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The Leading Public Service Union

John Corey General Secretary

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By Email – ratingpolicy.cfg@dfpni.gov.uk

To: Department of Finance and Personnel
Rating Policy Division
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27th June 2008

REVIEW OF DOMESTIC RATING
REDUCTION OF MAXIMUM CAPITAL VALUE

1. This letter provides NIPSA's response to the public consultation document on the proposed reduction of the domestic rates cap from £500,000 to £400,000 for capital value.
2. NIPSA represents over 44,500 civil and public servants and the response set out below reflects the democratically determined view of this trade union.
3. As recorded in NIPSA's previous submissions on domestic rate reform and in response to the Programme for Government, we are opposed to the use of a general ceiling or cap for rate bills. We believe such a system is unfair and regressive in its effect. Moreover as a consequence those in lower capital value homes, with lower incomes have to pay more.
4. We note that the proposal to proceed to lower the cap is predicated on 24 out of 42 responses to the earlier consultation. NIPSA believes that that level of response does not provide justification for proceeding. In particular we submit that those organisations who were opposed to the cap, are more representative of the general body of domestic rate payers.
5. As confirmed in Section 3 of the consultation document, the retention of the cap and lowering its value serves only to benefit those who are better off at the expense of those least able to afford higher domestic rates. On the grounds of the TSN analysis NIPSA calls on the Executive to remove the cap system.
6. We have major reservations about the methodology adopted for the Section 75 EQIA analysis and conclusions. In our view, using average rate bills for analysis of each of the Section 75 categories, does not adequately fulfil the statutory obligations of the Government in this matter. Those living in the most expensive properties, and most likely to have the highest incomes,

earned and/or unearned, are the beneficiaries of a rates bill cut, while those least well off are expected to contribute an additional £4.7m.

7. NIPSA submits that the EQIA data analysis should be based on a comparison of the Section 75 groups benefiting from the cap with those not benefiting. The latter group are clearly facing adverse impact under the proposed policy and the EQIA should establish clearly if there is consequential adverse impact on any Section 75 group. NIPSA therefore calls for a further EQIA to be undertaken on this basis.

Yours sincerely

A handwritten signature in black ink, appearing to read 'John Corey', is written over a vertical red line.

JOHN COREY
General Secretary

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