**Land for the Many: the lid’s coming off the box**

This year’s Labour Party-commissioned “Land for the Many” report provides an eye-opening review of exactly how unfair, inefficient and wrong is “the way our fundamental asset is used, owned and governed”. Perhaps the most visible consequence of this corruption is the precarity of so many citizens’ housing situation. If anything is managed for the Few rather than the Many, it is land – and the Few sure do well out of it: after decades of rising land values, land now accounts for over 50% of UK net wealth and accommodation costs account for a greater proportion of the expenditure of regular households than ever before. The report proposes a whole series of reforms to discourage the treatment of land as a speculative commodity that exists to enrich a tiny minority, and make of it a resource to meet social needs, enable the building of decent, affordable homes, enhance environmental quality, create cohesive communities and power a more stable and efficient economy.

The Labour Land Campaign (LLC) has long tried to draw attention to the importance of how land is managed vis-a-vis a nation’s economic health and governance but landowning vested interests have succeeded in drawing a veil of silence over the whole issue for a long time in the United Kingdom. They have managed to do this because, although they represent only a tiny minority of citizens, they wield disproportionate power through influence on the establishment, notably Westminster and the media. Publication of this report provides further evidence that at last, the lid is coming off the box.

Many of the ills of society could be addressed by reforming the fiscal system, switching the burden of taxation off economically productive activities such as work, trade, enterprise and investment, and onto sterile land wealth in the form of a land value tax (LVT). From the LLC perspective, repair of the dysfunctional land market and resolution of the most serious consequences of its dysfunctionality such as the housing crisis would essentially be collateral benefits – albeit very important ones – of a fiscal reform designed to minimise the economically destructive and socially pernicious effects of our current taxation regime. However, such root-and-branch fiscal reform is politically dangerous when it comes to selling it to the 60-70% of ordinary owner-occupying households because the conversation is so effectively controlled by the Few: a very mild mention of LVT in the 2017 Labour Party manifesto elicited the hysterical, dishonest “Garden Tax” response from Conservative Party Central Office. This was dutifully disseminated by the usual suspects, as was encountered by many activists on the doorstep, especially in constituencies where land values have risen most obscenely.

One of the recommendations in the Land for the Many report is to replace Business Rates (BRs) with a LVT. From LLC’s point of view, such a switch would provide an excellent chance to test transition to wealth taxation but a couple of tweaks could significantly expand its beneficial impact without affording vested interests an opportunity to mislead voters.

Firstly, a simple transfer would fail to remove the incentive to leave potentially useful land undeveloped which is, as the report emphasises, a major contributor to the housing crisis. LLC would recommend extending the new LVT regime to cover brownfield sites (undeveloped land with or eligible for planning permission).

Secondly, the tax base for BRs is small, covering only about 7% of overall UK land value. Some homes are owned to live in whereas some are owned to generate income, i.e. rental properties are businesses. But these two very different types of property are subject to the same Council Tax, an illogical and unfair arrangement, especially since tenants pay rather than landowners and years of erosion of the property component in this hybrid property/poll tax mean that it now closely resembles the hideously unpopular Community Charge it was hastily introduced to replace (an impressive bit of sleight of hand). Bringing rental properties under the new LVT would not only be logical and fair, it would also triple the base for the new tax and thereby multiply all the economic benefits of replacing taxes on productive activity with a tax on unearned income. Given the precarity of many buy-to-let businesses where rents just pay off the mortgage, any increase in expenses would undermine many landlords’ business models: these homes would come onto the market and local authorities could buy them up for council housing, especially if they came cheap with sitting tenants. Finally, expansion of the base for the new LVT in this way would minimise the potential for the misinformation of voters because nobody loves a landlord.

The Land for the Many report sheds welcome light on an issue that has been dangerously (and perplexingly) neglected for too long, not least by the Labour Party. Its recommendations would go a long way to repairing a seriously broken system but LLC would recommend a couple of tweaks – relatively minor but possibly game-changing – that would significantly expand the benefits of this fiscal reform without giving vested interests ammunition with which to frighten the horses.