

Coalition for Economic Justice: Annual Report April 2018 – March 2019

Member organisations of the CEJ: Henry George Foundation (HGF), International Union for Land Value Tax (IU), Land is Free (LF), Labour Land Campaign (LLC), Land Value Taxation Campaign (LVTC), Liberal Democrat Action for Land Taxation and Economic Reform (ALTER), Professional Land Research Group

(PLRG), School of Economic Science (SES), Taxpayers Against Poverty (TAP). Organisations with observer status: Green Party, Systemic Fiscal Reform Group (SFRG), Young People's Party (YPP) Christian Council for Monetary Justice (CCMJ).

Introduction

This is the tenth annual report of the Coalition for Economic Justice (CEJ). This informal co-operation between organisations, with a common interest in economic justice, began with a seminar held in the House of Commons in March 2009. It has continued to grow and to develop in reach and influence since that time. The CEJ's Steering Group meets regularly and throughout its existence has been able to proceed purely on a basis of consensus.

In January 2018 there was a review of the membership of the CEJ Steering Group (SG) which has changed very little over the last decade. Two new members were welcomed to the SG: Rosemary Attack (Henry George Foundation representative) and Tom Burgess (representing Taxpayers Against Poverty). It was also agreed that the Christian Council of Monetary Justice should move to observer status, reflecting the fact that although Peter Challen remains an enthusiastic supporter he is no longer able to engage actively in the work of the CEJ for personal reasons.

All-party Parliamentary Group (APPG) on Land Value Capture

The formal procedures for establishing the APPG on Land Value Capture were completed in the first quarter of 2018 and the CEJ's role, in acting as the APPG's Secretariat, was endorsed by the parliamentarians who became the APPG's founder members.

There have been some highly significant additions to the membership of the APPG over its first year, enabling it to broaden its base of support in both the Commons and the Lords and the group now has twenty-five members. Conservative MP Neil O'Brien, one of the leading lights in the establishment of [Onward](#), which describes itself as "an ideas factory for centre right thinkers and leaders", joined the APPG LVC

in January. Onward, which published a highly relevant [policy paper](#) in the course of the year, contributed to a growing belief that LVC was attracting support across the party divide. Angus McNeil, Scottish National Party, MP for Na H-Eileanan An Iar also became a member. He lists, amongst his principal policy interests, the “Economics of Small States”. He also became the first ever Chair of the [House of Commons Select Committee on International Trade](#), which was established in 2016.

From the Lords the APPG LVC has gained new members including the hugely experienced and successful parliamentary campaigner Richard Best (Baron Best of Godmanstone in the County of Dorset). He is a Crossbencher and is [acknowledged to be one of the UK’s leading experts on housing finance and policy](#). Lord Best was joined by Lord Greaves - a Liberal Democrat peer – who has a deep interest in [housing policy and local government](#) and brings years of experience, in negotiating the rapids of Westminster and Whitehall, to the APPG LVC.

As the first year of the APPG LVC’s existence drew to a close there was another highly significant recruit to its membership: Helen Hayes, the Labour MP for Dulwich and West Norwood. Helen made her commitment to land value capture even clearer when she introduced a 10 minute rule bill, the [Planning \(Affordable Housing and Land Compensation\) Bill 2017-19](#), in February 2019.

The APPG LVC’s programme of work for 2018 began with calls for contributions to Oral Evidence sessions. The first of these was held in March, on the role of Land Value Capture in Devolved Tax proposals. It was subtitled ‘The City and Metro Mayor’s Conference’, and it attracted a good deal of support and attention. James Palmer, the Mayor of Cambridgeshire and Peterborough, came to give evidence. He was joined by Tom Copley AM, who spoke on his own behalf and that of other GLA Labour members. Tom served as the rapporteur for a striking and widely read report on framing an LVT for London – [Tax Trial \(Greater London Authority\)](#). The third main contributor was David Carter, Director of Infrastructure for the West of England Combined Authority. All of the witnesses made considered and highly persuasive presentations in support of reforming the policies and practices that currently inhibit local authorities in their efforts to intelligently and fairly finance development and assembly of sites – for residential as well as other uses - in the public interest.

