

Brandon's view



This is a struggle about ideas, as well as how you squeeze value out of scarce space. We can't be so consumed in getting the idea letter perfect that we're never getting around to actually winning the political fight

Edging towards the frontier

LONDON MAYOR Ken Livingstone's new plan for the capital, the Spatial Development Strategy, aims to bring a holistic approach to the governance of a world-class city.

The plan provides the mayor with an opportunity to lead the world in creating and formulating sustainable policies. At present it lacks a vital measure – an environmentally-friendly land tax to replace harmful income and sales taxes.

In May 2001 the mayor published *Towards the London Plan*, setting out for consultation a vision for London and the broad policy direction for the preparation of a full draft strategy that would:

- provide the plan for an integrated social, economic and environmental framework for London's development in the context of the wider south-east region and continental Europe
- integrate the physical and geographic dimensions of the Mayor's other strategies, providing a framework for land use management and development
- be expected to address sustainable development, transport, housing, waste, the River Thames, the natural and open environment and major cultural and community facilities
- offer proposals for implementing and funding the strategy
- outline the context within which individual boroughs would set their planning policies through Unitary Development Plans
- provide London's response to European guidance on spatial planning (the European Spatial Development Perspective)
- define the policy framework for the mayor's involvement in major planning decisions.

The responses to this consultation document (and the mayor's views on these responses) will be considered by a

government-appointed panel, which will examine the strategy for its effectiveness and consistency with other initiatives and government policy.

This is one of the most significant documents in decades for the people of London. It provides an opportunity for the mayor to show what radical measures are required if a sustainable city is to be created. Yet Livingstone is still to acknowledge the need for ensuring that landowners contribute to London's wants.

He has indicated that he would like landowners to contribute their gains, but this will not be enough to meet the requirements of the London Plan. If he really wishes to create a healthy and wealthy capital he will need a more radical approach.

He could consider – as Peter Mandelson's grandfather Herbert Morrison did in 1939 – the simple but effective policy of site value rating, naturally modernised. Not only would it provide a means of raising revenue to fund transport projects, it would also act as a device to release land held out of use.

This would stimulate the economy and tackle the housing crisis and poverty. It is the second half of these measures that would prove more significant for Livingstone's London plan.

This friendly and sustainable tax acts as an incentive and encouragement to better use finite and scarce natural resources. User fees ensure land is employed most productively.

The mayor also recognised this with regards to his road rent congestion charge scheme – saying that he considered it “not a tax, but a price mechanism”.

Let's hope Livingstone, who lacks the powers to raise more revenue, can lobby the government and achieve urban land reform for London.

Paul Brandon

raise revenue. There is the precept, there is the council tax and the mayor would ride on the back of the borough councils, so he really has no direct ability to raise revenue in a flexible way.”

London, he points out, “is roughly the same size as New York”. He adds: “The mayor there raises somewhere between \$20 billion to \$25 billion of tax revenue each year. Then he is still a bit of a mendicant monk in that he has to go all the way to federal government to get other resources. But the thrust of government is financed by local tax through a combination in New York City of the property tax, the city income tax and the state legislature grant on committed taxes. Here the mayor has no direct ability to do that – he only controls the fares of the underground and buses.”

Is this constraining your ability to act?

“Yes, I think it's circumscribing, constraining. One of the ideas behind strengthening local government is based on the premise that people who are elected to local government are more attuned to what voters want at a local level.

“Ken Livingstone is not necessarily attuned, by virtue of his office, to what British policy is in Iraq. By the same token the minister at a national level doesn't necessarily know what people in Wandsworth are thinking about. That's the whole idea, but if you are able to act on the basis of what your constituents would like you to do or not to do, you should have the ability to deliver the goods, which means you have got to be able to finance what people want, and that's missing.”

The mayor favours congestion charges to alleviate the pressure on the roads in London; this would bring in income?

“Actually we don't have the congestion charge. There is a specific mandate, but that's what is crazy about this: central government said, yes you may charge, provided the revenue is used in a certain way. That just underscores the point. Why should it take a national statute to enable the mayor to do congestion charging?”

With Gordon Brown inviting a debate on whether people are willing to pay higher taxes for improved services, the land tax option is a story that could run and run.

Brown backs road rent charges

Chancellor of the Exchequer Gordon Brown has backed Ken Livingstone's plan for a £5 charge for motorists driving into central London.

In a speech to the Local Government Association on December 20, 2001, he declared: “Already the option of congestion charging is now available and being implemented in London. I believe we should be prepared to consider further radical options to ensure devolution of power and responsibility go hand in hand so that the public can get the best possible services.”