

## ■ ANNEXE FIVE

### *Uthwatt's Betterment Levy Scheme*

The following extracts from Uthwatt (1942, 135–154) describe the then recommended scheme as points of reference for latter-day revisiting of those ideas in the main text of this chapter.

#### **Recommended Scheme for Periodic Levy on Increases in Annual Site Values**

##### *Outline of Principles*

- That, as soon as the necessary legislation is passed, there shall be ascertained the annual site value of every rateable hereditament as actually developed, such value to be a fixed datum line from which to measure all future increases in annual site value. No valuation is to be made in the case of agricultural land and farmhouses.
- That a revaluation should be made every five years of the annual site value as then developed.
- That there should be a levy in each of the five years following each revaluation of a fixed proportion (say 75%) of the amount of any increase in the annual site value over the fixed datum line as revealed by the revaluation.
- That the levy should be borne by the person actually enjoying or capable of realizing the increased value.
- That the necessary valuations should be made through the existing valuation of machinery for ordinary rating purposes, and entered in the rating valuation lists.

##### *Practicalities of Assessment*

What the Committee had in mind was that, when the annual values of hereditaments were being arrived at quinquennially in the ordinary course, it should not involve much extra expense to ascertain and record their annual site values at the same time. It recommended, therefore, that in the valuation lists made for rating purposes there should be provided an additional column, in which should be entered quinquennially the annual site value of every hereditament separately assessable for rates.

### *Conclusion*

The following advantages were claimed for the levy scheme:

- The scheme will catch increments arising from the public expenditure, from the operation of the provisions of planning schemes, and from general community causes
- The scheme excludes from levy all increases in the annual value of property due to individual skills and enterprise, and it does not tax improvements
- The scheme does not import hypotheses as to what could be done with the site but is confined to the facts that happen
- The increase in site value will in fact have been realized or enjoyed or will be realizable before becoming subject to the levy
- The use of the existing rating valuation machinery is the most economical way of ascertaining annual site values
- The machinery for local assessment and objection to local valuation lists is already familiar to the public
- **The ascertaining of annual site values will provide a basis for the differential rating of sites and buildings to the relief for improvements (i.e., permitting tax reductions for improvements), should it be desired to introduce such a system.**<sup>3</sup>

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3. Author's bolding.