The second Oral Evidence session, held in May of 2018, focused on the 1961 Land Compensation Act, public land banks and community land auctions. Most of the witnesses concentrated their fire on the 1961 Land Compensation Act and the urgent need for its reform. The panel of witnesses included: Tom Aubrey (Advisor, Centre

for Progressive Policy), Daniel Bentley (Editorial Director, Civitas: Institute for the Study of Civil Society), John Lipetz, Ed Randall and Andrew Purves (Coalition for Economic Justice), Rose Grayston (Shelter) and Dr Nicholas Falk (Urbed Trust). The oral evidence session led to a great deal of subsequent work being undertaken by the APPG LVC and powerfully influenced the APPG's first publication as well as its work programme for 2018-2019.

The third Oral Evidence session was exceptionally wide ranging and ambitious and took place in September 2018 under the title of: Economic efficiency, fiscal stability and inter-generational equity of shifting tax from income to assets (property and land). This session, like its predecessors, heard from individual witnesses as well as taking detailed written submissions. Among the contributors giving evidence - in person and/or in writing – were: Reverend Paul Nicolson (Taxpayers against Poverty), Fred Harrison (Land Research Trust), David Triggs (President, International Union for Land Value Taxation and Free Trade), Professor John Muellbauer FBA (Nuffield College, Oxford), Liz Emerson (Inter-generational Foundation). This third and final oral evidence session, of the APPG LVC's first year, underpinned the production of the APPG's inaugural report, which was compiled for the APPG by the CEJ's APPG Secretariat, made up of: Joe Bourke, Rob Blakemore, Ed Randall and Peter Bowman.

The APPG LVC report was entitled: [Capturing Land Value for the Public Benefit](#). It was published at the beginning of November, 2018 with a public launch at Church House Conference Centre, Westminster. The event was attended by three leading parliamentarians who strongly supported the activities of the APPG LVC throughout the year: Rt Hon Sir Vince Cable MP, David Drew MP, and Caroline Lucas MP. The launch itself was followed by a highly informative lecture and seminar led by Professor Ted Gwartney, an [international authority on land valuation](#) and the assessment and collection of public revenue from land values. Ted spoke about the capture of land value, for the public purse, drawing on his experience - as an assessor and administrator - with an intimate knowledge of tax collection in British Columbia, Canada and the USA.

The APPG LVC's Annual Reception and Networking Event, for 2018, took place at Portcullis House on 17th December. Speeches from Andrew Dixon, Nick Boles MP, Sir Vince Cable MP, David Drew MP, Lord Best and Caroline Lucas MP boosted the spirits of all those who attended and included praise for the APPG's inaugural report. The occasion left all those present even more determined to advance the work of the APPG in 2019.

The APPG's AGM was held on 27th March and confirmed the programme of work for the year. Three strands of work were identified. The first concerns the development of an effective communications strategy for the APPG. A draft plan for a communications strategy has been produced by Rob Blakemore (with the assistance of Tom Burgess). The second strand of work focuses on Reform of Land Compensation Legislation. A number of organisations, such as Shelter, Civitas, and the Centre for Progressive Policy, are working together on this and a meeting is scheduled for late May with a particular emphasis on the production of a draft reform bill to amend existing legislation governing land valuation and CPO policies. The third strand concerns: Reform of UK Domestic and Commercial property taxes. The HoC Treasury Select Committee began an [inquiry into the effect of Business Rates on businesses](#) early in 2019, following the publication of a HCLG Select Committee report on the [future of the High Street](#) in which great concern was expressed about their negative impact. The APPG has made a submission to the inquiry, based on proposals for reform of business rates set out in the APPG's own Land Value Capture report. Further work on these issues will be undertaken in the year ahead.

The APPG website, a subpart of the CEJ website, has been extensively updated with photos, audio recordings, and transcripts of the APPG LVC's meetings by Rob Blakemore. The site includes reports from the APPG, and includes an up-to-date list of APPG MPs and Peers, along with their party affiliations. The work can be viewed at www.c4ej.com/appg.

Commercial Landowner Levy

A team led by Andrew Dixon had begun work preparing a report on reform of business rates early in the year, consulting extensively with members of the CEJ Steering Group. The report, which was published in August 2018, recommends a [Commercial Landowner Levy](#).

It was a high quality report that benefited greatly from the [quantitative analysis and modelling undertaken by Dominic Humphry](#), which for the first time clearly identified who the winners and losers were likely to be if the Business Rate was converted from the present system to one based on land values. The report received quite a lot of publicity and was adopted as Liberal Democrat policy at that party's annual party

conference in early September. Reference to the report was included in the APPG LVC's inaugural report.

