

## **WEST DUNBARTONSHIRE COUNCIL**

### **Report by the Executive Director of Corporate Services**

#### **Corporate and Efficient Governance Committee - 29 April 2009**

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#### **Subject : Collection of Non-Domestic Rates**

##### **1. Purpose**

- 1.1** The purpose of this report is to advise Members of the processes undertaken to recover National Non Domestic Rates (NNDR) from incorporated bodies.

##### **2. Background**

- 2.1** The NNDR is a tax on non-domestic properties. Local authorities collect NNDR on behalf of the Scottish Government and notionally forward sums collected to the national pool.
- 2.2** The meeting of the Corporate & Efficient Governance Committee held on 26 February 2009 asked that a report be submitted outlining the problems encountered by the Council when seeking to collect NNDR from companies that have ceased trading.

##### **3. Main Issues**

- 3.1** The Council processes utilised to collect NNDR from any ratepayer will be to issue statutory demand notices. Failure to pay in response to these notices would result in the Council applying for a summary warrant and seeking to enforce payment. The enforcement action would in normal circumstance start with an informal approach but could escalate to diligence action undertaken on behalf of the Council by Sheriff Officers. The diligence action could include the lodging of an arrestment and the seizure of company assets.
- 3.2** Where the ratepayer is an incorporated body, the Council has access to Companies House data whereby the details of all directors of the company can be sourced. If the Council suspects the operation of 'phoenix' companies, information regarding the directorships and debts is conveyed to Companies House. It is then up to Companies House to determine if any action is to be taken regarding the activities of the directors.
- 3.3** If a debt relates to a licensed premise and the licensee is the registered ratepayer, under delegated authority already available, it is competent for the Council's Section 95 Officer to lodge an objection to the Licensing Board in respect of new or renewal applications from persons in arrears of non-domestic rates. The objection would be along the lines that the applicant was not a fit and proper person to hold a licence due to their arrears of rates.

##### **4. Personnel Issues**

- 4.1** There are no personnel issues.

## **5. Financial Implications**

- 5.1** Failure to collect NNDR would have an adverse effect upon the Council's cash flow.

## **6. Risk Analysis**

- 6.1** The Council's budget for 2009/10 assumes a yield from NNDR. Failure to collect NNDR would have an adverse effect upon the Council's budget.

## **7. Conclusions**

- 7.1** The Council has procedures in place to facilitate the collection of NNDR from ratepayers. Debts in respect of incorporated bodies may be passed to Sheriff Officers, Companies House and in certain circumstances the Licensing Board.

## **8. Recommendations**

- 8.1** Committee is invited to note the procedures in place to collect NNDR.

**Joyce White**  
**Executive Director of Corporate Services**  
**Date: 3 April 2009**

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**Wards Affected:** All Wards

**Appendix:** None

**Background Papers:** No background papers

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