

# WEST DUNBARTONSHIRE COUNCIL

## Report by the Chief Executive

Corporate Services Committee - 28 March 2007

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### Subject: Write Off of National Non-Domestic Rates

#### 1. Purpose

- 1.1 The purpose of this report is to recommend for approval the write off of debts in respect of National Non-Domestic Rates (NNDR).

#### 2. Background

- 2.1 The NNDR is a national rate on non-domestic properties and is determined each year by the Scottish Parliament. All local authorities collect the rate and the monies collected are pooled into a central fund. The Scottish Executive allocates grant to each authority from this fund.
- 2.2 The grant distribution formula used by the Scottish Executive has regard to the amount of NNDR collectable by each local authority. West Dunbartonshire Council makes an annual return to the Scottish Executive detailing the amounts collected for each year. Included in this return is a note of any amounts written off as uncollectable. As such, NNDR collected by a local authority represents a receipt of grant income. Specific debts deemed uncollectable are written off and the reduction in NNDR collected locally is compensated for in future grant settlements.

#### 3. Main Issues

- 3.1 Debts totalling £614,039.02 from 2004/05 to 2006/07 are submitted for write off. Appendix 1 contains the details of all individual debts. When referring to the individual debts in Appendix 1 please note the following explanations detailed as reason for write off:

No Funds	The debtor has no funds
Sequestration	The debt cannot be pursued as it is covered by a sequestration order
Liquidation	The debt cannot be pursued as the company has been liquidated
Receivership	The debt cannot be pursued as the company is in receivership
Sheriff Officers	The debt was passed to a Sheriff Officer for collection and they have been unable to secure repayment.

- 3.2 Although the debts are treated as written off, should any circumstances change whereby debts can be collected, the Council will pursue them. Indeed, if any Member has information or query regarding a debtor, they can contact the Finance Service directly.

3.3 It should be noted that the write off amount represents approximately 0.4% of the net rates levied.

#### 4. Personnel Issues

4.1 There are no personnel issues.

#### 5. Financial Implications

5.1 The NNDR debts written off totalling £614,039.02 will be notified to the Scottish Executive NNDR pool for reimbursement.

#### 6. Risk Analysis

6.1 The grant distribution formula adopted by the Scottish Executive assumes the Council will collect NNDR liabilities. If sums deemed uncollectable are not notified to the Scottish Executive, this will have an adverse effect upon the Council's cash flow.

#### 7. Conclusions

7.1 The individual debts detailed in Appendix 1 are deemed uncollectable. Sums written off will be notified to the Scottish Executive for reimbursement via future grant settlements.

#### 8. Recommendations

8.1 **The Committee is invited to approve the write off of NNDR debts totalling £614,039.02.**

David McMillan  
Chief Executive  
Date: 16 March 2007

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**Wards Affected:** All Council Wards.

**Appendix:** Details of individual debts

**Background Papers:** None

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