



## A LAME REPLY TO SITE-VALUE RATING

**M**R. ARTHUR SKEFFINGTON's description of the nature and effects of site-value rating given during the House of Commons second reading debate on the Land Commission (May 12) was rightly described by Mr. Eric Lubbock (Liberal, Orpington) in an intervention, as "completely distorted and inaccurate."

Mr. Skeffington, Parliamentary Secretary to the Ministry of Land and Natural Resources, in winding up the debate, was answering a challenge made by Dr. Winstanley (Liberal, Cheadle) in his maiden speech, in which he called on Mr. Skeffington to answer the Liberal case for site-value rating so ably put by Mr. Bessell (Liberal, Bodmin) when the Land Commission Bill was previously debated. Dr. Winstanley had made the point that Liberals had no quarrel with the Government's aims as stated, but they considered the Land Commission would certainly not achieve these aims—on the contrary, they would mitigate against them.

Mr. Skeffington's statements on site-value rating were the more surprising in view of his former support of this policy as a sponsor of the Rating Reform Campaign. In his ministerial position he was obliged to defend and justify the Land Commission Bill and to oppose any alternative. It was this, no doubt, that led him to misrepresent site-value rating—unless he has never really taken the trouble to understand it.

Mr. Skeffington's first point was irrelevant. We had an elaborate system of town planning, he said, and land-value taxation was no longer a criterion of whether land was brought forward or not. But Mr. Skeffington should know that town planning has never operated to induce the maximum use of land resources—rather the reverse—and no amount of planning or planning permission will stimulate land use if the owner chooses to sit back and wait for higher prices, notwithstanding the threats of compulsory purchase and the 40 per cent. levy. In fact, as Mr. Willey himself said during the debate, much land already in receipt of planning permission remains undeveloped.

It is a cardinal principle of site-value rating that no land owner would pay a tax on a value he was not free to realise, yet Mr. Skeffington drew an absurd picture of an individual paying the land-value tax for ten years before he was able to make full use of his site. He then gave an example of an independent shopkeeper in the high street who had a valuable but poorly-developed site—so poorly-developed that it "might be worth ten or fifteen times its present value if it were redeveloped." It would be unfair to tax him on this value, said Mr. Skeffington, ignoring the

relief that would be granted from rates now levied under the present system, and the assurance that no matter how well the man redeveloped there would be no charges on his new building. By this criterion it would presumably be even more unfair to levy a land-value tax on a man with a Nissen hut in Victoria Street who had permission to redevelop.

A vague and completely unsupported charge that under site-value rating the valuations would not be sufficiently accurate to decide a case on appeal to a lands tribunal was contained in Mr. Skeffington's next point. Since the same profession are to be called in to make valuations on a much more complicated and obscure basis for the Land Commission, it looks as though Mr. Skeffington is feverishly grasping at any stick with which to beat site-value rating, regardless of its implications.

From this sketchy and ill-thought-out "study" of site-value rating and the Whitstable survey, Mr. Skeffington concludes that site-value rating is "impractical and unfair." No wonder Eric Lubbock was impelled to remark that what had been said could not possibly follow from a proper reading of the Whitstable Report, to which Mr. Skeffington lamely replied that he "thought" he had gone into some detail on the matter and that he had expressed the views of himself and his advisors.

Mr. Skeffington concluded with a quotation from St. Gregory the Great which is worth re-quoting, if only for its incongruity.

"This is the way in which we must preach to the people who keep what they have got and help not others. We must give them clearly to understand that the land has been given by God to be the common property of all men, and that its fruits ought to be used for the benefit of all and that therefore it is ridiculous for them to think that they are not robbing others, and plundering, where they are simply retaining what they have got."

The Government's Land Commission proposals, which leave untouched all existing land values and all increases in land value that accrue to land already fully developed, and exempt idle land, is a mean and sorry substitute for what St. Gregory had in mind or for what Liberals propose.

*This article by V. H. Blundell, was written for the Liberal News and published in the issue of June 23. Report of the Debate on page 112.*

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**S**OME of the proceeds of the 40 per cent. levy on the increased development value of land, proposed in the Land Commission Bill, should be used to compensate those whose land had decreased in value because of town planning.

Expressing this opinion in the *Chartered Surveyor*, Mr. Desmond Heap, comptroller and city solicitor to the City of London Corporation, says: "If betterment accrues for an increase in value, what about worsenment for a decrease in value caused by planning decisions?"