Andrew and his team are now undertaking a similar review of Council Tax. They are preparing an outline proposal for discussion and plan to begin consulting on it in June 2019.

Old Oak and Park Royal Development Corporation (OPDC)

Following up a reference to the OPDC as a potential location for a land value tax trial in London, which was included in Tom Copley's 2016 report on LVT, a CEJ working group, the CEJ OPDC working group, was established to explore the AM's proposal and the future of the OPDC. They concluded that although an LVT wouldn't be practical for the OPDC area alone the OPDC offered a good opportunity to capture land values for the public benefit. The CEJ's OPDC working group's report, [Let's Supercharge the OPDC](#), was published in March 2018 together with a [summary pamphlet](#) that generated some wider interest.

On June 12th the group met with Liz Peace the Chair of the OPDC Board and the OPDC's recently appointed commercial director Ben O'Neill. The working group's report appeared to have received a sympathetic reception but it became clear that the top brass at the Development Corporation did not believe the OPDC was sufficiently well resourced to commit to the 'bold strategy' the CEJ's OPDC working group advocated.

In November the working group members met with Jo Rowlands, Strategic Director for Growth and Place at Hammersmith & Fulham Council and with her LBH&F assistants. It was noted that the largest part of the OPDC Old Oak core development area lies within the London borough of H&F. And, what emerged from the meeting was persuasive evidence that Director Rowlands had a very clear appreciation and understanding of what would be needed for any Mayoral Development Corporation, to succeed: it would need to have control of both land and finance in order to meet core development goals. Despite its status, as a planning authority and a Mayoral Development Corporation, the OPDC appeared to lack both the finance and land to be confident of success. Shortcomings that the CEJ OPDC working group believe can and should be challenged.

With the help of Luanne Tranchell, a meeting was arranged between Stephen Cowan, Leader of Hammersmith and Fulham Council, and members of the CEJ OPDC working group. Stephen Cowan (in his role as LBH&F Leader) serves on the OPDC Board. The meeting was very positive, and a number of suggestions for follow up work were made - although they have proven difficult to implement. Nevertheless, a further meeting with Jo Rowlands has now been arranged and a request for a meeting with London Mayor Sadiq Khan remains under consideration. It is hoped that a meeting with the London Mayor will make it possible to underscore just how critical strengthening the CEJ is to meeting targets for the construction of affordable homes in London. Meanwhile the CEJ notes that the OPDC has received £250 million from the Housing Infrastructure Fund so that it can proceed with key development work at Old Oak.

Scotland and Wales

The CEJ has maintained a close interest in developments in Scotland and Wales; both countries have the potential to become exemplars for radical and progressive tax reform. The Scottish Land Commission (SLC), established in April 2017, has proven to be an effective organisation for promoting research into and interest in land reform in Scotland. It has also taken a particular interest in investigating how best to capture land values for the public benefit.

In April 2018 the SLC published a report, [An assessment of historic attempts to capture land value uplift in the UK](#), which had been written by a team from Heriot-Watt University. The report highlighted historic failures to capture significant value uplift upon the grant of planning permission for development (the current mechanism in the UK) and indicated the failures were primarily due to the absence of political consensus supporting the various iterations of public policy on planning obligations. The SLC report recommended clarification of the valuations to be applied in the case of compulsory purchase (market value in the case of the UK as opposed to existing use value in many other European countries) and recommended that value capture mechanisms in the UK should be implemented at local level, with the proceeds remaining with the local planning authority. The report concluded that: “There is therefore a case for considering the use of recurrent land value taxation as a complementary means of capturing land value uplift.”

In December 2017 the Commission had called for tenders to undertake research and prepare a report on the potential for land value taxation in Scotland. A team led by Steering Group member Andrew Purves bid for the work but was unsuccessful and the tender was won by a team from the Henley Business School (part of the University of Reading). Their report [Investigation of Potential Land Value Tax Policy Options for Scotland](#) was submitted to the SLC in July but not published until December 2018. It was equivocal in its conclusions. It began by acknowledging that “adjustments in the mechanisms for land and property taxation will be an essential piece of the puzzle in delivering this vision” (to reform the system of land ownership and functioning of the land market in Scotland). However, it concluded: “this research has not produced evidence sufficient to provide an assurance that a(n) LVT would deliver the SLC’s objectives in Scotland, despite the considerable potential benefits suggested by economic theory”. Despite this assertion, four options were identified (including a single LVT to replace all existing property taxes) to reform property taxes “in order to introduce a more progressive and equitable system which has the potential to deliver land reform objectives.” The overall impression from the report’s authors was that while they were sympathetic to LVT, they found the idea of implementation too difficult to contemplate.

