## LAND & LIBERTY

Published by the Land & Liberty Press, Ltd., for the Proprietors, the
United Committee for the Taxation of Land Values, Ltd.
Fifty-sixth Year.
Established June, 1894.

By Post 5s, per annum.

Editor: A. W. Madsen.

Assistant Editors:

F. Dupuis and V. H. Blundell.

4 GREAT SMITH STREET, LONDON, S.W.1.

Telegrams: Eulav, Parl, London. Telephone: Abbey 6665.

NOVEMBER & DECEMBER, 1949

## NEMESIS OF THE PLANNING ACT

The Town and Country Planning Act development charge came under the harrow in the debates on the Lands Tribunal Bill, House of Lords, May 5 and June 21, and House of Commons, May 25. In the Lords, an amendment to that Bill was carried, to give the new Lands Tribunal, besides its other duties, jurisdiction to determine the development charge on appeals made to it. The House of Commons rejected the amendment and the House of Lords did not insist on it. The development charge thus continues to be fixed by the Central Land Board, without any appeal against its decision. The following are some of the instances quoted in the Lords' debate:—

LORD HYLTON (May 5). A lady owns a small nursing home for elderly persons. Wishing to move into more convenient premises she bought a private residence for £4,700. She was told that before she could use that house as a nursing home she must pay £1,943 as a development charge, said to be based on the difference between the rent (£200) of the premises as a dwelling house and the rent (£330) as a nursing home. Then came the "higgling of the valuation," with solicitors' letters and the rest, the Central Land Board agreeing that £1,000 would be a reasonable charge. Later the Central Land Board intimated that if the lady applied for planning permission limited in time, a further reduction might be made. All this had started eight months before and the development charge was still floating about, the lady not knowing what she would ultimately pay.

By contrast, a commercial college bought two houses for £6,300 and added them to their building. For changing the use of the houses from dwelling to commercial purposes the development charge was £80.

LORD LLEWELLIN (May 5). A house was built in Selby, Yorkshire and a development charge of £144 was assessed. Another house of similar size, a farm house, was made by converting a barn at Paignton, Devon. For that "change in the use of land" the development charge was assessed at £750.

The Union Club is being turned out of its premises in Carlton House Terrace to make way for a Government department. The Club had almost agreed to purchase two private dwelling houses in Grosvenor Square when it learned that to use them as a Club would incur a development charge of £60,000. After argument with the Central Land Board the assessment of the charge was reduced to £35,000.

LORD IDDESLEIGH (June 21) spoke of having turned his stables into a small bungalow cottage. When the

development charge was originally assessed it was so high that he was near abandoning the scheme, but he negotiated with the Valuer and the charge was cut by more than half. "But," as he said, "it is certainly not worth while for the ordinary small man to employ agents. He is likely to say to himself there is no money in his particular scheme and he may as well throw away the plans."

LORD QUIBELL (June 21) instanced the case of a co-operative society which was prepared to buy at about £1 a yard, half an acre of land that had been used by a small firm for joinery manufacture. The society wanted it for a coal yard, but if they used the land for that purpose there would be a heavy development charge amounting, as Lord Quibell understood (although he was not committing himself) to about £1,400. In one corner of the land the existing owner had a small pigsty and chicken-run and the society was told the development charge would arise because of the proposed change of use from pigsty and chicken-run to coal yard.

LORD RADNOR (June 21) knew for certain of four cases where very desirable development had been dropped because the charge imposed was too great, developments by people who are not in the way of employing professional advice (to negotiate a reduction). He quoted a case of his own. He was selling a plot of land for building purposes and put a price on it for its "existing use value." When the District Valuer intimated what the development charge would be, it proved to be approximately 20 per cent. higher than he (Lord Radnor) would have charged for the whole land, including its development value. The Valuer, being interviewed, asked what price was charged for the existing use value and what would have been the total price including the development value? Then he did a small sum, subtracting the existing use value from the total value and assessing the difference as the development charge. But given that there is any sense, system or method in assessing the values as defined in this Act, how did the Valuer, expert man as he should be, arrive at his first figure?

LORD LLEWELLIN, speaking again on June 21, recounted the case of the nine and a half acres of farm land which a commercial firm in Luton wish to take over and turn into a recreation ground for the workpeople. It means putting up a few goal posts. The charge for this change of user from agriculture to a playing field was assessed at £600; but whether the firm went on with the project, buying the land and then paying that development charge in addition, was not stated.

As for the case of the Union Club and the two houses in Grosvenor Square the dispute was now at an end because it appeared that the Government had requisitioned the houses for the use of the Americans in connection with Marshall Aid. The Government cannot itself be charged and, therefore, the Exchequer has lost the £60,000 or £35,000, or whatever was to have been the development charge on these houses.

