



# Election 2024

The Carter Jonas guide to the manifestos

Carter Jonas

## Introduction

Ahead of the General Election on 4 July, we have assessed the manifestos of the Labour, Liberal Democrat and Conservative parties against four key themes of relevance to the property sector:

### Theme 1: Unlocking the housing market

through planning policy and improving the supply of rental properties

### Theme 2: Delivering infrastructure

to underpin economic growth and enable development

### Theme 3: Nurturing our natural environment and boosting the rural economy

through the tax system, biodiversity net gain, and longer term sustainable agricultural policy

### Theme 4: Increasing the rate of economic growth

and enabling development in a fair and sustainable way

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Unlocking the housing market

Theme 2:  
Delivering infrastructure

Theme 3:  
Nurturing our natural environment and boosting the rural economy

Theme 4:  
Increasing the rate of economic growth

**Theme 1:**

**Unlocking the housing market**

## Theme 1: Unlocking the housing market

### Housing development and delivery

Housing delivery has been underwhelming, with an average of just under 180,000 homes per annum achieved over the last 14 years, compared with a target of 300,000 homes. A key challenge for the next government will be to raise the rate of delivery - not only of new build homes for sale but also new build for rent.

“A key challenge for the next government will be to **raise the rate of delivery**”

### Labour

- A **target of 1.5 million homes** built within the first five years (in line with the current target). While this target is lower than the Liberal Democrats and Conservatives have proposed (see below), the Labour target will be mandatory.
- A **brownfield first approach**, but acknowledging that brownfield development alone will not be sufficient to achieve housebuilding targets.
- A commitment to **preserving the Green Belt**, but taking a more strategic approach to Green Belt land designation and release in order to build more homes in the right places. Prioritising building on ‘grey belt’ land but with a clear pathway to how this can be achieved with local communities and authorities on board.
- **Develop new towns** alongside urban extensions and regeneration projects.
- **Update the National Policy Planning Framework** within the first 100 days of Government by ensuring authorities have up to date Local Plans. Provide 300 additional planning officers across all local authorities (an average of less than one per local authority), funded through increasing the rate of the stamp duty surcharge paid by non-UK residents.
- Introduce **new mechanisms for cross-boundary strategic planning**, with all Combined and Mayoral Authorities to strategically plan for housing growth in their areas using new planning powers.
- Further **reform of compulsory purchase compensation** rules to improve land assembly and infrastructure delivery and “ensure that for specific types of development schemes, landowners are awarded fair compensation rather than inflated prices based on the prospect of planning permission.”
- **Abolish the legacy EU ‘nutrient neutrality’ rules**
- **Prioritise the building of new social rented homes** and better protect existing stock by reviewing the increased right to buy discounts introduced in 2012 and increasing protections on newly built social housing.

### Liberal Democrats

- A **mandatory target of 380,000 homes per annum**, of which 150,000 would be social housing. This is over 25% higher than the current Government target and is to be achieved by delivering 10 new garden villages. However, there is no detail on where these will be located or how they will implement delivery and require local councils to meet their housing targets.
- **Invest in skills** in the construction sector through new technology.
- **Encourage development of existing brownfield sites** through financial incentives.
- **Expand Neighbourhood Planning** across England and allow local authorities to set their own planning fees to improve planning outcomes in high flood risk areas.

### Conservatives

- **Deliver 1.6 million homes** in the next Parliament, or 320,000 homes each year. This is slightly ahead of the current target of 300,000, and a substantial 60% increase on the target set in the previous manifesto. It is also nearly 80% higher than delivery rates over the last 14 years.
- **'Fast-tracking' new homes through the planning system** on brownfield land in urban areas in the UK's 20 largest cities. No detail is provided on what this means in practise.
- **Raise density levels in inner London** to those of European cities like Paris and Barcelona.
- No change on the current **Green Belt** policy, which commits to protecting it from uncontrolled development, while ensuring more homes get built where it makes sense, such as inner cities. There will be no requirement to remove land from the Green Belt for development, despite a pressing need to deliver some new housing in these areas, often ones with the most acute affordable housing shortages.



## The Carter Jonas view on housing delivery

Greater housing delivery can only be achieved by helping to unlock and unblock the currently cumbersome, complex, and expensive planning system. Housing targets need to be backed up by well thought out plans on how to actually achieve these figures. For example, the number of construction contractors and workers that would be needed to build 300,000+ homes needs to be addressed.

