

LANDSCAPE

Newletter of Liberal Democrat ALTER:

Action for Land Taxation and Economic Reform

Autumn 2010 Issue

ALTER in Push to Promote LVT at Regional Conferences

ALTER delegates have put forward motions for debate at regional conferences to promote Land Value Taxation within the party.

The South Central Region Lib Dems have debated a motion calling for LVT at their conference in Oxford on 30 October. The motion was drafted by ALTER committee members Margaret Godden (former Deputy Leader of Oxfordshire County Council) and Dr Tony Vickers, who is currently Lib Dem Housing Spokesman on West Berkshire Council.

The text of the motion, which links tax reform specifically to the crisis in affordable housing in the south of England, went:-

"Conference notes the disquiet felt by many Liberal Democrats at aspects of the coalition's economic measures, in particular the reduction in public services generally and the increase in tax, especially VAT, which has not been switched to richer taxpayers as effectively as we would have wished.

"Conference notes that proposals to cut Social Housing Grants and cap Housing Benefit are highly likely to result in an almost complete halt to building of new affordable housing, unless balanced by incentives to release land.

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"Conference further notes that many commentators here are now urging the government to follow the lead of Governments elsewhere, e.g. Australia & Ireland, and introduce land value taxation (LVT) as part of their economic recovery package. This would recognise that land values represent a large source of unearned wealth and so LVT would be a 'fair' tax; and that one effect of the tax is to encourage economic activity, especially the redevelopment of vacant, derelict and under-used urban land and buildings, much of which is still exempt any business rates.

"This conference therefore urges Liberal Democrats in government to make a strong case for the introduction of a significant measure of LVT on non-residential urban land (which is already Party policy) at the earliest opportunity, in particular to stimulate the construction of more affordable housing."

At the Party's Federal Conference last month in Liverpool, a Motion was overwhelmingly passed which called for Liberal Democrats in government to keep working "to ensure that the most vulnerable in society are not disproportionately affected" by the Coalition's planned austerity measures, and "to ensure that the wealth and inequality gap does not widen". Specifically it called for the following measure:-

"Insist that Liberal Democrat ministers are given the freedom and resources to commission research to fully assess the viability and practicalities of increasing taxation on wealth - including land values."

The Oxford Motion takes up this call, and was overwhelmingly approved by delegates. Nobody even spoke or voted against it.

Newcastle in LVT initiative

ALTER's Fringe at the Liberal Democrats' autumn conference in Liverpool heard the recently en-nobled former leader of Newcastle City Council announce that his city could be a study area for the Party's policy of Land Value Taxation. Cllr Lord John Shipley, who has served on the Council for 35 years, was speaking a month after resigning as Leader to become a full-time working peer. The Liberal Democrats have run Newcastle since 2004.

ALTER Chair Dr Tony Vickers, reflecting on the announcement after the meeting, said: "Newcastle's announcement is personally very welcome but ironic, coming as it does ten years after I began to work with Liverpool's City Council on a 'Smart Tax' pilot. It is ironic because, in the year Lib Dems lost control of that city to Labour, its Liverpool-born leadership contender Andy

Burnham started calling for LVT. Why wait 13 years?!

"It took a non-Lib Dem councillor in Liverpool to persuade the Council then - against Labour opposition - to carry out a pilot. The Labour Government failed to support any LVT research when it was in power. So for a Lib Dem city council leader to take this initiative in Newcastle so early in this Parliament, under a Con/Lib Dem Coalition and just after two leading Labour MPs have 'come out' for LVT, must be progress."

Lord Shipley said that trying to change property taxes needs "a big PR job" but that he feels the Coalition has tapped into a popular basic idea that taxing work is regressive. He has always opposed a Local Income Tax.

He drew attention to the importance of governments retaining economic rent from land, citing the decision of Newcastle City Council to buy the Northern Rock HQ site when the bank

collapsed. Rental income from the site allowed the city to borrow and, he claims, helped Newcastle obtain 'Green Star' status recently from the Audit Commission for its response to the recession. "Would LVT help us do better still?", he said. "Would it help bring some of our derelict sites, like Newcastle Brewery, into productive use? How would such sites be valued for LVT? These are the questions we'd like research to answer for us."

Three days later, the Lib Dems' Conference in Liverpool overwhelmingly voted to support a motion on Fairness in a Time of Austerity (see page 2).

In the weeks since the Party Conference, Dr Vickers has been busy preparing a Briefing Paper for the

Coalition on how LVT could help stimulate the economy. He has also been in discussion with various potential research funding bodies.

Geographer Dr Seraphim Alvanides, who joined Northumbria University only this summer and specialises in mapping urban social phenomena, has already expressed interest in being involved in any LVT research in Newcastle.

Footnote: Ireland's crisis budget this month included "funding local authorities through a residential-property-based site-value tax". ALTER is in touch with LVT campaigners in Ireland and working through the all-party Coalition for Economic Justice to help Ireland establish this.

Join ALTER and fight for tax justice

Visit our website at: www.libdemsalter.org.uk,

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