

DEFERMENT

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HELEN'S BAY & CRAWFORDSBURN RESIDENTS ASSOCIATION

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9th Sept 08

Dear Sirs,

REVIEW OF DOMESTIC RATING; DEFERMENT SCHEME FOR PENSIONERS

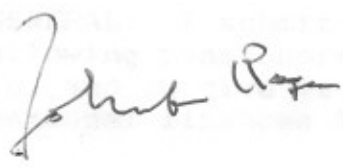
We thank you for sending to us the Public Consultation Paper dated June 2008.

I was asked to comment on this scheme and report to the Committee members who are now all back from various holiday pursuits. They have advised me that they are in entire agreement with my notes to them, so I am now enclosing a copy of these notes which reflect our joint opinion.

It is noted that in paragraph 35 reference is made to a local income tax being considered by the Scottish Executive. Recent events indicate that the Scottish parliament are now giving this matter their urgent consideration. To many pensioner ratepayers it is not the problem of paying their rates at current levels which are bad enough, but it is the thought that in many cases faced with a shrinking income and a continual severe rise in rates, the payment of them would become beyond their means, unless it was on a basis of ability to pay.

Yours Faithfully,

JOHN A ROGERS



REVIEW OF DOMESTIC RATING. Notes by John Rogers

Paragraph 35 and 37. A Local Income tax would be fairer and simpler and relate to ability to pay, thereby removing the necessity of having complicated deferment schemes and various relief schemes.

Subsection One. I agree to an age of 65 as being the eligibility age for a deferment scheme.

Paragraph 61. An agreement holder should include a spouse but NOT a Civil partner. Civil partnerships can frequently break up and are often undefined. The agreement should therefore continue automatically in the event of death of one spouse or another. In the event of divorce or separation the agreement holder should be the pensioner remaining in the property.

Subsection 2 and paragraph 64. There would be added complications and expense if means testing were to be applied to pensioners. It is unlikely that well off pensioners would need to avail themselves of a deferment scheme. I agree that rates deferred should apply to the main residence, this being the home occupied for at least ten months in one year. I consider that there should be at least a 50% level of Equity value, and also deferment rates should not amount to more than 60% of the value of the property as at the commencement of a scheme. I agree that there would need to be adequate insurance and proof of that.

Subsection 3. I agree that the statutory charge should be against the property.

Subsection 4. I agree that a Capital value of £50,000 plus should be the threshold for a scheme. The Rates demand below that figure should not present any financial problems. I believe that a 4% Fixed interest would meet most national and economic circumstances, and it would be simpler to have a fixed rate which would likely average at the same level as a variable rate over a long period of time.

Subsection 5. I submit that a deferment agreement should be terminated in the event of the death of the eligible person and spouse (if any), or when the property is sold and the dwelling is no longer used as the main home. The amount owed should be paid in full as a preference debt, out of the pensioner's Estate.

Subsection 6. I feel that independent financial advice should be taken but it should not be compulsory.

Sub section seven. If a pensioner is receiving benefit I submit that there may not be a case for deferment (or double benefit). Empty property should remain in a deferment scheme for no longer than a year.

GENERAL. I submit that any scheme should be fully flexible, allowing pensioners to delay deferment till they absolutely have to, and to give it up and refund moneys received if their personal finances improved considerable.