Taken together with other measures to try and ensure there is proper cross-boundary strategic planning, we believe **Labour's** proposal offers some hope for an uptick in new homes being built. Both **Labour** and the **Liberal Democrats** are proposing new settlements as part of the solution. However, all the evidence is that these are difficult to bring forward



and will take decades to deliver, relying on local authority and local community buy-in, with benefits offered to local authorities when they accept new housing. This has not been overwhelmingly successful under the current government with CIL and the new homes bonus used as current incentives. In any event, there are not enough planners or practitioners with the necessary experience to deliver these projects. What's more, the water, power, drainage, and transport

needed to deliver these large-scale developments would need to be heavily publicly subsidised, which is unlikely to be affordable at the scale needed or in a sensible timescale in some areas.

**Labour** has maintained its position on some form of land value capture, which is consistent with pronouncements made over the last 18 months, but it should be remembered that once a range of existing contributions are taken

“Housing targets need to be backed up by **well thought out plans** on how to actually achieve these figures.”

into account, a significant amount of landowner value is already dissipated, and there will be a limit as to what can be secured before compensation becomes ‘unfair’. The **Liberal Democrat** proposal to allow councils to buy land at existing land value (presumably with compulsory purchase powers) will be extremely controversial with landowners, and one can expect protracted legal disputes.

### Helping first time buyers

#### Conservatives

**Hold the threshold for FTB stamp duty** at £425,000 (it was due to end March 2025) and introduce a new Help to Buy scheme.

#### Labour

Introduce a permanent and comprehensive **mortgage guarantee scheme** for FTBs.

These policies are focussed on the demand side, and only serve to fuel demand in the housing market. This means house prices will continue to rise, putting prices further and further out of reach of FTBs, even with a H2B scheme or lower stamp duty.

### Improving the rental market: supply and tenant rights

The state of the private rented sector urgently needs to be addressed by the incoming government. Rental price growth over the last two to three years has been unsustainably high with some areas of the country witnessing 25% growth in just the last two years (the UK average is a 16% increase since Spring 2022).

Tenant rights have also been high on the agenda, particularly with the Renters (Reform) Bill which has been going through parliament since 2023. And although it did not make it through passing before government was dissolved, most indications are that whichever party is in power will pass some or all of this bill.

Along with tenant protection, addressing the issue of supply in the private rented sector would go some way to helping ease the rates of rental growth witnessed over the last few years. However, no party has explicitly stated any

#### Labour

Introduce a **'Renters Charter'**. This is similar to the Renters Reform Bill, in that Labour is looking to abolish no fault evictions.

#### Liberal Democrats

**Ban no-fault evictions** and make three-year tenancies the default. Introduce a 'Rent to Own' model for those in social housing - but this does not address the private rented market.

#### Conservatives

**Hold the threshold for FTB stamp duty** at £425,000 (it was due to end March 2025) and introduce a new Help to Buy scheme.

policies that would encourage private landlords or institutional investors to remain in or enter the market.

### The Carter Jonas view on no-fault evictions

The abolishment of no-fault evictions (or 'Section 21' notices), allowing landlords to terminate tenancies without providing a reason, remains a contentious proposal. Most of these types of notices are only given for severe rent arrears or anti-social behaviour. We remain concerned that the loss of this option may further deter or drive landlords from an already tightly supplied market. The time taken to take these issues to court has also been rising dramatically recently, and these measures will only exacerbate this problem.

While we have seen that some party policies do recognise that landlords' circumstances can change and therefore there is an intention to introduce a measure for those who wish to sell or move family into the property (this is in the Renters (Reform) Bill, for example), the exact implementation of this type of measure is not yet clear.

**The private rented sector (PRS) in the UK is largely a fragmented system dominated by individual landlords. However, many of these landlords, whether accidental or purposeful investors with small or large portfolios, are increasingly finding the sector unattractive.** Reduced tax relief, rising mortgage rates, stagnant house price growth, and cumbersome, expensive legislation all create a disincentive for both entering and remaining in the PRS.

To help incentivise landlords we would encourage a system of tax relief for buy to let (BTL) mortgage holders and mortgage interest costs prior to tax on profit. This would at least bring in line BTL mortgage holders with tax relief realised by almost any other business in the UK.

Furthermore, we would discourage rental caps / rent control as a way to ease rent inflation. Rent caps may discourage landlords from renting if they can't raise rents in line with their increased mortgage costs or market

demand, which could further erode overall supply in the market if they decide to sell. Landlords may also be less inclined to invest in repairs and maintenance and in extreme cases they can lead to a rental black market which is, of course, unregulated.

