

If you were prime minister for a day, what would you change?

8 Apr 2022 | by James Riding

Bold policy ideas from industry experts, politicians and researchers



Before the invasion of Ukraine, which has rightfully taken precedence on the prime minister's agenda, the government was looking adrift. "What is the point of Boris Johnson?," asked *The Atlantic*.

There is, of course, Johnson's policy of 'levelling up' to tackle regional inequality. But as February's [levelling up white paper made clear](#), government is not prepared to put forward any more money for regeneration projects than it has previously committed. Private sector investment will be crucial.

The prime minister would do well, then, to listen to what the property industry thinks. With that in mind, *React News* asked real estate experts from across the UK as well as MPs, councillors, researchers and lawyers one question: If you were prime minister for a day, what's the one thing you would change about government policy?

The variety of the answers was remarkable, encompassing everything from precise policy tweaks to speeding up decision making, to calls for sweeping electoral reform. Here are some of the most striking and thoughtful: we hope the PM takes note.

A proper affordable housing programme

The UK's housing shortage is exacerbating generational inequality, financial instability and even falling fertility. Clive Betts, MP for Sheffield South East and chair of the levelling up select committee, says his one policy change would be “a proper affordable housing programme.”

“Combine it with land value capture and it pays for itself,” he says. “People have new homes, developers have profits, and farmers have made the most money.” Betts believes it is not the case that developers are against the idea of such a programme – they are “actually agnostic” – and there is “a lot of support” across the house from both Labour and the Conservatives for it.

More power to local government

Passing down powers from central government to local government is a cornerstone of Michael Gove's levelling up white paper – and a common concern from respondents.

“It's really difficult when you're looking at a spreadsheet [to work out] where we should prioritise infrastructure investment,” says Jonathan Webb, a senior research fellow at the Institute for Public Policy Research in Manchester. “It's not just a case of what the numbers say. I'd try and make sure that we really do policy differently and find ways to get people affected by these issues to represent what they're saying.”



Areas with mayors, such as Greater Manchester's Andy Burnham, should get 'double devolution'

Cllr Philip Broadhead, Conservative deputy leader of Bournemouth, Christchurch and Poole (BCP) Council, says he would push for more local authorities to have financial autonomy "so we're not coming to government with a begging bowl all the time". BCP was able to unlock the value of its beach huts by setting up an SPV to buy them, for example. This was not an easy process, says Broadhead – but "government could make it easy," especially if it "provided more flexibility" on mechanisms that can unlock the value of assets while maintaining their ownership.

Cllr Darren Rodwell, Labour leader of Barking and Dagenham Council, says: "I would give more devolution because the most proactive, responsive and financially efficient [body] is local government. Where we've got mayors, I would do double devolution."

A national retrofit strategy

One in six tonnes of carbon emitted in the UK comes from our homes. Julie Hirigoyen, chief executive of the UK Green Building Council, says we need a national retrofit programme, which would deliver housing that is "warm, cheaper to heat [and] more resilient."

At a time when energy bills are soaring, Hirigoyen says "cutting dependence on gas to heat homes will help shield households from volatile heating bills, eliminate fuel poverty and boost our national energy security." Upgrading the UK's 29m homes will also "create 500,000 green jobs up and down the country

thereby contributing to the 'levelling up' agenda, as well as cut the NHS's annual bill of £1.4bn spent on treating those affected by poor housing," she adds.

John Alker, head of sustainability at Legal & General Capital, agrees, saying that "the country is not going to hit its net zero commitment without a major policy change that **incentivises people to retrofit their home.**" He proposes linking stamp duty to home energy performance, coupled with support for those struggling to pay their energy bills. "The best way of guarding against rocketing prices in the long-term is to significantly reduce demand in the first place," he says.



The UK's 29m homes must be fitted with upgrades such as heat pumps to reach net zero

Abigail Dean, global head of strategic insights at Nuveen, says she would introduce transparency legislation that would force people to disclose how much energy buildings are consuming. This would "enable owners to access consumption data" and "could really stimulate the movement to net zero carbon."

Alex Green, director of Icen Futures at Icen Projects, says taking a longer-term approach to planning and regulating for net zero is "particularly critical" for the built environment. "Give industry an early view of what will be required of it up to 2050 and it can confidently plan and innovate for a sustainable future," he says. "Incremental policy changes delivered in isolation can lead to abortive work. 30 years isn't a long time in the context of long-term investment and development cycles."

Take mayors out of politics

Ros Morgan, chief executive of the Heart of London business improvement district, says the mayoral role – of, for example, Sadiq Khan in London and Andy Burnham in Greater Manchester – shouldn't be a political role. “As much as Sadiq has had many successes,” she says, “he has been hindered by the political game that's played.” Morgan cites [Transport for London](#) and cutbacks to the budget of the Met Police as examples.



