

BIRMINGHAM CITY COUNCIL AND LAND VALUE RATING

AT THE meeting of the Birmingham City Council on October 9, 1945, it was resolved *nem. con.* on the recommendation of the Reconstruction Committee:

"That the General Purposes Committee be requested to make representations to the Association of Municipal Corporations for the consideration of alternative and/or additional methods of providing money for meeting the requirements of Local Authorities by (a) the rating of site values, and (b) the rating of vacant sites and void premises, and otherwise as indicated in the foregoing report, with a view to petitioning H.M. Government for amending legislation."

The "foregoing report" is that of the Reconstruction Committee from which we make the following extracts:—

"RATING OF SITE VALUES, ETC.

By minute No. 36,116 the City Council requested your Committee.... 'to consider and report what effect, if any, land value rating and taxation, the derating of houses and shops would have in facilitating post-war employment and redevelopment schemes.' As this matter primarily concerned the Finance Committee, your Committee consulted them, and received the following report on the matters referred to."

(Here followed the Report of the Finance Committee on Post-War Finance. It mentions the resolution adopted on May 29, 1942, by the Sub-Committee for Local Government of the Reconstruction Committee requesting the Finance Committee to furnish their views as to the future methods by which funds can be raised. It gives an informing description of the existing sources of revenue—the rate levied on the rateable value of property, the income derived from property belonging to the Local Authority, the charges for services and the Government grants. It deals with the "betterment" proposals of the Uthwatt Committee and with the land valuation proposals made by five members of the Scott Committee. It considers and rejects proposals for a Local Income Tax.)

The Finance Committee arrives at the following important view:

"It would seem abundantly clear that all research on the subject leads to a levy on land values in one form or another, and the Finance Committee is of the opinion that a rate on site values is the method which should be adopted, and that the Corporation should seek powers to acquire land, by compulsory purchase if necessary, on the basis of the site value."

The Finance Committee also say:

"So long as rates are regarded as a

payment for local services, there is justification for a proportionate rate demand on the owners of void property by way of contribution towards charges for services, e.g., roads, sewers, street lighting, police and fire protection, provided for the benefit of that property. Such a charge would operate to correct the tendency of certain landlords to hold their property for higher rents or purchase prices."

The Reconstruction Committee, agreeing with the Finance Committee, state as follows:

"With regard to that portion of the above report relating to the suggested rate on site values, your Committee enquired of the Finance Committee whether they had in mind a system by which separate values would be assessed for land and buildings, with a different rate poundage for each, and, if so, what legislation would be required to regularise the position as between freeholders and leaseholders. The Finance Committee state that they contemplate the continuance of a local rate assessed on the value of land and buildings as at present, supplemented by a land value rate on the annual value of the land. The Finance Committee further assume that any legislation on the subject would lay down that any provision in a lease, etc., entered into before or after the commencement of the intended Act, where the liability for the rates or other impositions is placed on the lessee would be void in respect of the site value rate. . . ."

"Your Committee agree with the Finance Committee that a rate on land values should be instituted. They are also of the opinion that consideration should be given to the extension of ordinary rating, at a reduced level, to vacant sites and void premises. It is therefore suggested that the General Purposes Committee should be requested to make formal representations to the Association of Municipal Corporations with a view to recommendations on the above-mentioned matters being made to the appropriate Government Department." The Reconstruction Committee concluded its Report with a number of Resolutions, the first two of which were:

- "1. That the report of the Reconstruction Committee, as printed and issued, be received and entered on the Minutes.
- "2. That the General Purposes Committee be requested to make representations to the Association of Municipal Corporations for the consideration of alternative and/or additional methods for meeting the requirements of Local Authorities by (a) the rating of site values and (b) the rating of

vacant sites and void premises, and otherwise as indicated in the foregoing report, with a view to petitioning H.M. Government for amending legislation."

As already stated, the City Council approved, without opposition, this recommendation from the Reconstruction Committee.

The following views expressed by the Finance Committee, in general criticism of the present system, are also worthy of note:

"Local expenditure is met in too large a measure by what is in effect a tax levied in respect of the occupation of rateable property."

"In the case of leasehold property all rates are paid by the occupiers and none by the owners of land, although the owners of land benefit largely by the development of towns and by the expenditure from the rates on improvements."

"Derating of agriculture and partial derating of industrial and freight transport hereditaments tends to shift the burden of rates on to the shoulders of the ordinary householder and ratepayer."

"The present system of assessment imposes on retail traders, as a class, an undue proportion of local taxation."

"Derating has discriminated unfairly as between different types of industry; it gives relief to certain producers who are least in need of assistance and it affords no relief to distributors."

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LAND POLICIES

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and Examined

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M.A., M.P., L.C.C.

This Pamphlet appears at a most opportune moment in view of all that the Government is contemplating with regard to the Acquisition of Land, Housing and Town Planning and Land Utilisation in the widest sense. The controversies evoked by the Uthwatt Report and the official "White Paper" are fully dealt with. The Government is confronted with problems of the greatest importance. The Land Values Legislation which it is essential to adopt is adequately set forth.

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