Instead of rent caps, the government should focus on increasing the available supply; incentivisation for landlords is much more beneficial for the sector as a whole.

Both Labour and the Conservatives have said they will not bring in rent controls or rent caps. In Labour's manifesto they have said that they will 'empower tenants to challenge unreasonable rent increases' but there is no indication on how this would be achieved. Previously the Liberal Democrats have said they would 'ensure rents can only increase by a fair amount each year' but there was no mention of this policy in their manifesto.



**“Instead of rent caps, the government should focus on increasing the available supply.”**

### Reforming the tax system

We had hoped to see some reform to the UK tax system that would boost the housing market further, particularly at the top end. For example, removing the upper layers of Stamp Duty Land Tax (SDLT) or a reversal of the changes to non-DOM status (they should pay Capital Gains Tax and Inheritance Tax in the same way as UK citizens on UK assets but not on their global portfolio). We have not seen anything in any of the major party manifestos that addresses this though.

Labour have however said they will increase the rate of stamp duty surcharge paid by non-UK residents, and will prevent entire residential developments being sold to international investors.



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**Theme 2:**

**Delivering infrastructure**

## Theme 2: Delivering infrastructure

Infrastructure is a vital ingredient for economic growth and most large-scale residential and commercial development is predicated on new or improved transport and utility provision.

Delivering long-term infrastructure investment beyond five-year political cycles is key, requiring consistent policy across multiple Parliaments, together with a more coherent and joined up approach across government and beyond. This can increase private sector investment and help consumers in their decision making. It is vital that policy offers a more 'joined-up' approach and long-term certainty to delivering infrastructure.

### Labour

- **Greater power for Mayors** to create 'unified and integrated' transport systems.
- Develop a **10-year strategy** to improve transport, digital connectivity, and other critical infrastructure, aligned with the industrial strategy and regional development priorities, and working closely with business.
- Create a new **National Infrastructure and Service Transformation Authority**, bringing together existing bodies, to set strategic infrastructure priorities and oversee the design, scope, and delivery of projects.
- Establish '**Great British Railways**' to deliver a unified rail system, responsible for investment, day-to-day operational delivery and innovations and improvements for passengers. Increased involvement of Mayors, and a duty to increase rail freight. Bring railways into public ownership as contracts with existing operators expire or are broken.

### Liberal Democrats

- **Devolve greater decision-making powers** and resources to local authorities in England.
- Establish a new **Railway Agency** to join up the industry.



### Conservatives

- Focus on **speeding up delivery** through the planning process, including reducing the average time it takes to sign off Nationally Significant Infrastructure Projects (NSIPs) from four years to one.
- Reduce the cost of infrastructure through quicker changes to consented projects and ensuring National Policy Statements are regularly updated. Further reforms to the planning system, including to the environmental impact assessment regime to speed up infrastructure planning decisions.



### The Carter Jonas view on delivering infrastructure

All parties are ignoring the significant timescales needed to implement infrastructure and are not placing sufficient emphasis on planning for delivery in line with socio-demographic change and housing development. What is needed is long-term planning over at least eight parliaments, and this re-enforces the requirement for a non-political body to manage national infrastructure projects over the long term.

However, all parties could make an immediate difference by altering the planning regime and building regulations, which could deliver an immediate change in infrastructure requirements. For example, mandating higher energy/water efficiency and solar PV on the

“All parties could make an **immediate difference by altering the planning regime and building regulations**, which could deliver an immediate change in infrastructure requirements.”

rooftops of all the proposed 300,000+ houses per annum would make a tangible difference.

The resourcing requirements (people, skillsets, and materials) needed to undertake construction projects, whether housebuilding or infrastructure, has been overlooked by all the political parties.

## Priorities for delivery – Energy

Major shifts in the way electricity is produced and consumed will require significant additional investment, and will have a huge impact on meeting the UK's net zero targets. All three manifestos include policies to increase the amount of electricity generated from renewable sources, with solar a particular feature.

### Conservatives

**Support solar** in the 'right places' (i.e. not on land used for food production) and continue to prevent large solar 'clusters' to protect rural landscapes.

Labour and the Liberal Democrats are both hoping to drive the decarbonisation of electricity generation earlier than currently legislated through policy change and investment. Both parties are also looking to increase electric vehicle charging infrastructure to support the uptake of EVs, with a lack of charging points often cited as holding back this transition.

