

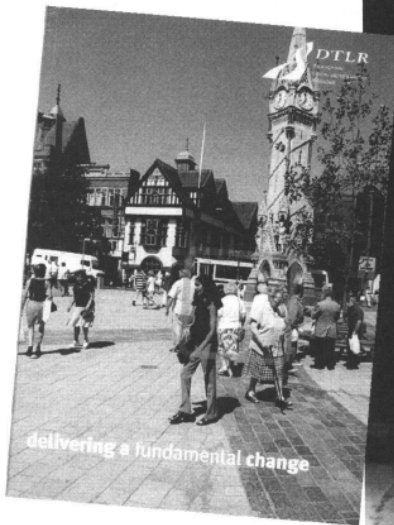
Planning gamble on Green Paper

FORCING DEVELOPERS TO add value to a community is one option being investigated in the Government's planning Green Paper. Local authorities can use planning obligations to compel developers to give cash or in-kind gains such as roads and schools to an area in which they wish to build.

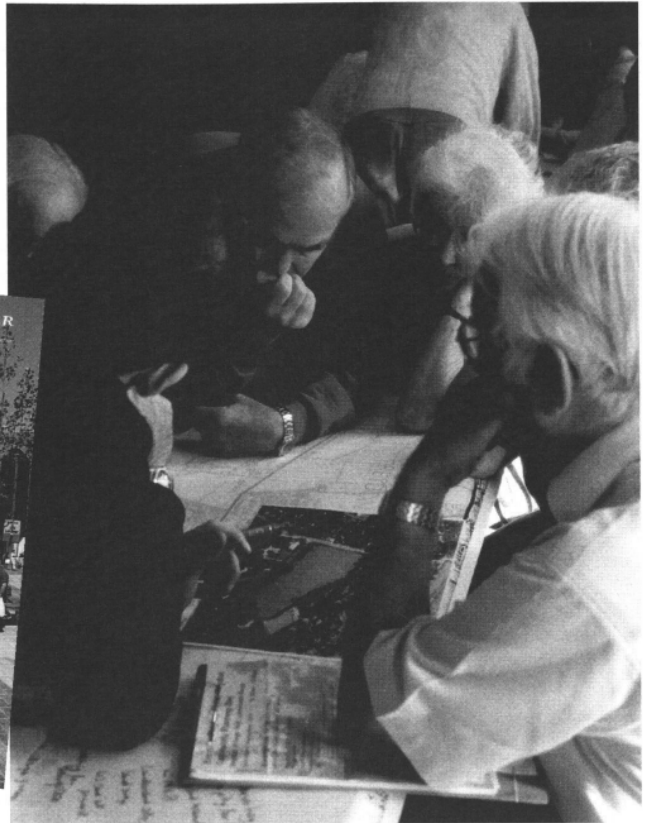
The preferred idea of the Department for Transport, Local Government and the Regions is a fixed tariff as part of the planning obligation.

But revitalising communities and developing infrastructure will be harder to do under the proposals. Land values will often rise and fall according to the investment or the blight that results from planning permission being given for new development. The property tax system, Business Rate and the Council Tax sustains a culture of land speculation that is damaging to communities because only the seller of a property gains from its increase in value rather than the local community.

Rather than improve the situation, the tariff-based approach will merely regularise it. The problem of increasing house prices will remain. At best they will produce a tiny



Added value: the Green Paper



Would the tariff-based approach benefit the community?

proportion of social housing, while making other housing more costly and of lower quality, because tax paid by developers has to come out of their development costs.

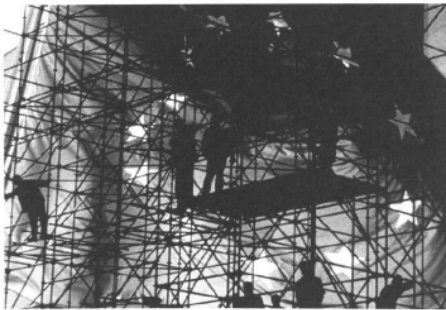
There is an alternative way to achieve sustainable development, which hasn't been explored by the Green Paper. This is through the un-taxing of development and the taxing

of the land value element of property value. This would foster urban renewal (as the Urban Task Force recognised) and require less public revenue. The more buoyant property tax might even do away with the need for planning obligations. It would save the taxpayer money as well as promote sustainable development.

Praise but no cash for PF's sustained Euro development project

THE PROGRESSIVE FORUM has received a positive endorsement from the European Commission for its attempt, along with other organisations, to create a sustainable development policy network in Europe.

The urban development (URBADEV) project, which included provision for further study into land value tax, was unsuccessful in securing funds, but received enough positive feedback from the Commission to mount a new attempt called Monitoring URban SUSTainability (MURSUS). The stumbling block was funding over the three-



Europe's positive endorsement is not enough

year period. MURSUS aims to define the information needed to monitor European urban development and develop tools for Europe's city and regional land managers. It is hoped that it will create an EU-wide system for monitoring land values and land use, paving the way for the implementation of a land-based tax across Europe.

Recovering old ground

DENMARK'S HENRY GEORGE Foundation celebrated its centenary on 2 March 2002.

Over the course of its hundred years it has campaigned for the adoption of land value tax in Denmark, and met with partial success in 1957. It was in this year that the Ground Duty Government came to power and implemented a land tax. This was the most economically successful government in Danish history and to this day Denmark still retains a form of land tax.

Ole Lefmann of the Danish HGF believes Denmark should now introduce a single tax on land values replacing all other taxes, calculated with the benefit created for the community in mind. **For more information and to join the Danish HGF, call +45 3929 6533.**