

Letter in FT: England has long wrestled with a land ownership levy
8th February 2023

Despite Martin Wolf's despair at the power of England's landowners, a land value tax is possible (Opinion, February 6).

Ramsay MacDonald's minority Labour government enacted such a tax in 1931, although it was never implemented. The Liberals had previously tried in 1909 but were thwarted by the (Land) Lords — hence the Parliament Acts which curbed the Lords' ability to stymie finance bills.

A land value tax was included in all Labour manifestos until the second world war. Thereafter the Labour party only sought to capture the rise in land value when permission for a higher value use was granted — in effect, a development tax which discourages development. The current infrastructure levy and section 106 agreements — a measure in England's planning laws which obliges developers to mitigate the impact that any development would have on a local community — are both also forms of development land tax.

When LVT next appeared in Labour's 2017 manifesto, the "Tory press" ran headlines about "a garden tax" the week before polling — claiming house prices would plunge and taxes would treble!

According to Guy Shrubsole's book *Who Owns England?* 50 per cent of English land is still owned by 1 per cent of the population, but the hereditary landlords are no longer a force in the legislature.

Even the Tories must recognise that council tax is an abomination, where the owner of a mansion in Westminster pays little more than the tenant of a bedsit in Weymouth. A 2017 Labour Land Campaign paper, which the Tory press traduced during the election campaign that year, actually proposed an LVT which protected homeowners: a high rate LVT for the owners of income-generating, or potentially income-generating land (like that under second homes), and a lower affordable rate for the owners of principal homes.

We issued our own press release entitled "Land Value Tax: Scaremongering and Misinformation" and complained successfully to the Independent Press Standards Organisation. But by the time the retractions were printed the damage was done.

According to Office for National Statistics figures, 60 per cent of UK wealth is land value. If you want a tax to address the UK's gross wealth inequality, what better way than a tax on something you cannot hide in a tax haven?

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