

Project Plans to Reveal Britain's Hidden Landvaluescape

A major research project with potentially global impact, way beyond its use for LVT, begins in London this autumn. Initially confined in application to Britain, it will involve global studies of existing practice and plans for the use of geographic information systems (GIS) in the study of changes undergone by economies over space and time, at local and national scale.

Visualising Landvaluescape: developing a conceptual framework for Britain is the brainchild of the man behind the creation of Progressive Forum, Tony Vickers, a former military mapper and land surveyor. His programme of study has just been accepted as the basis of a degree of Master of Philosophy with possible transfer to Doctorate by Kingston University Graduate School in South London. Studying part-time while also conducting associated research on land values in London and Liverpool, he aims to complete the work by 2006, proving that GIS-generated land value maps are viable for full-scale development in Britain.

"We've had computer-generated landscapes in airline pilots' simulators and arcade games for decades," says Vickers. "GIS technology is widely used for countless public purposes by governments around the world. It is in every-day use on our TV screens to reveal fast-changing intangibles such as weather, so why not use it to map land values?"

Although not himself a "hands-on" expert in GIS, Vickers spent 14 years in the British Army and at Ordnance Survey selling the idea as a revenue-earner and helping develop GIS projects within the defence and civil government communities. His military service included spells of duty in land taxing Hong Kong and Australia. Since retirement he has

served on the Corporate Affairs Committee of the Association for Geographic Information in Britain and co-authored a report in 1996 on the future of Britain's national mapping agency, which has now totally computerised its product line.

In a questionnaire put to hundreds of property taxpayers recently, as part of a Fellowship in LVT awarded by the American Lincoln Institute, he found overwhelming agreement with the statement that "*land value maps ought to be part of a national land information system*". Earlier this year, using a "show-card" of typical GIS-based land value maps, business owners in Liverpool were interviewed about property taxes, the last question being: "*Do you think this would help you understand and accept land tax assessments?*" **Over 80% agreed.**

The Head of Modernisation at the Valuation Office Agency, which is responsible for all property tax assessments in England & Wales, has asked Vickers to demonstrate his GIS tool later this year to a private audience of officials and consultees. VOA is working on the procedures for the next national valuation for non-domestic business rates in 2005, expecting that over half the recent 2000 tax assessments will be appealed. Vickers has suggested that GIS could help reduce the level and cost of appeals, as well as provide a potential source of revenue for VOA from sales of aggregated land-value data in map form.

Vickers has secured the services of one of the leading UK specialists in the use of GIS for commercial property studies to devise the *Visualising Landvaluescape* tool. Mark Thurstain-Goodwin is a researcher at the Centre for Advanced Spatial Analysis (CASA) at University College London's Faculty of Geomatics. They are initially using a data set supplied free by the Chief Assessor of Lucas County Ohio. Their demonstration will be shown first to the national conference of the Scottish branch of the Institute of Revenues, Rating and Valuation (IRRV) when Vickers presents a paper: *Site Value Rating: Is It A Viable Alternative?* on 5 September. Later he will show it at an academic seminar in Belfast, Northern Ireland in November.

In April Vickers and Thurstain-Goodwin hope to present a paper, incorporating the responses to their ideas so far, to the 23rd World Congress of Surveyors, in Washington DC. Part of Vickers' first year postgraduate studies is a survey of current practice worldwide in the use of land value maps in GIS.

The last such survey on land value maps was carried out over twenty years ago, before the invention of the personal computer (PC). Even mainframe computers were then only just becoming powerful enough to handle the large volumes of data in paper maps: the Chief Executive of one of the world's largest computer companies was saying that he couldn't see why anybody would want a computer in their home! There are now wrist-watches that can display moving maps and Denmark has just passed a law allowing its land value maps to be made freely available over the internet.

Vickers' project has a small injection of funds from the American Lincoln Institute of Land Policy, which specially asked him to include work on developing a demonstrator in this year's Stage of his Lincoln Fellowship. Lincoln has also just awarded a grant to fellow

Vickers to Leave HGF Paul Brandon

THE Chief Executive of the Henry George Foundation of Great Britain (HGF), Tony Vickers, has announced that he will leave the post as soon as a replacement can be found. He has decided to concentrate on his own research project *Visualising Landvaluescape* and developing PF's activities as its Convenor. HGF has commissioned an outside consultant, Brian Niblett, to help them plan future strategy for the next three years.

Vickers was appointed to run HGF in October 1998, on a two-year contract. As his original contract ran out, he was approached by the Head of the School of Surveying at Kingston University, London, Dr Sarah Sayce and asked to continue his research as a postgraduate there. This August he learned that his research proposal had been accepted by Kingston's Graduate School.

"Although my post at HGF is only part-time, I am finding it hard to give enough time to the wider needs of the Foundation while having to meet my personal research deadlines," said Vickers. "I feel that I have achieved as much as I can at HGF within the constraints of limited resources. Managing my research programme is now a full-time job in itself and much of the work cannot be delegated, especially now I have postgraduate studies to think about."

During Vickers' time at HGF, he con-

ceived and launched PF with the help of distinguished academics and property professionals such as Professor Lord Raymond Plant, James Robertson and Professor Nat Lichfield. Through PF the circulation of L&L has increased significantly as have activities such as lectures, seminars and conferences. Income from grants and donations in the period has been over £150,000.

Controversially, Vickers has concentrated on a gradual and incremental approach to the introduction of land-value taxation in Britain. "A movement as small as the Georgists cannot hope to take on the establishment with radical ideas for overturning key economic policies in one go," he says.

