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Department of Finance and Personnel  
Rating Policy Division  
Room D12  
Rathgael House  
Balloo Road  
Bangor BT19 7NA

22 June 2008

Dear Sir / Madam,

I write in response to your rating consultation to support the proposal of capping the capital value at which house rates are applied to £400,000.

The original introduction ignored the need to levy a base band charge on small houses appropriately charging these houses for the services used. Some of these homes have two or more working occupants well able to pay a reasonable rate such as would apply if a minimum £50,000 house band had been created. The consequence has been to double or treble the charges on higher value homes, many of which have been family homes now occupied by pensioners who will have a minimal increase in their pensions over the three years and yet have to find the penal rate charges out of modest savings. So for some the Rates charge has effectively become an Assembly levied Pensioner's Savings Tax.

The £500,000 cap level should change to reflect the common top band level in place in England and Wales. In the NI situation this would set the cap at £400,000.

Yours faithfully

RECEIVED 24 JUN 2008