### Labour

- Create **Great British Energy**, a publicly-owned company capitalised with £8.3 billion over the next parliament, to deliver clean power and reduce energy costs by co-investing in leading technologies. Work with industry to upgrade the national transmission infrastructure.
- Partner with energy companies, local authorities, and co-operatives to **double onshore wind, triple solar power, and quadruple offshore wind** by 2030. Invest in carbon capture and storage, hydrogen, and marine energy, to ensure sufficient long-term energy storage.
- Extend the lifetime of existing **nuclear plants**, deliver Hinkley Point C, and develop new power stations such as Sizewell C, as well as Small Modular Reactors.
- Prioritise greater energy independence for the UK through a new **Energy Independence Act**.
- Maintain a **strategic reserve of gas power stations** to guarantee security of supply. Ongoing role of oil and gas in our energy mix, but no licences to explore new North Sea fields, no new coal licences, and a ban on fracking.

### Liberal Democrats

- Invest to **generate 90% of the UK's electricity from renewables** by 2030, including renewable energy projects and retrofitting buildings for energy efficiency.
- **Remove current restrictions on new solar and wind power**, and support investment and innovation in tidal and wave power. Maintain the ban on fracking and a ban on new coal mines.
- **Invest in energy storage**, including green hydrogen, pumped storage and battery capability.
- Empower local authorities to develop local renewable electricity generation and storage strategies. Reduce access costs for grid connections and reform the energy network to permit local energy grids.

### Priorities for delivery – Electric Vehicles

#### Labour

**Accelerate the roll out of EV charge points**, restoring the phase-out date of 2030 for new cars with internal combustion engines, and supporting buyers of second-hand electric cars by standardising the information supplied on the condition of batteries.

#### Liberal Democrats

**Rapid roll out of EV charging points**, reintroducing the plug-in car grant, and restoring the requirement that every new car and small van sold from 2030 is zero-emission.

#### Conservatives

Ensure the charging infrastructure is truly nationwide, including rapid charging and delivering the Zero Emission Vehicle Mandate (which requires 80% of new cars and 70% of new vans sold in Great Britain to be zero emission by 2030, increasing to 100% by 2035).



### Priorities for delivery – Telecoms

#### Labour

Renewed push to fulfil the ambition of **full gigabit and national 5G coverage by 2030**.

#### Liberal Democrats

Ensure that **gigabit broadband is available to every home and business**, including in rural and remote communities.

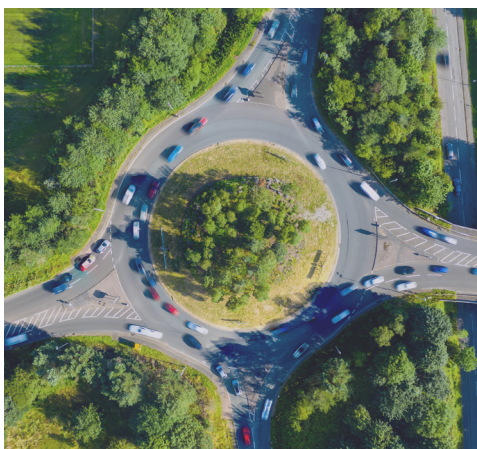
#### Conservatives

**All populated areas to be covered by 'standalone' 5G mobile connectivity**. Ensure the UK is at the forefront of adopting and developing 6G.

## Priorities for delivery - Transport

### Labour

- Develop a **10-year infrastructure strategy** to include a focus on improving rail connectivity across the north of England. However, there is no reference to specific transport schemes.
- **Fix up to 1 million potholes** (funded by deferring the A27 bypass in West Sussex).



### Liberal Democrats

- Develop a 10-year plan for **rail electrification**, deliver **Northern Powerhouse Rail**, and make other network enhancements. Review the decision to cancel the **northern leg of HS2**.
- Work with local authorities to implement **light rail schemes**.
- Introducing a **national freight strategy** to shift freight from road to rail.
- **Ban short domestic flights** where a direct rail option taking less than 2.5 hours is available (unless planes are alternative-fuelled). **A moratorium on net airport expansion** until a national capacity and emissions management framework is in place.