Meanwhile the [Scottish Land Revenue Group](#) has continued to be very active with Duncan Pickard having letters published, particularly in the farming press.

In November 2018 Mark Drakeford took over as First Minister of Wales and Leader of Welsh Labour. Back in 2012 he had been quite keen on land value tax and had led a debate on the subject in the [Welsh assembly](#). More recently the Welsh Government issued proposals for a vacant land tax. And, at the end of September 2018, Welsh Assembly member Adam Price was elected leader of Plaid Cymru. Adam has also shown interest in using land values for public revenue. His radical [10 point plan for Wales 2030](#) includes shifting taxes from labour onto land values and refers to research undertaken at Dr Rhys ap Iwan at Bangor University on the [revenue that could be obtained from taxing land values](#).

Work with Other Organisations

Land Justice Network

This organisation has a general interest in land reform, and the CEJ has a number of shared interests with it. Robin Grey leads a touring show called “3 Acres and a Cow”

which effectively uses story and song to educate audiences about the history of our relationship with the land in England. Guy Schrubsole has been doing excellent work on investigating land ownership in England culminating in the publication of his “Who Owns England” in April 2019. The publication has attracted a lot of attention and has been effective in opening up the debate on the role of land in the economy.

Institute of Public Policy Research (IPPR)

The IPPR had been working on a Commission for Economic Justice (another CEJ acronym!) for two years and published their final report [Prosperity and Justice](#) in October. There had been some engagement with the IPPR and submissions from members of the Steering Group to the other CEJ. Luke Murphy’s report on [The Invisible Land](#), although it appeared quite late on in the work of the Commission made a significant contribution to the final publication in drawing attention to the continued importance of land in the economy and the section on [Reforming the taxation of wealth](#) had sensible ideas for reforming Business Rates and Council Tax. The IPPR has subsequently set up a Centre for Economic Justice to carry on the work.

Open Meetings

The CEJ has continued its tradition of inviting guest speakers to Open Meetings once a term.

In June 2018 Steering Group member Joe Bourke used the opportunity to speak about the All-Party Parliamentary Group on Land Value Capture. Joe gave some very useful background on the nature of APPGs as well as spelling out the particular rationale for the formation of one on Land Value Capture. It should be said that Joe’s energy, drive and effective organisational skills have played a big part in not only getting the APPG launched but in seeing it through its first year and the publication of its first inquiry report.

In November 2018 our speaker was Ted Gwartney. Ted is a very highly respected professional valuer of land with considerable professional experience in Canada and the United States. He joined us as part of a visit to London . He gave a number of talks, including at the launch of the APPG’s report on Land Value Capture and engaged with parliamentarians. Having given a number of formal presentations it was good that Ted took the opportunity the CEJ open meeting offered to engage more informally and to answer questions and share his insights.

In February 2019 Dominic Humphrey joined us. Dominic was part of Andrew Dixon's team, responsible for the Commercial Landowner Levy proposal. Dominic recently completed a Master's degree at UCL in land valuation and has demonstrated his great skill in using modern data analysis techniques to value sites for both domestic and commercial properties. This had enabled quantitative modelling to be undertaken, which has not been available before. Dominic shared his passion for the subject with us and his work exemplifies a different approach, in the search for economic justice, of a younger generation able to talk about principles and policies AND to share data that in a way that seems to make the data speak for itself.

Conclusion

Looking back this has been another successful year. In particular the APPG's Land Value Capture Inquiry and the OPDC project have provided opportunities to engage with politicians and policy makers in a direct way. This has been at a time when there has been a growing awareness of the significance of who is capturing land values and impacts on the health of the economy and on the housing crisis in particular. Any progress the CEJ projects have made has been down to the hard work and dedication of the Steering Group members and the support of the member organisations who continue to do excellent work in their own right. By continuing to work together co-operatively the movement has been greatly strengthened. A special thanks also goes to the School of Economic Science which continues to provide an invaluable central location for Steering Group Meetings to take place and without which it would be very difficult for the Coalition to operate.

Peter Bowman

Chair of Steering Group

Coalition for Economic Justice

May 2019