Labour Party Conference Report – 2023

Overview

This document provides a summary and analysis of the key announcements relating to fiscal policy, skills and apprenticeships, net zero and retrofit, construction, infrastructure, and housing, announced by the Labour Party at their annual conference in Liverpool between 8th and 11th October 2023.

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Key Announcements - Overview

- Sir Kier Starmer's leader's speech pledged 1.5 million homes over the next parliament, a generation of 'new towns,' giving mayors greater housing and planning powers, fast-track brownfield developments, and a "blitz" of reforms to accelerate planning decisions.

- Deputy Leader, Angela Rayner pledged Labour would deliver the biggest boost to affordable housing for a generation, unlocking government grants to deliver new homes by making the Affordable Housing Programme more flexible. The party said it would stop developers 'wriggling out' of responsibilities.

- Shadow Chancellor, Rachel Reeves has pledged to review the rules on building on greenbelt land to meet housing needs.

- Labour reportedly wants to build new towns next to existing rail connections, considering building between London, Oxford, and Cambridge

- Sir Keir pledged to guarantee police patrols in town centres and repeat offenders also risk being banned from them under new powers.

- Labour said they will empower regulators to ban bonuses to water chiefs whose firms pump excess sewage into rivers and strengthen fines and powers to prosecute their leaders.

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Individual Speeches

Sir Keir Starmer MP - Leader of the Labour Party

Sir Keir pledged "to get Britain building again" when he announced a package of reforms to the planning system to open more homeownership opportunities, and allow for more building of roads, grid connections, laboratories, trainlines, warehouses, windfarms, and power stations. It is likely that this will open additional construction related work opportunities for NFB members.

This plan includes:

- A housing recovery plan and an immediate blitz of planning reforms which, if elected, they plan to deliver in the first days and weeks in office. Labour has said these reforms will boost housebuilding quickly and enhance the voice of local communities in how housing is built to best serve local people.

- The next generation of ‘new towns,’ with new communities, more green spaces, and reliable transport links.
- Giving Mayors a package of devolution with stronger powers over planning and control over housing investment.

- A ‘Planning passport’ for urban brownfield development, which Labour says will result in fast-track approval and delivery of high-density on urban brownfield sites.

- A government-backed mortgage guarantee scheme that offers first dips for first time buyers and supporting younger people the first chance at homes in new housing developments.

Sir Keir Starmer criticised the Government for allowing planning permission to collapse to a record low with new homes completions forecast to have dropped to as little as 160,000 per year.

The party also committed to working with local authorities to quickly draw up and agree local plans that have stalled and strengthen requirements to approve new homes in areas that do not have an up-to-date plan and have said they will intervene to approve new homes in poorly performing areas.

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Angela Rayner MP - Shadow Deputy Prime Minister and Levelling Up, Housing and Communities Secretary

The Shadow Deputy PM started her speech by declaring that ‘levelling up is dead on arrival’ and argued that it cannot be done with a top-down approach, criticising the Prime Minister for not once mentioning housing. Her focus, she said, is for British people to have decent jobs, secure and affordable homes, and a strong community; all things the Conservatives have ‘snatched away from working people’.

Labour’s Deputy Leader said the party would unlock government grants to deliver new homes by making the Affordable Housing Programme more flexible and allowing Homes England, Councils, and housing associations to use a greater proportion of grant funds and provide stability for the long-term, so they have the confidence and security to invest in affordable, social and council housing stock.

Angela Rayner announced that Labour will strengthen the rules to prevent developers “wriggling out of their responsibilities”. She said Labour will upskill local authorities on section 106 negotiations through a central Take Back Control Unit, increase transparency around the viability process, and only allow developers to challenge cases where there are genuine barriers to delivering new homes.

