

Review of Domestic Rating System (NI)

Dear Sirs

I wish to make some points about the domestic rating system. I am particularly affected by the changes in rating which came into effect on 1 April 2007. In outline, my circumstances are:

- I am a 59-year-old widow living alone in a small two-bedroomed cottage which I own, in Kensington Road, Cherry Valley Ward, Belfast. My income is mostly from a widow's pension supplemented by part-time work. My nett total income from all sources is approximately £12,000 pa.
- The changes in domestic rates this year saw my rates bill more than double from £478.21 to £995.12 (abated this year to £664.75 under transitional arrangements). So, within two years I can expect to be paying rates at over eight percent of my nett income!
- Even after a small downward readjustment, the new rateable value of my two-bedroomed cottage is £165,000, almost exactly the stated average for the Cherry Valley Ward. This is hard to believe, given the size of the other properties in the Ward.

The new system has caught me in a neat trap. I bought the cottage for a low price and through thrift and hard work, have made it into a nice, if modest, little home. Because Kensington Road is a desirable address, my cottage has been given an inflated rateable value. I can't claim any relief because of my other assets (which were also hard-won in adversity).

The current system is unfair because:

- It takes no account of consumption of council services.
- It is not directly related to income.
- The relief scheme only benefits those with no other assets. Because the scheme takes into account savings and other assets, it has the unfortunate effect of penalizing those who have built up their assets through thrift and effort.
- It is related to an already outdated market value which is seemingly more influenced by location, rather than the size and type of property • It is a form of wealth tax by another name; but one which singles out the roof over your head, the one asset you need to keep.
- The scheme is capped, so properties valued over the cap are paying less, pro rata, than the "poorer" properties. The poor subsidizing the rich?

I should therefore support a system which is better linked to income and to consumption of services, and where "ability to pay" did not imply the disposal of other assets.