### Conservatives

- £36 billion of HS2 savings to be spent on **transport projects in the North or Midlands**. Reducing the cost of the Euston terminus to save a further £6.5 billion to be used for transport across the rest of the country.
- Deliver **Northern Powerhouse Rail**, including electrification to Hull and a new station in Bradford. Boost rail connectivity in the Midlands, with £1.75 billion to fund the Midlands Rail Hub to improve journey times and service frequency.
- **Specific rail upgrades** in the South West, Cumbria and East Anglia, electrification of the North Wales Main Line and a route upgrade to halve journey times between Nottingham and Leeds. Reopen Beeching lines and stations (though which ones are unspecified).
- Commitment to deliver all the schemes set out in the Network North Command Paper, published in October 2023. This included £12 billion to better connect **Manchester to Liverpool**, and additional funding to develop mass transit systems, improve bus networks and enhance roads in city regions.
- **£4.7 billion for smaller cities, towns and rural areas** in the North and Midlands to upgrade local bus and train stations. £8.3 billion for potholes and resurfacing, and mayors to be allowed to invest in strategic roads.

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**Theme 3:**

**Nurturing our natural environment and boosting the rural economy**

## Theme 3: Nurturing our natural environment and boosting the rural economy

The agricultural sector has been facing numerous challenges. The loss of the Basic Payment Scheme, delayed implementation of new environmental initiatives, labour shortages, and escalating input costs have all created significant obstacles to the growth of the rural economy.

With the sector navigating a complex and evolving landscape, the upcoming election offers an opportunity to elect representatives who champion British food production and land management, and bring some stability to the political landscape.

“The loss of the Basic Payment Scheme, delayed environmental initiatives, labour shortages, and escalating input costs have all created **significant obstacles to growth.**”

### Tax – Agricultural Property Relief (APR) from Inheritance Tax

Currently, land used for agriculture, along with related buildings and farmhouses, is exempt from Inheritance Tax. It is closely linked with Business Property Relief (APR), which has the same benefits and relief for assets used by a business but does not necessarily extend to residential assets on a farm.

In the 2024 Spring Budget, it was confirmed that the existing scope of Agricultural Property Relief (APR) for Inheritance Tax will be extended from 6 April 2025 to land managed under an environmental agreement. However, we are still awaiting further details. As the legislation is not in place prior to the general election, any future government could, in theory, change its mind. However, this seems unlikely as both the Liberal Democrats and Labour have stated their commitment to making public environmental schemes work.

### Labour

The only mention in the Labour manifesto is to ‘**end the use of offshore trusts** to avoid inheritance tax’, so we can assume that there are no immediate intentions to change APR. Of course, this is not to say a change could come later, and a review of the scope of BPR is still possible. Yet, while the Labour manifesto states that they will ‘publish a roadmap for business taxation’, they emphasise that they are ‘pro-business’, suggesting they will create preferential conditions for businesses rather than remove incentives.

### Liberal Democrats

No reference to APR or BPR.

### Conservatives

A pledge to ‘**retain key tax incentives**’, including APR and BPR.



### Tax – Capital Gains Tax (CGT)

Capital Gains Tax (CGT) plays a significant role in the UK's farmland market, particularly considering the strong capital growth seen in farmland and its accompanying residential assets over the medium- to longer-term.

#### Labour

No reference to CGT. Keir Starmer has previously committed to incentivising investment, and so it would appear unlikely that CGT will be increased.

#### Conservatives

They have presented a low-tax position over the last year and cut the higher rate of CGT in the March budget. However, their manifesto focuses on **reducing National Insurance**, and only states that they will not increase CGT.

#### Liberal Democrats

Commitment to **'fairly reforming capital gains tax** to close loopholes exploited by the super wealthy'. The manifesto does not specify what these loopholes are, but they have subsequently clarified that reform would include introducing three tiers of CGT (similar to income tax), based solely on gains rather than a sum of income and capital gains (as it is currently). The reforms also include an increase in the CGT tax-free allowance from £3,000 to £5,000 and a new 'inflation allowance', accounting for gains resulting from inflation.

### Nature recovery and environmental schemes – Biodiversity net gain (BNG)

The impact of new biodiversity net gain (BNG) regulations (mandating developers to compensate for biodiversity loss) is likely to be accelerated with an increase in development. All three of the main political parties have made promises to ramp-up housebuilding which, if delivered on, will create opportunities for developers and rural landowners to collaborate on mutually beneficial BNG agreements.

BNG for Nationally Significant Infrastructure Projects (NSIPs) is currently set to be introduced in 2025, which will likely build momentum in the private BNG market, with diversification opportunities for rural landowners.

