

Professional Land Reform Group Annual Report 2010-11

PLRG 're-launched' on 29th April 2010, after nearly a year of inactivity when the previous Honorary Secretary resigned. That meeting took place during the conference of the International Union for Land Value Taxation & Free Trade ("The IU"), held at the School of Economic Science (SES). I was elected Hon Sec and shortly afterwards we were offered this venue, at London South Bank University, for PLRG meetings by my former PhD supervisor, Professor Munir Morad.

On behalf of PLRG, I would like to offer our thanks to Prof Morad for his invaluable and generous support over the past year. He is about to move on to head the Faculty of Science & Technology at Anglia Ruskin University in Chelmsford. So we will need to discuss where we hold these meetings in future, as a central London venue is clearly almost essential.

We have held bi-monthly PLRG meetings since July last year, commencing with a private committee business meeting, followed by a speaker and discussion. The first of these was again at SES, by myself, on 1st July - talking about what I learned from my doctoral studies of land value mapping techniques in other countries that might impact on the prospects for Land Value Taxation (LVT) in Britain.

Later that month, I delivered a lecture about PLRG to the Green Economic Institute conference in Oxford. It was clear that many 'green economics' researchers are increasingly attracted to a 'stewardship economy' approach of looking at the world. My conference paper was published in the Proceedings and can be downloaded from our website.

For the September talk and all since then we have met here. PLRG Chairman Dave Wetzel spoke about his experiences over several years of visiting China to lecture on and discuss property taxes and ways of financing infrastructure.

During September I worked with a web designer to upgrade the PLRG website, which until then had piggy-backed on my own personal research site "Landvaluescape". We decided to adopt that name for PLRG's newsletter, which meant we didn't have to change the name of the URL that delivers PLRG news over the internet.

Prospects for research in LVT-related matters seemed to improve during the autumn. At least two Labour leadership contenders expressed support for the policy and the Lib Dem Conference saw a motion passed almost unanimously that called for its Ministers in Government to be allowed to commission research to develop specifically Lib Dem policies – naming LVT in particular. The Government also published a White Paper on "Local Growth", with an introduction by Nick Clegg, that set out plans for new policies on capturing land value uplift, such as Tax Increment Financing (TIF).

In October I was asked by one of the Lib Dem Ministers for a briefing paper to share with his colleagues on how Land Value Capture acts as a 'regeneration tool' elsewhere in the world. It is not known what the reaction to this paper was. However last week Chairman Dave Wetzel and I were in a delegation of eight members of the Coalition for Economic Justice that met Treasury property tax officials: it was made quite clear to us that a Conservative Chancellor was not interested in LVT!

TIFs are already being piloted by the Scottish Government. Defra also published a white paper stating that property owners would be expected to pay substantially towards the cost of flood alleviation and coastal protection schemes from which they (and their insurers) would benefit. This all poses the question: how do you establish accurate figures for land value, as distinct from building value.

PLRG was approached by a professor at Northumbria University asking for support to a PhD student wishing to study LVT. We used our contacts with the then Lib Dem leadership of Newcastle City Council to start discussions about how they might collaborate with PLRG on this. Since then, Newcastle has reverted to Labour control, so we need to renew contacts there. However the funding for the PhD student has fallen through in the meantime.

Our November talk was given by Stephen Hill of Future Planners, who has been working on housing developments, as a town planner, for over 30 years. He shared his frustration with successive UK Governments for failing to devise ways to allow land values from public investment to be 'recycled'. His talk linked the issue of economic injustice and inefficiency caused by the current tax system to that of unsustainability in environmental terms.

That month saw publication of the Mirrlees Report: a Review of the Tax System by the Institute of Fiscal Studies. This 4-year study has come up with positive recommendations about forms of LVT, which the House of Commons Treasury Committee were prompted to look into also, in January.

But for our January talk (which slipped into early February to suit the speaker), Jeremy Edge shared his thoughts about how RICS' views on property taxes were developing: he has been leading a comprehensive study of how taxes of all kinds impact on the market players in land and property, in order for the Institution to influence the Coalition Government. I have heard little more about this work since then. Jeremy was clear about his personal support for LVT but not confident that much reform would be possible soon – or even receive support from RICS. In October I attended one of two workshops held at RICS for an invited group of property experts to discuss taxes with the study team: that's what led me to ask Jeremy to speak.

In January the Scotland Bill was published. This is probably the most significant legislation for PLRG that has so far come out of the Coalition Government. If it passes through Parliament unamended, it will allow Scotland to reduce income tax by 10%, and to scrap Stamp Duty Land Tax (SDLT), and – most significantly – to introduce a new tax "of any description" without consent from Westminster. There is also no requirement placed on the Scottish Government to use its powers to replace SDLT with another property transaction tax, which would seem to open the way for a substantial levy on economic rent of land instead of both SDLT and much of income tax.

Following the Scottish Parliamentary elections earlier this month, we have an independent-minded majority government in Scotland with possibly a majority of MSPs minded to favour LVT – if they can be persuaded it is feasible and popular. This would all seem to offer unprecedented opportunities for research into ways of using the new powers under a soon-to-be Scotland Act

– assuming those new powers are indeed devolved as described in the Bill. The Act could receive Royal Assent before Parliament rises this summer.

The Irish General Election also proved how significant an idea LVT is becoming in international political thinking since the global financial crisis. Although opposed to the outgoing government's plans for a Site Value Tax during the election, the new coalition in Ireland has since endorsed those plans. PLRG has written to offer support to Irish researchers since then, in work needed to flesh out proposals for SVT.

The last PLRG talk I can report on from the past year was on 29th March. It was given by Stuart Adam, the main author of the chapter in the Mirrlees Report on the taxation of land and property.

I can also report that, through PLRG, I have recently been asked by Professor Harry Dimitriou of UCL to help him write sections of two chapters in the 2013 UN-HABITAT Report on Human Settlements, which are to do with Transportation & Land-use Planning & Governance. Harry feels that he needs to strengthen what he says about financing transport infrastructure and incorporate something on land value capture. We aim to complete a Policy Delphi to find what transport and land-use experts think about these ideas over the summer.

Since the re-launch meeting was announced, I have posted 39 items of news on the PLRG website, most of which have been announced by email to our growing list of interested persons. That list was a mere 78 in June and is now 190. I have written the Society of Property Researchers (SPR), of which I'm a member, to ask if they will publicise our talks: so far no reply.

We do not seem attract growing numbers to our talks, which is a concern. Attendance ranges from 10 to 15 only. These talks and the website are the only member benefits – the only activities – that PLRG is potentially engaging those people in.

There is also the work that the Chairman and I do with CEJ: mainly helping write some of papers that were submitted to Treasury and can be accessed from CEJ's website. All of this work is unpaid and we cover our own expenses. We've probably both reached the limit of what we can do this way, so we need to discuss how to expand our activity on a more professional basis.

I will conclude my report by again thanking Munir, who we've co-opted onto our committee as Vice Chairman, for his contribution. In particular, he has offered a promising new role for PLRG, through his editorship of the international journal **Local Economy**. Dave, Heather Wetzel and myself have been invited to guest edit a special issue of this journal next year on LVT. We will need help from as many of our current list of contacts – many of them overseas – in drawing together and reviewing papers on various aspects of LVC. Hopefully this will enhance the credibility of both PLRG and the subjects that interest us.

Dr Tony Vickers, Hon Sec PLRG

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