It is interesting to notice the floundering of the Attorney-General, Sir Hartley Shawcross, in the House of Commons, May 25, and of the Lord Chancellor, Viscount Jowitt, in the House of Lords, June 21, as they tried to explain away or justify the vagaries and the trimmings of some of these assessments. The Union Club got the figure of £60,000 from the Valuer over the telephone without his having the opportunity to make a formal valuation and only having regard to the price (£100,000) the Club said they proposed to pay for the houses. When

the Valuer went into further particulars and details of the premises proposed to be acquired, he made "a proper valuation" (Shawcross); when the Valuer "realised how much it was going to cost to convert these houses and make them suitable" (Jowitt) he came down to the final figure of £35,000. When the Club realised they would have to pay £35,000 in development charge they "were able to indicate" (Shawcross) to the vendors that they were not willing to pay anywhere near £100,000 as the price of the houses. The "true moral," said Shawcross, was that District Valuers are always willing to negotiate these matters. The true moral, in our view, is rather that this crude and absurd legislation, making the Central Land Board an absolute land monopolist, results in the wouldbe developer being charged all that the traffic will bear. If the land price is high the development charge is low, and vice versa. The land is not cheapened. It is as "held up" as ever against the developer and it is ludicrous to suggest that any science of valuation is being practised.

What happened in the case of the nursing home in Bath? (Jowitt) "It was a most worthy lady and a most worthy cause, and the Central Land Board were anxious to help." The Valuer's assessment had worked out at an exact figure of £1,943, but it was dished—for "mercy's sake." The Central Land Board said, "We think there will be more cost of conversion of the premises than has been allowed for, therefore we will make the valuation (italics ours) £1,000." And at the same time a coach and pair was driven through this preposterous Act and its regulations. What sort of an exaction is this in which an official body can say who is worthy and who is not worthy of commiseration?

The Lord Chancellor bored more holes in the conception of the development charge as the price of the permission to change the use of land or as a difference between the land value under restriction and the land value free from restriction. "The cost of the work which has to be done before conversion," he said, "affects the value of the development charge." But that is surely nonsense. Cost of conversion is a capital expenditure which should normally bring its return in interest on the capital invested. It has nothing whatever to do with the rent of the land, and any idea to the contrary at once disposes of the development charge as a "tax on increased land values." Yet on these lines Lord Jowitt attempted to defend the contrast between the £144 charged on the house built at Selby and the £750 charged on the converted barn at Paignton. But he went further. When he was asked what would happen if building costs came down, would not the development charge go up? He was frank in saying that, "It is obvious that a man can afford to pay more for land if he can build a house for £100 than if the house is going to cost £1,000." Thus on high legal authority the Act for its sins is sentenced to death. Lord Swinton at once expressed himself as being greatly obliged to the Lord Chancellor. "One thing that is not going to happen is that the ultimate cost of building, the price of the finished article, which is what matters, will come down. Certainly other developments will be held up and surely development is being held up to-day."

In the House of Commons (May 25) the Attorney-General, Sir Hartley Shawcross, was no more happy in his defences. They collapsed completely with the lame excuse: "These regulations can be amended . . . it may be that as time goes on it will be found desirable to amend

them in order to enable the charge to be effected in accordance with the desirability of development." The murder is out. The Act is twice condemned. What developments may be permitted, what exactions will be levied on developers, rest on the boards and the officials, who themselves decide who is "worthy" and what is "desirable" in their estimation.

On November 17 there was another prolonged House of Lords debate on the Town and Country Planning Act, which we hope to report in our next issue. The examples given of the anomalies and injustices of the development charge were still more striking. The Lord Chancellor was startled into promising a full investigation and has thereby instituted an official enquiry into the operation of the Act. This is all to the good. Better still it is that the agitation has moved beyond the mere demand that the development charge, as fixed by the Central Land Board, should be subject to appeal. The demand is now for the abolition of the charge which is the right course instead of attempting to regularise a levy which in principle is wholly indefensible. The Annual Conference of the Conservative Party, in October last, carried a resolution urging the repeal of the Act. We have no illusions as to their motives nor as to any alternative they are likely to propose, but they will do a service if they get the Act swept from the Statute Book. The road will be the clearer for the wise and just solution of the land problem, which is by the Taxation and Rating of Land Values.

## FRANK FOX

We regret to report the death of Frank Fox, at his home, 23 Cottenham Park Road, Wimbledon, on October 18, after a short but severe illness. He was in his 73rd year and some time ago had retired from business. His long-standing association with the Henry George movement began in Warrington where, as a young man, he was one of the most active spirits in the local branch of the English League for the Taxation of Land Values. His business connections taking him later to London, he soon became a leading member of the English League and co-worker with the late Frederick Verinder, to whom he was deeply attached. Frank Fox's services to his fellow-crusaders in this cause lay in his capacity as a wise counsellor at the meetings he assiduously attended and in the encouragement he gave both by his personal sympathies and his generous financial support; for in later years, at any rate, he reserved himself from the strenuous active propaganda. He was a past president of the English League and it is as a member also of the United Committee, and for his keen interest in and support for its work, that his association will ever be remembered. His unselfish devotion to the public weal in the voluntary service the good citizen is glad to render was recognised in the Order of the British Empire that was bestowed upon him. The funeral service took place in Manchester, where he chose to rest because there the ties of kinship are greatest. Many friends travelled long distances to attend from Colchester, London, Sheffield, Glossop, Moseley and Warrington. Representatives were sent by John Knight, Ltd., Joseph Crossfield & Sons, Ltd., the Warrington Philomathic Society, the Warrington, Widnes and District Society for the Blind, and others. The Henry George movement was represented by Mrs. S. Catterall and Mr. Arthur Weller. To his widow, Mrs. Kate Fox, and to members of the family we extend our sincere sympathy in their bereavement.