



Rating Policy Division
Department of Finance and Personnel
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Sent by E-mail to ratingpolicy.cfg@dfpni.gov.uk

26th September 2008

Dear Sir/Madam,

IRRV Response to Green Rebates Consultation

The Institute of Revenues, Rating and Valuation (IRRV) is pleased to provide this response to the above consultation paper.

The IRRV is the professional body concerned with all aspects of local taxation in the United Kingdom. Its members are engaged in local tax administration (including domestic rates in Northern Ireland, non-domestic rates in the UK and council tax in Great Britain), local authority benefits administration, valuation of property for taxation, the appeals process and financial management in local government. The Institute represents the professional interests of its members who work within this broad church.

General Comments

The Institute advocates the delivery of a fair and equitable rating system. It supports as a general principle efforts to encourage energy efficiency in domestic properties. We would question however whether the rating system is the most appropriate means to do this. There is no direct link between the rates system and a property's energy efficiency and to try to create a link between the two for rebate purposes may ultimately prove confusing for the ratepayer. The proposal also has implications for the equitable distribution of the rates burden.

Consideration should instead be given to the introduction of direct credits in respect of energy efficient homes, to be used as an offset against energy bills - there is a much more obvious link between these factors.

Responses to Consultation Questions

Section 2: Energy Efficient Homes

What are your views on the proposal to provide a rates rebate for households that carry out energy efficiency improvements to their properties?

IRRV supports as a general principle efforts to encourage energy efficiency in domestic properties. We would question however whether the rating system is the most appropriate means to do this. There is no direct link between the rates system and a property's energy efficiency and to try to create a link between the two for rebate purposes may ultimately prove confusing for the ratepayer. The proposal also has implications for the equitable distribution of the rates burden.

Consideration should instead be given to the introduction of direct credits in respect of energy efficient homes to be used as an offset against energy bills, as there is a much more obvious link between them.

What are your views on the preferred means of delivery for the rate rebate, that is in partnership with the NIE Energy insulation cash-back scheme?

IRRV supports the proposal, subject to the comments made above.

What are your views on limiting the rate rebate scheme to owner occupying households only?

IRRV supports this proposal.

What are your views on the option of providing a higher level of rebate than is currently awarded in terms of the cash-back scheme?

We would not advocate the provision of a higher level of rebate than that awarded as a cash-back payment.

Section 3: Zero Carbon Homes

What are your views on the proposal to introduce an initial exemption for new zero carbon homes?

We are supportive of providing an incentive to encourage the development of these homes, but do not believe that a rates holiday for up to five years is the necessarily the best approach. An "energy credit" to be used as an offset to the energy bill would be a more directly linked incentive.

What are your views on providing this initial exemption to the first residents, rather than first purchaser, of such homes (so that self builds and buy to lets are included)?

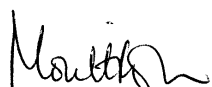
IRRV would support this proposal.

What are your views on the Department's approach to the definition of 'zero carbon'?

IRRV supports the Department's approach to the definition of 'zero carbon'

Please contact me should you wish to discuss any of these points further.

Yours truly,



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