

## If Javid is going to tackle wealth he has to do so stra...

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Politics Home [has reported](#) that:

*[A]ccording to the [Sunday Telegraph](#) two separate sources have confirmed that raising more tax from better-off homeowners had been discussed on separate occasions in the past few weeks at the highest -levels of the Treasury and Number 10.*

The newspaper said that could manifest itself in a “recurring” wealth tax which would primarily affect London and the South East.

It would either be introduced in the form of a levy, as per Mr Miliband’s plan, or with an additional higher band of council tax.

The Budget on March 11 will be Sajid Javid’s first since becoming Chancellor, and he is [believed to also be looking at cutting pension tax relief for higher earners](#), which could raise an extra £10 billion a year.

This could, of course, be nonsense. Or a complete red-herring. I have also heard that they are looking at cutting corporation tax and raising VAT. All this may say is that a new Chancellor is looking at all options. And why not?

But suppose there is some truth to this. If it was to be done then Machiavelli would certainly suggest now to be the time to do it.

And who would actually object? We know what the Telegraph, Mail and Express would say if Labour did this, but Labour are nowhere near office for at least five years. As a consequence, the question is so what if they protest? What can anyone do about it? The Tories know that the answer is 'nothing'.

So let's presume that this might happen. The logic is still flawed.

First, it's being done with an aim to balance a budget. And the last thing we need is a balanced budget.

Second, the benefit of higher property taxes goes very largely to those areas in the south-east that already have the greatest council income that have faced fewest cuts. In other words, a little local redistribution might take place there, but the fundamental problems of funding council services in those areas most dependent upon them remain.

Third, the real problems of wealth inequality are not addressed, and only fundamental reform of inheritance tax and, ultimately, its replacement can do that.

Fourth, other glaring issues, like income from investments being taxed at much lower rates than income from work will not be addressed.

And fifth, pension reforms would be welcome, but again are only a step in the right direction.

So is this really an answer to anything very much or just a tinkering at the edge that does nothing, especially if council and property taxes are the focus, to really tackle inequality and the problems it creates, which is the reason why wealth must be taxed? My answer is no, perhaps unsurprisingly. And because that is all too easy to spot what it seems Sajid Javid may be doing is planning to do is to follow the great Tory Chancellor tradition of the last ten years or so in announcing measures that collapse in a heap of ignominy minutes after they sit down from delivering their speech.

I stress, we need wealth tax reform.

And I would welcome pension tax relief changes.

And I don't deny our property tax system is a wholly unjust mess.

But the reforms are going to have to go somewhat further than stated, and have quite different motives, for them to work. And that's why I have my doubts. This looks like small-minded thinking and not strategic reform, and the latter is what we require.