

## AN IMPORTANT CONFERENCE

LORD DOUGLAS OF BARLOCH ON  
THE RATING OF SITE VALUES

Among the papers presented at the Annual Conference of the Association of Rating and Valuation Officers, September 12 and 13, was that by Lord Douglas of Barloch, in which he stated the case for the Rating of Site Values. The Conference, held in the Central Hall, Westminster, was attended by over 1,300 persons including, in addition to Association Members, representatives of Government departments, local authorities, local valuation panels, professional organisations, national boards and firms concerned with valuation for rating. The full text of the paper together with report of the ensuing discussion occupies 15 pages in the official report of the Conference. The paper also appeared in full in the *Estates Gazette*, of September 27, and it was favourably mentioned in the *Municipal Journal*, September 19, not only for its excellent statement of the case, but also for the ready answers Lord Douglas gave to all the criticisms although some of them were fairly penetrating. But the critics were not unfriendly; far from it. They showed a serious desire for information on special aspects of the question and they were satisfied in most cases to the point at least of nearly entire agreement. One speaker (Rev. G. White, of Gipping, Suffolk) declared complete conversion. Others who took part in the instructive exchanges were Messrs. Bean and Lockwood, of Westminster, Councillor Bishop Stephens, of Truro, Noel Willshire, from the Society of Clerks of Valuation Panels, J. C. Bassett, of the National Playing Fields Association, Kenneth Crook, the Borough Treasurer of Warrington, and Councillor Gill, of Bebington Borough Council. The President, Mr. J. Thomas Jones, paid tribute to

Lord Douglas for the content and manner of his presentation and said that the importance of the subject had been one of the major points of the Conference.

The paper revealed the faults and findings of the existing rating system. The basic principles of Site Value Rating were thus stated: 1. Site Value is a measure of the economic advantages possessed by each piece of land; 2. These advantages comprise both natural advantages arising from the quality and situation of the land, such, for example, as dry soil and southern aspect for the site of a house and also artificial or communal advantages such as proximity to roads and railways, to markets, to schools and hospitals, and the other benefits which may arise from living in a community; 3. Site value is, therefore, pre-eminently an individually unearned and a community created revenue; 4. A rate on site values is not shifted and diffused over the whole community, but is borne by the owner or receiver of the site value; 5. Conversely, a rate on site value does not add to the price of commodities or the rent of houses and does not discourage the use and improvement of land;

6. Indeed, in so far as it falls on unused or poorly improved land, it will stimulate the owners either to use it himself to the best advantage or to seek a tenant or purchaser who will do so. There followed explanation of how the burden of local taxation would be re-distributed and how the incidence would be shared between lessor and lessee. The procedure for assessing land values was illustrated by the practice in other countries, so that to all land, and, as a matter of course, including agricultural land, the rating of site values would apply. On the combined basis of theory and experience, the author claimed, there was an unassailable case for empowering local authorities in this country to do what most local authorities in the British Dominions and Denmark are able to do.

One passage in the paper, however, calls for comment although circumstances have wholly changed since it was written. It sought to make light of the financial provisions of the Town and Country Planning Act and suggested there was nothing therein substantially affecting the case for the rating of site values. We do not agree. The Site Value Rating Enquiry Committee, forbidden to interfere with that Act, wrestled with the task of grafting a site value rate on the development charge. The Majority failed and the best the Minority could offer was a make-shift scheme, strange substitute for what should be. The alternative to compromising with the Act or to merely declaring it were better that its obstructive provisions did not exist was to condemn the thing out of hand. But it is not necessary to labour the matter. The development charge is abolished and the coast is now clear. Lord Douglas will be as glad as anyone. And now, with that passage necessarily cut out, the paper is deserving of widespread circulation, especially within municipal circles and among ratepayers.