#### Labour

Although stating that they will **'promote biodiversity'**, they do not set out any action points or mention BNG. Again, their commitments to nationally significant infrastructure and making 'major projects faster and cheaper' could help grow the BNG market.

#### Liberal Democrats

Underscore their **commitment to BNG**, stating that they will mandate 'up to a 100% net gain for large developments'. This would represent a major ramping up from the current 10%, although the criteria for the percentage required has not been outlined.

#### Conservatives

No specific mention of changes to BNG.

## Nature recovery and environmental schemes – Environmental Land Management Scheme (ELMS)

All three parties have stated their intention to enhance and accelerate the new Environmental Land Management Scheme (ELMS).

Both the Conservatives and Liberal Democrats have promised to channel more money into the farming budget (for grants and ELMS), the Conservatives by £1 billion extra over the Parliament (or £2m a year, rising by inflation each year) and Liberal Democrats by £1 billion per annum. Labour only states that they will make ELMS ‘work for farmers and nature’ but makes no specific pledge for additional funding.

## Planning in the countryside

### Labour

**Release poor quality or neglected Green Belt land,** coined ‘grey belt’ land, to help deliver on their housebuilding pledges. All three of the main parties have presented a ‘brownfield first approach’, but only Labour have pledged to a strategic approach to using Green Belt land. Much of the Green Belt is agricultural land, and the potential impact is multi-faceted:

- The metric for BNG encourages developers to deliver BNG close to the

development site (optimally within the same local planning authority or National Character Area). Land released from the Green Belt will likely have farmland nearby, increasing opportunities for partnerships and the creation of new, long-term income streams for farmers.

- It may make it easier for farmers to get planning permission on their land if located in the Green Belt, facilitating diversification on their holdings.

- The policy specifies releasing poor quality or neglected land, but it could result in farmers in the Green Belt selling their land to developers at a greater rate. This could exacerbate food security concerns if land is increasingly taken out of food production.

### Liberal Democrats

**Encourage the use of rural exception sites** (small sites on the outskirts of rural settlements used for affordable housing that may not have otherwise been approved for development).

### Conservatives

Intention to **reform the planning system** to fast-track planning permission for ‘the building of infrastructure on farms, such as glasshouses, slurry and grain stores, and small-scale reservoirs.’ Use rural exception sites to boost availability of affordable housing for rural communities. However, we can assume they will be subject to the same ecological planning requirements as a standard planning application.



### Supporting the sector's labour market

All parties have committed to policies that could, either directly or indirectly, affect the agricultural sector's labour market.

#### Labour

Introduce a new employment law framework within the 100 days, including banning zero hours contracts and introducing more workers rights, plus removing age bands for the minimum wage.

#### Liberal Democrats

Also address zero hour contracts, with a 20% higher minimum wage for those on such agreements 'at times of normal demand' to account for fluctuations in earning. Introduce a new "dependent contractor" employment status in between employment and self-employment.

#### Conservatives

Move away from 'the reliance on seasonal migrant labour with a five-year visa tapered scheme'. It is unclear what a 'tapered scheme' entails or how many visas will be available.

### Policies to support domestic food production

In the lead up to the election, all parties acknowledged a need for agricultural policy that supports British farming and food security.

#### Labour

Surprisingly, the segment of Labour's manifesto dedicated to farming is short and limited. Labour's shadow Defra secretary, Steve Reed, has spoken on numerous occasions since the start of the year on Labour's commitments to farmers and rural communities, and so the sector would have been expecting the party to outline specific policies.

#### Liberal Democrats

Policies include a range of other 'public money for public goods' schemes, investing in rural infrastructure and services and ensuring future trade deals meet environmental and animal welfare standards in food production. They also pledge to invest in R&D to support new technologies in the sector.

#### Conservatives

Vow to 'back farmers' when negotiating new trade deals and to invest in the research and development (R&D) of technology 'in areas such as fertiliser and vertical farming'.

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**Theme 4:**

**Increasing the rate of economic growth**

## Theme 4: Increasing the rate of economic growth

Economic growth has averaged just 0.4% per annum since the pre-pandemic peak in output, and only 1.0% since 2007. This is a far cry from the 2.5% per annum seen from the 1970s to the 1990s. Strong population growth means that output per head has seen even more lacklustre performance. Indeed, as of Q1 2024, it remains slightly below its pre-pandemic level (-0.1%).

