



RATING SYSTEM IS CONDEMNED

Assessment of 'eyesore' is £1

Condensed and reprinted by permission from the East Grinstead Observer, July 29, 1960.

IN his illustrated talk to East Grinstead Ratepayers' and Residents' Association at the Whitehall, Mr. V. G. Saldji, President of the Land Value Taxation League, said: "Just across the road is a glaring example of how the present rating system operates." At the last valuation for rating, effective from April 1st, 1956, Woolworths was assessed at £1,267, the vacant premises, 28-30 London Road, at a nominal £1 'to keep it on the books', and Timothy Whites was assessed at £705. Under a system of Land Value Rating the assessments, on the land value only, would have been: Woolworths, £795; the 'eyesore' £450; and Timothy Whites, with the same frontage, also £450.

"Our present system penalises developed property and encourages slums," declared Mr. Saldji affirming that the 'eyesore' which had stood derelict in the heart of East Grinstead for the past 20 years is now for sale at over £1,000 per foot frontage. Had it been rated on its land value it was unlikely that it would have stood idle for 20 years.

The meeting, held on Wednesday last week, was well attended by a cross-section of the public and in the audience was Councillor John Allison, the new chairman of the Urban Council's Finance and Rating Committee. Mr. Geoffrey Beare, chairman of the Ratepayers' and

Residents' Association, presided, and supporting him, with the speaker, was Mr. W. R. Young, a member of the association's committee and local representative for the Rating Reform Campaign.

In his introductory remarks, Mr. Beare quoted the following: "To most of us, the word 'taxation' rings about as pleasantly as the bell in the dentist's waiting room. Whether we call it national taxation or local taxation; whether we use it for putting sputniks into orbit or for having our dustbins emptied, it makes little difference. We still place taxes among the less attractive features of civilised life, slightly ahead of castor oil, the rack and the thumbscrew, and lying on planks of nails."

Mr. Beare pointed out that the question had, in fact, been discussed in recent months by the National Union of Ratepayers' Associations and they appeared to support the idea that there was room for a new system of collecting local taxes.

Just recently, however, a shadow of doubt had been cast as a result of some political undertone and the Chancellor of the Exchequer had intimated that local expenditure would rise for local projects, and they had to bear in mind that the re-assessment of properties would be taking place in 1963. Unless there was a radical change, household property would be assessed at the

present-day value, which, they were told could mean ratepayers having to pay half as much again.

"We all remember what happened last time when the assessments went up and the rates came down but it was a hollow mockery for very soon afterwards the rates went up and up," he said, adding: "Is the cycle going to be repeated?"

Was there a more equitable way of collecting the money that had to be disbursed by local authorities? Their speaker would put forward such an idea and while the Ratepayers' Association did not sponsor his association they had pleasure in making "this platform available to those that do".

MR. SALDJI reminded the audience that the question of rates affected every member of the community and throughout the country general dissatisfaction had been expressed by many people in many ways. It was a notable fact that the present rating system did not encourage the improvement of property—add a bath room or a garage and up went the rates. The better one developed property, the higher the rating assessment; let the property go to decay, and down went the rates.

He looked upon the question as strictly above party politics. The point was that there was a growing realisation that our present system of raising the necessary funds for local government was out of date, illogical, and, in many respects, unfair. How were they to get out of it?

One idea put forward was that of local income tax collection, but he did not favour this. Apart from the unpleasant effect of paying additional income tax, the administration would present many problems. The other idea was land-value rating, and this was, in fact, in operation in many parts of the world.

The answer was to levy rates on the land only, whether sites were used or not, and remove all rates levied on buildings and improvements. They should consider what encouragement this would give to build and develop, and at the same time consider what a liability unused land would be.

From this point, illustrating his talk with photographs, Mr. Saldji showed on the screen pictures of Woolworths as it was before extension, of the old Solarius cinema and of 28-30 London Road. The Solarius cinema site, which, as it stood vacant had a nil assessment, was acquired by Woolworths at over £300 per foot frontage. Prior to this Woolworths in 1956 was assessed at £1,267, but with the additional frontage improvement faced an increased assessment to £2,080, an increase of £800.

The still vacant premises, 28-30 London Road, had been undeveloped and unoccupied for 20 years. Here there was a 30 ft. frontage, for which a nominal assessment of £1 was charged 'to keep it on the books'. Under a system of land rating there would be paid annually the

assessment of £450 as the property stood, whether developed or not. It was the value of the land that mattered. With exactly the same frontage, Timothy Whites would pay the same assessment of £450 instead of the £705 they were called on to face at the moment.

To him it seemed reasonable that both site owners should pay the same in that the land had the same value in the heart of the town's shopping centre. This vacant property was not particularly pretty or useful. The services were all available but the property remained undeveloped and an eyesore because of a rating system that called only for a token annual assessment of £1 . . .

The motto of East Grinstead, included in the new Coat of Arms, was '*Amid green fields I proudly stand*'. He added, amid laughter: '*At £1,000 a foot frontage I should say that was very much so. But to recross the road, I can see numbers 28-30 London Road, standing there for another 20 years unless there is a compulsory purchase order. But, I ask you, would this be so if £450 was demanded annually as an assessment?*'

Mr. Saldji, after giving other instances in different parts of the country, went on to mention the Whitehall buildings which had "been so much in the news lately". The question whether the buildings should be bought by the ratepayers as a community centre was under discussion. Here was a very fine building and a valuable site that had been exceptionally well developed and with the development up had gone the assessment. Under a system of land-value rating the assessment would not be anything like what it is today.

THE speaker faced a barrage of questions and the first came from Mr. S. Thair, local estate agent and former secretary of the Ratepayers' Association. He found the system expounded extremely interesting and one that merited due consideration . . .

Replying, Mr. Saldji said that hardship may be suffered by a change of law in certain circumstances but they had to take into account the hardship at present caused to people who improved their property. Because a person suffered did it mean they should not change the law? Ratepayers should not be called upon to carry additional weight of idle land on their shoulders.

On the question of evidence of land values there was a constant change of ownership and he saw no reason to suspect a decrease in land values in a town like East Grinstead.

He went on to warn of the dangerous situation that was arising as a result of the fever in land selling and buying. There was a case of an estate agent selling a site for £8,000. The site was resold to a builder for £14,000 and the day before the builder had completed the purchase he had sold it to someone else for £24,000.

Land and estate agents were extremely worried at the present trend for it would mean the eventual pricing of land out of reach. "This kind of situation is extremely dangerous," he concluded.