

Dear Sir/Madam,

Re : Rates maximum value consultation response

I write to you as I have been advised that there is a consultation under way re the maximum capital value of properties in order that there is a cap on rates bills.

Firstly I would say that for Northern Ireland to be the only area of the UK in which rates are based on a notional capital value of housing is ridiculous – look for example at the falling property prices at the moment which I doubt will result in lower rates bills. The Scottish parliament threw the idea out and it has never been attempted in England and Wales. The was meant to be a full review of the rating system as promised by the Minister of Finance two years ago but it seems that it has been convenient not to do so as the current system is generating so much revenue.

My home is rated right near the top of the capital values at nearly £500,000 – this has led to my rates doubling overnight and the level still due to increase further once transitional relief ends. I am living in a home that we moved to in 1982 and I inherited half of after the death of my mother so it is not as if I have decided to move into a high value area – the area has just become that way due to property speculators pushing prices up. At this point direct rule ministers decided to force in a measure that they couldn't force in anywhere else in the UK – Peter Hain was using this as a club to beat the Ulster population into submission so that the agreement would come in.

The cap being discussed is suggested to be £400,000 but with the rapidly falling property values a much fairer cap would be £300,000 and this is the level that I would advocate setting the cap at especially as there is to be a water rate brought in too. I won't start into the water rates argument in detail here but would point out that this is to be brought in after decades of underinvestment – no investment really – in the water and sewerage system in Northern Ireland. I suspect that the water system will subsequently be sold off to the public sector after there is a large investment paid from by local rates to upgrade the current system.

Please do not dismiss my argument for a rates cap out of hand but add my voice to those arguing for a much lower rate cap.