Addressing the UK's subdued growth rate is a central challenge for whoever forms the next government. Stronger growth will be needed to fund rising demand for public services, against a backdrop of higher interest payments on public debt as well as pressure from a myriad of issues including an ageing population, a significant gap in the funding for local councils, and demands from government departments ranging from health to defence.

**“A coherent industrial strategy has been notably absent from recent government policy.”**

A coherent industrial strategy has been notably absent from recent government policy, and it is encouraging to see two of the main parties commit to industrial strategies in their manifestos. ‘Levelling up’ has been much discussed in recent years, but has not yielded significant results. Policies to accelerate growth in underperforming regions are a key element in increasing the UK's overall rate of economic growth as well as to promote greater geographic equality. Manifesto proposals to decentralise decision making and provide more local accountability are a good start, although the key is how well they are thought through and implemented.



## Economic and industrial strategy

### Labour

- Introduce an **industrial strategy**, through a new statutory Industrial Strategy Council, to drive growth focussed on sectors such as automotive, life sciences, artificial intelligence and the creative sectors. Emphasise economic stability with sound fiscal rules to underpin government spending.
- Establish a **National Wealth Fund**, capitalised with £7.3 billion over the next Parliament, targeted with attracting three pounds of private investment for every one pound of public investment. Focus on upgrading supply chains (notably ports), gigafactories, the steel industry, carbon capture and hydrogen clusters. Linked to a 'Green Prosperity Plan' to invest in emerging industries to create 650,000 jobs by 2030.
- Encourage the development of **Local Growth Plans** that align with national industrial strategy.
- Remove planning barriers to new **datacentres**.

### Liberal Democrats

- Develop an **industrial strategy**, including re-establishing the Industrial Strategy Council on a statutory footing, focused on skills in sectors such as renewables, digital and bioscience. Drive regional growth through the Northern Powerhouse, Western Gateway and Midlands Engine.
- Additional **focus on technology**, including artificial intelligence and clean technologies, and aiming for at least 3% of GDP to be invested in research and development by 2030, rising to 3.5% by 2034
- 'Repair the broken **trading relationship with Europe** to facilitate smoother business operations and investments'.

### Conservative

- Create more **Freeports and Business Rates Retention zones**, enabling councils to retain all business rates growth within a defined zone for 25 years, plus £160 million for Investment Zones. Enable councils to retain all business rates growth within a defined zone for 25 years to finance new infrastructure and support local industries.
- A **devolution deal** offered to every part of England by 2030. 'Level 4' devolution powers offered to areas in England with a devolution deal and a directly elected leader, starting with the Tees Valley.
- Change **planning laws** to support places to bring back local market days and regenerate defunct shopping centres.

## Net Zero and decarbonising the built environment

### Labour

- A commitment to reach **net zero**, although the timescale is not confirmed in the manifesto.
- **Warm Homes Plan:** Investment of £6.6 billion to upgrade homes with insulation, solar panels, and low-carbon heating. Reform the energy market to reduce costs and improve efficiency.



### Liberal Democrats

- **Cut greenhouse gas emissions to net zero by 2045** at the latest. Meet the UK's commitment under the Paris Agreement to reduce emissions by at least 68% from 1990 levels by 2030.
- Appoint a **Chief Secretary for Sustainability** in the Treasury and establish a **Net Zero Delivery Authority** to coordinate action across government.
- **Home Energy Upgrade Programme:** Launch a ten-year emergency upgrade programme to make homes warmer and cheaper to heat, starting with free insulation and heat pumps for low-income households. Reintroducing requirements for landlords to upgrade the energy efficiency of their properties to EPC C or above by 2028.
- **Rooftop Solar Revolution:** Expanding incentives for households to install solar panels.
- **Zero-Carbon Homes:** Ensuring all new homes are built to a zero-carbon standard and progressively increasing these standards as technology improves.
- **Tax Incentives for Green Investments:** Providing incentives for installing heat pumps and other green technologies to encourage sustainable property developments.
- Require the National Infrastructure Commission to take fully into account the **environmental implications of all national infrastructure decisions.**

### Conservative

- Committed to delivering **net zero by 2050.**
- **Energy Efficiency:** Emphasis on improving the energy efficiency of buildings with support such as energy efficiency voucher scheme.
- **Green Industries Growth Accelerator:** To support manufacturing capabilities, boost supply chains and ensure energy transition is made across the country.
- **Sustainable Transport:** Investment in sustainable transport infrastructure, reducing the carbon footprint associated with commuting.