- Growth – under a Labour government – will be in all places for all people.
- Giving powers to our elected local leaders
- New devolved powers on skills, employment support, transport, and of course, new housing

- Give workers basic rights from day one
- Make work more family friendly
- Closing the gender pay gap
- Using a 'New Deal', ensure that unions can stand up for their members and boost collective bargaining
- Get social homes built, brick by brick
- Building not just homes, but also communities
- Unlock government grants to deliver new homes by making the Affordable Homes Programme
- Reforming the planning system
- Deliver a 'Take Back Control Unit' to stand up to vested interests in building new developments
- First-time buyers 'first dibs' on new developments in their communities
- End the mediaeval leasehold system
- Be the party of home ownership

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Bridget Phillipson MP - Shadow Secretary of State for Education

Outlined five key missions:

- Economic growth
- Reducing crime
- Improving heath
- Promoting green energy
- Ensuring equal opportunities for all, regardless of background

Labour pledges to make maths education a priority from an early age and aims to close the gap in math proficiency. They propose changes in university funding to alleviate financial burdens on students and advocate for a more robust skills training system, including technical colleges and an Apprenticeship and Skills Levy.

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Labour Party Policies

Industrial Strategy

Labour has pledged to introduce a new industrial strategy that is based on 'genuine partnerships' with businesses, workers, unions, and universities. It states that this would have four overarching goals:

- delivering clean power 2030
- caring for the future
- harnessing data for the public good
- building a resilient economy

To assist in the development and delivery of the strategy, Labour has said it would introduce a new *Industrial Strategy Council* and place it on a statutory footing, bringing together industry, unions, and other experts to inform policymaking. This would likely be a good opportunity for the construction industry.

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Infrastructure, Net Zero and Energy

Labour's infrastructure spending commitments mainly relate to existing programmes but also extend to transport improvements and Net Zero transition.

Labour has committed to:

- Completing HS2 in full (both the Leeds extension already cancelled by current Government) and the Manchester line (under consideration for cancellation by the current Government).

- Funding 'Northern Powerhouse Rail' or East to West rail, a new line (and line upgrades) proposal linking Liverpool to Hull (passing Warrington, Manchester, Bradford and Leeds) as well as connections north to Newcastle (passing York, Darlington and Durham) and Sheffield and Doncaster to the south.

In addition, as part of its Green Prosperity Plan, Labour has said it would:

- Set ambitious targets on delivery of hydrogen and new nuclear power.

- More than double onshore wind capacity, triple solar capacity, and quadruple offshore wind capacity

- Deliver fully clean electricity by 2030.

Labour has also said it wants to improve devolution of local transport to devolved administrations and local authorities, enabling them to invest in delivering 'good public transport.' The cost of HS2 is significant and with the current Government rolling back on its plans to date, it gives Labour the opportunity to do similar – it is most likely that if it does so, it would continue to pledge the Manchester extension and Northern Powerhouse Rail but perhaps axe the line to Leeds.

Green Prosperity Plan
Labour has committed to investing £28bn a year of public funds in the 'green economy' when the cost of borrowing falls in the second half of the next Parliamentary term (5 years). Labour has said its plan would not only focus on green transition (mitigation) but also on adaptation to climate change, improving flood defences and national infrastructure resilience.

Domestic Retrofit
Labour has said it will commit £6bn of its *Climate Investment Pledge* per year, for ten years, to improving domestic energy efficiency. This is included in its draft manifesto as part of a 'National Warm Homes Plan." Labour states that it plans to make sure that 'every home meet and EPC C standard within a decade by installing energy-saving measures such as loft insulation, going street by street in locally delivered programmes.

This strongly suggests that any national measure will be delivered on a local basis by local authorities as Labour plans to give local authorities and devolved governments 'the power and more resources' to bring every home in their area up to standard. This policy decision may be because of the repeated failure of national schemes to deliver energy efficiency measures in the domestic retrofit market.

Energy Market Reform
Labour has said that it will reform the energy market to deliver cheaper energy bills for consumers and businesses. This reform is likely to be regulatory rather than infrastructure based.

The current Government has recently announced a pushback of its commitments to Net Zero and target dates. This gives Labour the flexibility to allow its own commitments to slip slightly, while still politically outflanking the Conservatives and so some give on its programme may be expected over the next year.

