 multiplier.
2. A Small Business Non-Domestic Multiplier was also set as part of this process. Historically, the multipliers have been coupled and the calculation to determine the City Premium multiplier has always resulted in the City Multiplier and the City Small Business Multiplier being the same. As a result, the City has only ever carried out one calculation to determine the City multiplier. This same process was followed to set the 2024/25 multiplier at 1.8p.
3. However, for 2024/25, as a result of legislation decoupling the multipliers, the Chancellor raised the standard multiplier from 0.512p to 0.546p, with the Small Business Multiplier remaining at 0.499p. The decoupling of the national multipliers requires a separate multiplier to be calculated for the City Small Business Premium. Unfortunately, this change was not included as the 2024/25 Budget. The revised calculation means that the Small Business Multiplier for the City Premium should be set at 1.6p.
4. To allow Business Rate Bills to be dispatched in time for 1st April payment date, the Town Clerk accordingly approved, under urgency procedures, that the 2024/25 City Fund budget be adjusted such that a Small Business Non-Domestic Premium of 1.6p is set.

RECOMMENDATION

We **recommend** that the action taken be noted.

DATED this 14th day of March 2024.

SIGNED on behalf of the Committee.

Deputy Henry Nicholas Almroth Colthurst
Chairman, Finance Committee