## The Carter Jonas view

### on net zero

All the major parties have maintained a commitment to delivering net zero. What this means in practice is a commitment to reducing the UK's carbon emissions by at least 100% by 2050 compared to 1990 levels. While good progress has been made against the nation's previous carbon budgets, there is a general recognition of the need to accelerate efforts if we are to continue to stay on track. The **Liberal Democrats** have stated an intention to deliver on this by 2045 and have gone further by aiming to achieve a reduction of 68% by 2030, in line with the UK's Nationally Determined Contribution required by the Paris Agreement.

Delivering net zero at a national level is a hugely complex challenge which demands joined-up thinking across a range of sectors, most prominently energy, transport, and the built environment. Removing

the use of fossil fuels from our energy generation supply chain will be crucial if we are to succeed in delivering our future carbon budgets. When it comes to the built environment, all parties recognise the need to improve the energy efficiency performance of building stock, and drive decarbonisation. Some 23 million homes currently make use of gas boilers and their removal in favour of clean alternatives represents a significant challenge to achieving net zero.

**Labour's** intention to create a Warm Homes Plan could help drive this transition and potentially boost the market for energy-efficient upgrades. Similarly, the **Liberal Democrats** set out a Home Energy Upgrade Programme with a particular focus on low-income households. They also want to reintroduce the requirement for

let properties to be at least an EPC C by 2028, exemptions notwithstanding, and boost rooftop solar on domestic properties. All new homes would be built to a zero-carbon standard under **Liberal Democrat** proposals. On the commercial front, **Liberal Democrats** intend to offer tax incentives for the installation of low carbon technologies to foster sustainable property development.

In summary, **Labour's** focus is on home upgrades, renewable energy expansion, and energy-efficient transportation to align with the UK's net zero goal. They emphasize energy independence and cross-sector partnerships to drive innovation and resilience, but their unspecified timeline and potential reliance on public funding might face scrutiny over feasibility and fiscal sustainability.

The **Liberal Democrats** offer a comprehensive and ambitious plan with specific timelines and goals that exceed those of other parties. Their detailed policies on home energy, transport, and energy production could serve to accelerate the UK's path to net zero, with the proposed Net Zero Delivery Authority and Chief Secretary for Sustainability potentially providing some much-needed coordination.

The **Conservative plan**, in contrast, is less detailed and ambitious, focusing on transport infrastructure and technologies. While these can improve efficiency, the lack of comprehensive strategies for renewable energy and electric vehicle adoption, along with a cautious approach to solar, may impede rapid progress towards net zero.



## 'Levelling up'

### Labour

- Creation of a **National Wealth Fund** to invest in jobs and growth, particularly in underdeveloped regions.
- Transferring powers from Westminster to local communities to enable them to drive growth and development. Deepen **devolution settlements** for existing Combined Authorities and widen devolution to more areas. Consolidate the powers of Combined Authorities and increase partnerships with Local Authorities to improve decision making.
- A new statutory requirement for long-term **Local Growth Plans** that identify growth sectors and put in place the necessary infrastructure. These will align with Labour's national industrial strategy.
- Give councils **multi-year funding settlements** and end competitive bidding.

### Conservatives

- Continue the "**Levelling Up**" agenda with substantial investment in local infrastructure, focusing on enhancing connectivity and supporting regional growth.
- Significant funds allocated to **local infrastructure projects**, reviving high streets or bringing new housing to town centres.
- Greater **devolution of powers** and funds to local authorities to determine and implement development projects.
- Continue backing **investment zones**, extend to more areas, and generate investment.
- Launch a **Seaside Heritage Fund** to support enhancements to coastal heritage and preserve coastal assets.

### Liberal Democrats

- **Decentralise decision-making** by inviting local areas to take control of services.
- Introduce a **written constitution** for a federal United Kingdom.



## Taxation

### Labour

- **Replace business rates** in England to 'level the playing field between the high street and online giants' and reduce vacancy rates. There are no details of how this would be done, but it would raise the same revenue as the current system.
- **Cap corporation tax** at the current level and provide a clear roadmap for business taxation.

### Liberal Democrats

Replace **business rates** with a Commercial Landowner Levy.

### Conservatives

- Continued support for small businesses through **business rates relief**, particularly for high street, leisure, and hospitality businesses.
- Commitment to not raising corporation tax and maintaining incentives for business investment.
- Launch a review of the **nighttime economy** to address the decline in pubs and clubs and make towns and cities great places to go out.



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