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Procurement Reform, Late Payment, and Supply Chain Taskforce

Labour has said that it would like to reform public procurement to 'support local businesses, cut red tape and streamline the bidding process to level the playing field for small businesses.

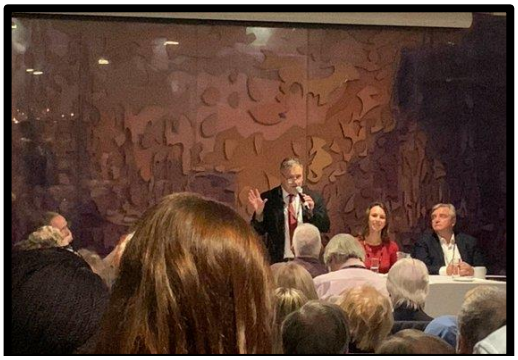
Through a new National Procurement Plan it wants to ensure social value is mandatory in public contract design, incentivise new apprenticeships and learning opportunities and introduce a new *Fair Work Standard* to ensure the 'best' employers get the recognition they deserve when contracts are awarded.

Late Payments
Labour has said it would tighten the rules on late payments and tackle the 'late payments crisis' by legislating further.

Supply Chain Taskforce
Labour has also pledged to set up a supply chain taskforce to review potential supply chain needs across critical sectors – it is highly likely that would include permanent representation from the construction industry.

Fringe Events

The NFB attended several fringe events whilst at the Labour Party Conference. The following section is a brief overview of these events.



Event Report: Infrastructure, grid connections, and clean energy

The HBA has been especially vocal regarding grid connectivity issues and has been escalating the concerns since 2017, when several London Boroughs began requiring car charging ports without any analysis of local grid capacity. At almost every Fringe Meeting, Labour MPs or representatives discussed grid connectivity in several ways:

- Connectivity for renewable energy delaying project switch on or grid feeding.
- Housebuilders seeing delays in project starts or delivering projects without the grid infrastructure Labour would like to see, for example: larger solar arrays.
- Businesses being unable to connect to the grid in a timely fashion or at all and therefore not investing locally.
- The costs and delay of grid connections.

To solve these issues, Labour would use GB Energy (GBE), their publicly owned clean energy company to ensure DNOs are not stifling this supply side mechanism.

It sees GB Energy as unlocking £200billion of private sector investment and would coordinate the transmission operators to launch a super-tender which will procure grid supply chains. They would also use GBE to bulk purchase and deliver standardisation.

Their target for a grid capable of enabling clean energy is 2030.

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Event Report: Retrofitting ambitions

In essence, Labour would retain the Government's Local Authority Delivery (LAD) scheme, which is the Green Homes Grant but for local authorities, and give it a funding boost. However, apart from a £28 billion commitment to green plans in the second half of any parliament at the earliest, it is unclear how much would be made available, although the money would be borrowed.

It has been said that 19 million homes will be upgraded, however it is unclear whether this pertains to the current system of cavity wall insulation, known to cause major issues to the fabric of buildings, the foam insulation method resulting in properties deemed unmortgageable, or whole house retrofit, which would require an accompanying ventilation strategy, a detail that has not been mentioned.

What is clear is that 'retrofit' will mean clean energy, or electricity, though no clarity was given on whether that means changing the price of electricity by removing the system where gas generated electricity sets the final price.

In terms of regions, London Labour believes it requires around £30bn to retrofit its buildings and £6bn a year. HBA calculations put this figure at around £200bn and would require considerable planning reforms and legal costs to meet first. A question around this was asked during Fringe events on behalf of heritage and traditional works members but was ignored by Labour representatives.

In Manchester, things are a little different are there appear to be plenty of opportunities for companies to get involved in retrofitting, as their council would like to be led by industry. Their council leader Bev Craig, who the NFB is in touch with, believes a figure of £33,000 per home is required for their retrofitting ambitions.