"We have to create a living laboratory somewhere, using the present Government's penchant for pilots. I personally don't think local site value rating, especially in a pepper-pot fashion like in Pennsylvania, is the answer here. But one or two pilots would raise the level of debate in Britain, which is almost non-existent about LVT specifically, despite growing realisation that failure to recover resource rents for revenue is a major problem. And it would enable certain processes – such as the use of land value maps and computer assisted land valuation – to be tested out before a nation-wide LVT implementation."

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MONEY AND LAND: A New Alliance for Reform?

Supporters of land value taxation (LVT) and monetary reform share similar aims and principles. They call for the "rental" value of land and the value of new money put into circulation to be treated as common resources, and therefore as sources of public revenue.

Readers of *Land & Liberty* need no explanation of LVT. The essence of monetary reform is that new money – sterling, dollars, euros, yen, etc – would be put into circulation debt-free as public spending. Commercial banks would no longer be allowed to print it as credit out of thin air into the current accounts of their customers as loans. In the UK over 95% of the money supply is now created that way. The loan interest from it gives the banks a hidden subsidy estimated at over £20bn a year. The potential extra public revenue from monetary reform is estimated at about £45bn a year. That could be used, like potential revenue from LVT, to reduce existing taxes or public debt, or to increase existing public spending.

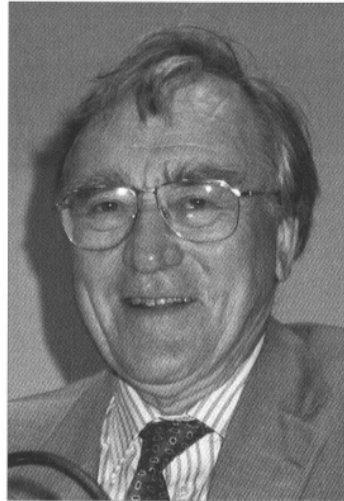
Central banks like the Bank of England, operating openly as professionally independent monetary authorities, would regularly create the amount of new non-cash money (as well as cash) needed to increase the money supply. They would credit it to their governments as revenue, which would then spend it into circulation. It would become illegal, like forgery and counterfeiting, for anyone else to create new official currency in the form of bank credits. Commercial banks would have to borrow, no longer create, the money they lend.

Supporters of monetary reform explain (as LVT supporters explain for it) how it will:

- ◆ reduce speculation in financial assets and financial booms and busts (as LVT will do for land speculation and housing booms

and busts), and so smooth out the peaks and troughs of economic cycles,

- ◆ make it possible to reduce distortionary taxes that now damage the economy,
- ◆ distribute more fairly and allocate more efficiently the publicly created value of resources that should be shared in common, instead of giving "free lunches" to landowners and banks, business corpora-



James Robertson, co-founder of the New Economics Foundation and Progressive Forum advisory board member, explains that land- and monetary reformers share common ground

tions and rich individuals, who are now allowed to "enclose" the value of those resources for private profit,

- ◆ open up opportunities for enterprise and work to people now excluded from them,
- ◆ discourage (or at least stop encouraging) environmentally damaging activities, and
- ◆ make the monetary system (as LVT will make the tax system) easier for the citizens of supposedly democratic societies to understand.

OTHER LINKS between the two reforms also need to be explored. For example:

- ◆ LVT will tend to reduce both the capital value of land and the rental flows from it, thus reducing the ability of many bank customers to provide collateral security and interest payments for their loans and mort-

gages. Monetary reform should help to ease that problem for individuals and enterprises alike.

- ◆ LVT and monetary reform both point to better ways of financing public investment than the controversial Public/Private Partnerships and Private Finance Initiative. Increases in local property values created by public investment in a locality's trans-

port, hospitals and schools, could be used for financing the investment. Or central government could put newly created money into circulation in the form of interest-free loans to local government for such investment. Both those two approaches would seem to be feasible, with no conflict between them.

IN THE NEXT few years I expect to see economic and social reformers and environmentalists working more closely together to promote both land reform and money reform. I hope *Land & Liberty* and the Progressive

Forum will play an increasingly prominent part in this alliance.

Recent references include:

Joseph Huber and James Robertson, *Creating New Money: A Monetary Reform for the Information Age*, New Economics Foundation, 2000 – see www.neweconomics.org, "nef publications".

James Robertson, *Financial and Monetary Policies for an Enabling State* – see www.neweconomics.org, "news archive", 4/9/2000.

Don Riley, *Taken for a Ride: Trains, Taxpayers and the Treasury*, Centre for Land Policy Studies, London, 2001.

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researcher and economist Stephen Mitchell, to collect and analyse property market data around selected stations of a new London subway project and use it in a GIS to prove unearned land-value uplift in the area could have paid for the tube-line. Collaboration with VOA and other public agencies like Transport for London, which will shortly take over London's underground rail network, is a bigger prize that he's aiming at.

☞ Readers of *L&L* are invited to let Vickers know of any GIS-generated land value maps in their countries. Offers of support of all kinds, to enable the project to be expanded and accelerated, would be welcomed at tonyvickers@cix.co.uk or via HGF at the publication address.

Liverpool Land Tax?

US MUNICIPAL tax reformers Joshua Vincent and Ted Gwartney will feature as speakers at a conference in Liverpool later this year in a bid to persuade the British government to allow the seaport city to introduce a pilot study.

The proposal is to replace the Uniform Business Rate with a site-only charge. According to Chris Newby, a member of the City Council's Executive board: "LVT is a simple concept, but attempts to introduce it in the UK have always failed. Basically it

means that people owning land would be required to pay a value tax on the land whether it is unimproved or built upon".

But opposition Labour councillor Malcolm Kennedy warns: "I am not opposed to reform if there are benefits. But LVT was introduced in Pittsburgh and has been abandoned because the land taxes were so high. I am not convinced that Liverpool should put itself forward as a guinea pig", he is reported as stating to the *Liverpool Daily Post* (September 12).