Sadiq Khan 'has been hindered by the political game'

“Originally they did look at whether it could be a non-political role,” she says, “but then the question was ‘who would vote them in?’ My attitude was ‘Don't.’ You appoint an ordinary role where you say ‘you're in charge of London, here's your budget, now go and run it as a business.’ That would make a big difference” and help to get things done much faster.

Reform the electoral system

Kersten Muller, head of real estate at Alvarez & Marsal Tax, feels we need to change a culture where the majority of people living in the UK see their home as an investment and renting as a stepping stone to owning. “All the initiatives of the last few years have been encouraging more home ownership,” he says. “The stamp duty holiday, the help to buy scheme, mortgage guarantee – they have all been fuelling the housing market.”

A culture change like this starts, Muller says, with “the language that is being used for the people who own property, and giving some more political certainty.

That will start de-risking it, which means the people who really need to come into the sector – pension funds, insurance companies, big time investors – feel more comfortable and willing to accept risk-adjusted returns. As soon as it goes up the risk scale, or [we have a change of housing minister](#) and the housing minister says something different, that's what puts the risk on. Then people say, "Well, I want the risk premium on my return."

Stuart Andrew is the 15th housing minister since 2005

Peter Cosmetatos, CEO of Commercial Real Estate Finance Council (CREFC) Europe, goes further, saying the current political system cannot provide stability in the market. "There is an urgent need to create a framework for the kind of very long-term decisions – infrastructure and how we provide for an ageing population, most obviously – that the election cycle makes elected governments very bad at dealing with," he says.

We need to "move away from an electoral and political system dominated by two large parties that seem to have lost their way, where the votes of far too many people are more or less irrelevant...and where a culture of polarisation and confrontation...is reinforced." But how? Cosmetatos has a bold solution: "Can we replace the political class entirely with a "political service" equivalent of jury service, please?"

Turbocharge planning departments

Last year a survey by Lambert Smith Hampton found that the current planning system is the [largest single obstacle to residential development](#), so it's easy to see why the industry has strong opinions on it.

Ian Fletcher, director of real estate policy at the British Property Federation, says his one change as prime minister would be “proper funding of local authority planning departments.” A recent House of Lords report said spending on planning has reduced by 15% over the past decade at a time when government has sought to double housing numbers and respond to a decade of significant structural change in the way we use employment land.

This lack of resource is leading to longer timescales and increased risk, narrowing the field of developers and stopping projects coming forward. Communities also lose out, with planners having less time to devote to training and “the more creative and strategic” aspects of their role. “My experience of local planners is that they genuinely want to do the best for their communities and to be attuned to their needs,” Fletcher says, “but without appropriate resource they are running to stand still.”



Michael Gove has vowed to ‘tidy up’ the planning system with forthcoming levelling up legislation

Victoria du Croz, head of planning and a partner at Forsters law firm, would also increase funding to local planning authorities to enable “compulsory training to all planning committees so they have a better understanding of the statutory basis for determining planning applications.” This, she says, would reduce the number of decisions overturned on appeal or through judicial review and would lead to “greater faith in the local decision making process both from members of the public and developers.”

Kersten Muller says there should be “more joined up thinking” between local and central government around identifying where there is a need for

developments. Often a local council rejects a block of flats on the basis that residents don't want it there. "That gets dragged through the planning system, there are various appeals, at the end it gets overwritten," he says. The amount of time it takes to go through "costs money – so, who's funding that?" and increases the risk, "which means it's less likely that people will want to invest into it."

As well as better identifying sites, government should be "engaging the local population early on, rather than springing it on them...to make sure that people understand why something might be planned and taking into account any views that people might have."

David Jackson, head of Savills Earth, has a specific proposal: scrap Footnote 54 of the National Planning Policy Framework, which has made it "really hard" to obtain planning permission for onshore wind farms in England. "Since it was introduced planning permission for wind farms dropped by 96%," he says.

Lift empty property rates

David Melhuish, director of the Scottish Property Federation, imagines himself as First Minister Nicola Sturgeon for a day: "I would work with the property industry to grapple with the renewal of our major towns and cities after the pandemic, including [lifting empty property rates](#) for landlords unable to let and the reuse of older commercial property stock that will struggle to transition to net zero carbon emissions."



If he were Nicola Sturgeon, David Melhuish would lift empty property rates

The current situation in Scotland, Melhuish says, means that investors and property owners are expected to take “effectively peppercorn rents even for some city central buildings” due to the threat of empty property rates. “This will undermine investment, regeneration and ultimately the government’s own revenues should the revaluations assess the passing rent.”

“You have to take some pain to grow again”

Matt Arnold, director of external affairs at the Heart of London Business Alliance, says he would [reform business rates](#), a massive bugbear for the retail sector: “We need something for the 21st century [and] it’s just not in line with what our businesses need.”

James Webb, a partner at law firm TLT, agrees: “Retail is fighting headwinds, and those headwinds need to be acknowledged by government. Retail needs to be incentivised, and sometimes you have to take some initial pain to grow something again.”