

Rates Charge Review Consultation

>Dear Sir,

Review of Rates Charging Systems I write to support the points being advocated by the NI Fair Rates Campaign, I have attended their meetings and watched as they have made their points there, on television and in the press. I have spoken to neighbours and work colleagues and they cannot understand how we have had the imposition of the Single Capital Value System because of how inequitable it is to the differing households, not considering the number of house occupants, total earnings in the house, or the nature and extent of services that they can avail of.

The Single Capital Value System as presently structured simply taxes ratepayers on the capital value of the property -- this will hurt those who have lived for many years in their home, perhaps they have improving it over the years, and then retired hoping to end their days in the house, enjoying the result of hard work which has helping to build a stable community in their area. They will now be taxed as a consequence of their hard work! Charged because they have improved their houses and their neighbourhood. Now other people want to live there and the house prices rise!! This charging mechanism will become a sort of 'Annual Capital Gain Tax' seeking to take a portion of the increased value of their house, and probably most will not have an income to pay this.

There has been no guidance as to how the householders ability to pay from income has been assessed, consequently it must be presumed that pensioners on modest pensions will be expected to pay this increased charge from their hard earned savings>

The system after the review should recognise 'ability to pay' --- the Capital Charge mechanism obviously does not do this. The Capital Charge mechanism was a Direct Rule imposition on the new Assembly and the more reasoned thinking promised in many election manifestoes should now be applied to resolve this problem.

Now is the time to move away from the Capital Charge system, e.g. perhaps to a services based system - where one only pays for what one uses, or to a local income tax base (being considered in Scotland) where the earners using the services bear the cost rather than owners, or a sales tax, or a developed land tax (where a proportion of the increase in value supports local services). Indeed there may be merit in a mix of a number of these being used together to reduce the burden on the long established home owner who may not be able to find the large rate increases presently proposed when transitional relief is finished.

The Water Charge was always in the Rates bills before and should be retained in it now -- and this reinforces the point that the Rate Charge is predominantly a services used charge, relating the size of this charge to how efficiently the elected officials deliver the services. The new water company does not have any visible accountability mechanism and has raised many concerns around how it could ever be called to account by elected representatives never mind the ordinary householder who could have no say on any of the water company actions.

I advocate the following points be embodied into the Review:-

1) The maximum that people should pay for their rates should be no more than 5 times the lowest rate bill, with the system generating no more revenue than had previously been generated by the old Rating System. In the rest of the UK the range is only 3 times so the increase to 5 times should be more fair than the way this is applied in England

2) If the Capital Value system has to be retained then a Banded System would allow more equity,-- by raising the basic house rate charge for those in the lowest cost houses, thus ensuring that they do contribute appropriately for the services that they use. Nireland should introduce Banding of house values probably with 8 bands starting around £60k and running up to £300k which matches the English top level. Many of those living in the lowest band houses may be on benefits and the charge will be centrally paid.

3) The proposed Disability relief should not be dependant on the persons home being adapted for the disability. Blind, some physically or mentally handicapped may not have any adaptations to their homes yet they should receive the relief.

4) There should be a 25% reduction for single person's occupancy of a house as their use of services is less than a couple or a family.

5) Any Rate relief being directed at students must be given to them and not to their landlords

6) An increase the savings limit for pensioners to £50,000 (presently £16,000) before their rate relief is affected

I am pleased that the Assembly has engaged with the householders on a review of the fairness of the Rates Charges, and I look forward to seeing the outcome after your deliberations.

Yours faithfully,

Stan Blayney