

Closed Minds On Site Value Rating?



Site-value Rating and the Liberal Party

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SITE-VALUE RATING has never been one of the hottest subjects for debate—largely, no doubt, because it is not widely understood. It is simple as a concept and, as the Land Institute has reminded us, it would be simpler to operate than the existing property-based rating system. But the full implications of adopting this method of local taxation are not precisely known, even by those who are convinced of its merits and practicability.

Because it is not a subject designed to arouse the passions of large sections of the population, there is little likelihood that the more detailed analysis now needed will be financed from private sources. The Land Institute is therefore urging the Government 'or other bodies interested in local government finance' to sponsor such research.

Unfortunately all the evidence suggests that Whitehall is none too keen to look more closely at this idea. As with so many of the other possibilities for alternative or additional sources of local revenue considered and rejected in the 1971 Green Paper *The future shape of local government finance*, the presumption is against change. However, as the Land Institute report demonstrates, all the arguments used in the Green Paper to refute the case for SVR can in turn be refuted. What we are then left with is a whole range of uncertainties, most or all of which could be removed by well conducted and thorough research.

Firmly rejected by the Land Institute report is the Government view that SVR is inconsistent with Britain's system of planning control. 'A profound misunderstanding', it says; 'site-value rating and positive planning go hand in hand', says the valuer responsible for the Whitstable studies, Hector Wilks.

At the end of the day, however, what really counts will be not the arguments and the evidence offered by Mr. Wilks and the other advocates of SVR, but the willingness of Whitehall to adopt a more open mind to the whole question of independent sources of local government revenue. It may be that site-value rating is the right answer, and it may be that it is not. But something new is certainly needed, and this will only be achieved by a more positive approach to a fuller understanding of the possibilities.

AT ONE TIME, enthusiasts for the taxation of land values had no doubt that the vehicle through which they should work in order to produce this reform was the Liberal Party. Then followed a time when many land taxers came to doubt whether the Liberal Party was of any further use for their purposes. These doubts derived from three causes. First, that people considered that the Liberal Party had no future; second, that they felt that the Liberal Party was committed to other policies which were regarded as inconsistent with historic Liberalism; and that they were far from certain whether the Liberal Party still believed in land taxation. After recent events, when Liberal candidates amassed over six million votes and secured a greater representation than they have had for nearly thirty years and Mr. Heath was driven to make a desperate (and unsuccessful) offer of a Cabinet seat to Mr. Thorpe, it would be extremely difficult for anyone to contend that the Liberal Party has no political future. How firmly it is committed to illiberal policies is a matter for continuing debate. On the third matter there is abundant evidence that the Liberal Party is returning to its old enthusiasm for land-value taxation.

One of the most impressive statements of good, solid land-taxing doctrine which we have seen from the Liberal Party for a very long time is Tudor Jones's pamphlet, *Liberal Focus No. 5: The Case for Land-value Taxation*. (Liberal Publication Department, 15p)

Tudor Jones is lecturer in Political Theory at Lanchester Polytechnic, and was for a time working in the Liberal Party Research Department. This statement can hardly be faulted. He discusses the land problem in its modern and in its historic context; he shows the way in which the Liberal Party has tackled it; he shows its application both to local and to national purposes; and he deals with some of the objections which opponents have raised. Splendid stuff - magnificently argued. What more can one say?

LIBERALS AND LOCAL GOVERNMENT

"IF general elections were decided on what is best for local government," said the *Local Government Chronicle*, before the election, "the Liberals would probably sweep to power."

The Liberal party policies that the *Local Government Chronicle* particularly approved of were the devolution of power to Scotland, Wales and the regions, more independence for local authorities and site-value rating.