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Event Report: Social Housing

Labour has given a strong indication that social housing is a key component to their strategy, but it will be leveraged with funding from the private sector. Whether this means they will deliver it with existing planning contributions or enable it through the planning process, there has been no firm commitment. However, Shadow Housing Secretary, Matthew Pennycook MP indicated that councils would need to exhaust all their avenues and resources before coming to central government for funding.

As Mr Pennycook is aware of the NFB criticisms surrounding 'Right to Buy,' we hope this means following recommendations put to the Government and Labour and detailed in the second edition of the HBA magazine.

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Event Report: Planning Reform

The Labour party has uttered these words constantly but to date, nobody is sure what it means. In fringe events, no clearer picture was given apart from the need to invest in planning departments.

Examples of brownfield being greenbelt and the need for a greenbelt review mirror the view many Conservative MPs have espoused but been ignored by the Government. This suggests the current system will remain, with the tweaks the Levelling Up and Regeneration Bill (LURB) adopted, and reform options will be identified halfway through a parliamentary term.

Density remains a focus but so far, it appears that as with the Conservatives, 'gentle density' (up to 10 storey's) is the preference.

The two clear dividing lines with the Conservatives are 'new towns,' which is expected to make up the 70,000-home deficit needed to reach the annual target of 300,000 homes a year (as outlined in the Labour commitment of 1.5m homes), and Compulsory Purchase reform, which has previously been identified as 'closer to use value'.

However, there was no firm strategy on whether this would fall on landowners or developers but there was a clear misunderstanding from several fringe contributors that the price of land is dictated by planning gain, rather than being heavily influenced by site allocations in local plans.

As with the Conservatives, Labour focused heavily on every council requiring a local plan (an ambition in the LURB) but they would reintroduce minimum supply targets as the stick.

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Event Report: Modern Methods of Construction

Modern Methods of Construction (MMC) was a prominently mentioned housing delivery mechanism with many citing it appearing to overpromise on what it could achieve or leave out the complexities of it as a factory manufacturing process, so requiring planning certainty.

Unfortunately, as with the Conservatives, MMC was on show as ‘offsite and modular’ and not the broader definitions which have already been identified by the Government and feed in to ensuring we have a more competitive and modern construction sector, fit for a ‘green transition.’

As an example, embodied carbon was mentioned but not in the context of decarbonising concrete or reusing materials if a building was dismantled later in its lifespan.

The NFB has mentioned this to Labour MPs in years gone by and will be sending a briefing to their MPs, so they understand why it is vital to make this distinction.

NFB Policy Team Conclusion

The Labour Party conference showed a distinct difference in campaigning strategy between the two main political parties and apart from ‘GB Energy,’ no policy announcement was revolutionary. However, Labour appears to be continuing policies that the Conservative Party have decided to abandon to firm up their supporter base.

Labour have chosen to challenge their base by sitting alongside business to support growth, rather than as a critic of its failures and recognising that there are environmental and social trade-offs required to grow the country and win votes. For the construction industry this should be seen as a welcomed change and direction; however, with these policy positions not in great use across Wales and in Local Authorities, there is a concern their ambition will mainly be limited to campaigning.

Post conference, Keir Starmer has appeared quite bullish when tackling NIMBY’s (those whose view is Not in My Back Yard), which is a totally different direction any politician has taken. This signals language we are not used to and the NFB predicts that energy projects and new towns will be most in line for such bullish support if Labour wins the next election.

Retrofitting action will require many planning reforms, which were not greatly discussed, but the funding amounts cited do not appear to be greatly different from the Conservatives limited strategy and are lumped into ‘green funding,’ rather than specifically for retrofit. This suggests little change to the current ‘low hanging fruit’ works and will not see deep retrofit enabled at scale. The PAS2035 retrofitting co-ordination role was mentioned and is expected to be part of the strategy.

Late payment is on both parties’ scorecards, although Labour have indicated they would be more likely to penalise late payers from accessing public sector works. There isn’t a great deal of difference in skills, as both are strong supporters of technical education, but neither are strongly linking pipelines of work to training and retaining learners. However, Labour indicated that more should be made of shared apprenticeships.

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