

# Queen's Speech 2022

Analysis by the British Property Federation



# Introduction

The Queen's Speech sets out the Government's agenda for the next parliamentary session.

The full background briefing notes can be found [here](#).

This paper provides an overview of the most pertinent announcements for the real estate sector and commentary by the British Property Federation.

Quotes extracted from the Queen's Speech are highlighted in grey boxes. Information provided in the Government's briefing document is shown under 'BRIEFING NOTES' and BPF analysis is given under 'BPF VIEW'.

## What this analysis covers:

[Levelling Up and Regeneration Bill](#)

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[Renters' Reform Bill](#)

[Housing Reform \(Leasehold\)](#)

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# Levelling Up and Regeneration Bill

*A bill will be brought forward to drive local growth, empowering local leaders to regenerate their areas, and ensuring everyone can share in the United Kingdom's success. The planning system will be reformed to give residents more involvement in local development.*

## BRIEFING NOTES

The main elements of the Bill, which is available to [read here](#) are:

- Placing a duty on the Government to set Levelling Up missions and produce an annual reports on delivery of these missions.
- Creating a new model of combined authority: the 'County Deal' which will provide local leaders with powers to enhance local accountability, join up services and provide transparent decision making to rejuvenate their communities, increase their ability to reflect local preferences in arrangements including directly elected leaders' titles.
- Unlocking new powers for local authorities to bring empty premises back into use and instigate rental auctions of vacant commercial properties in town centres and on high streets.
- Giving residents more of a say over changing street names and ensuring everyone can continue to benefit from al fresco dining.
- Strengthening neighbourhood planning and digitalising the system to make local plans easier to find, understand and engage with; by making it easier for local authorities to get local plans in place, we will limit speculative development.

## BPF VIEW

An effective planning system is a key enabler of economic growth and is crucial to the Government's Levelling Up ambitions.

It is therefore great to see the Government pursuing practical reforms to improve the existing planning system through the future simplification and standardisation of the local plan adoption process and a new approach to environmental assessment. Getting an up-to-date local plan in place is the most effective way to build certainty and transparency into our planning system for all those who interact with the process.

**It is equally encouraging that the Government will be moving ahead with its plans to digitalise the system which will enable more people and in particular younger generations to engage with the planning process locally.**

**We look forward to seeing more detail on the new proposed Infrastructure Levy when it emerges. It will be imperative that government works in close collaboration with industry as the precise policy design of the new levy is worked up so we can implement a workable system of developer contributions that supports the timely provision of infrastructure and sustainable communities.**

**The BPF would be strongly supportive of the Infrastructure Levy being piloted in the first instance so that practical learnings can be gathered. For example, one area to potentially explore through a pilot programme would be the workability of the levy in areas with challenging viability where regeneration is most needed.**

**The Bill also contains proposals for the creation of new urban development areas, and to give local authorities a new power to impose compulsory rent auctions (high street rent auctions) to find tenants for commercial properties which have been empty for more than a year. The auctions proposal had already been widely trailed and**

**the BPF has both been engaged with DLUHC and widely quoted in the media on the subject. The Bill contains the framework for the auctions process with detailed implementation to follow in secondary legislation and guidance. There will be consultation on these over the next few months.**

## Energy Security Bill

“

*My Ministers will bring forward an Energy Bill to deliver the transition to cheaper, cleaner, and more secure energy. This will build on the success of the COP26 Summit in Glasgow last year.*

”

### BRIEFING NOTES

The main elements of the Bill are:

- Introducing state-of-the-art business models for Carbon Capture Usage and Storage transport and storage, low carbon hydrogen and industrial carbon capture which will fire the starting gun on new, low-carbon technologies.
- Reducing the risk of fuel supply disruption by giving Government the power to give directions to, require information from, and provide financial assistance to core fuel sector businesses to ensure resilience and continuity of fuel supply.
- Supporting industry to step up investment in growing the consumer market for electric heat pumps by providing for a new market standard and trading scheme. This will support innovation and help to lower the costs of heat pumps over time.
- Appointing Ofgem as the new regulator for heat networks, ensuring consumers get a fair price and a reliable supply of heat.

- Extending the energy price cap, preventing suppliers from overcharging consumers.
- Enabling the first ever large-scale hydrogen heating trial, allowing us to inform the role of hydrogen in heat decarbonisation in 2026.
- Introducing competition in Britain's onshore electricity networks, encouraging investment and innovation, and enabling savings.
- Creating a new pro-innovation regulatory environment for fusion energy.
- Establishing a new Future System Operator, providing strategic oversight across electricity and gas systems. It will drive progress towards net zero, energy security and minimising consumer costs.
- Facilitating the safe, and cost-effective clean-up of the UK's legacy nuclear sites, ensuring the UK is a responsible nuclear state.

### BPF VIEW

**We welcome the announcement of an Energy Security Bill and the ongoing commitment to cleaner, greener, cheaper energy.**

**We also welcome the commitment that the Bill will deliver the targets and pledges in the Prime Minister's Ten Point Plan for a Green Industrial Revolution, including those on greener buildings.**

**However, we would like to see the Bill include measures to improve the energy efficiency of our homes and buildings, accompanied by a package of incentives for both consumers and businesses – that builds substantially on the announcements made last year as part of the Heat and Buildings Strategy.**

**We will continue engaging heavily with the Government in this parliamentary session to**

ensure clarity is provided in areas such as the domestic Minimum Energy Efficiency Standards (MEES).

Substantially increasing investment in energy efficiency measures and providing incentives to consumers and businesses would be one of the quickest ways to reduce both demand and dependence on energy from overseas. This will also be critical if we are to have any chance of meeting our net zero commitments.

## UK Infrastructure Bank Bill

*“My Government will establish the UK Infrastructure Bank in legislation, with objectives to support economic growth and the delivery of net zero.”*

### BRIEFING NOTES

The main elements of the Bill are:

- Enshrining the Bank's objectives and functions in legislation to ensure that it will be a long-lasting institution with a clear policy mandate to support economic growth, including at a regional and local level, and the delivery of net zero.
- Protecting the Bank's operational independence by setting out clear accountability for how it is to be run, including reporting and board requirements.
- Providing the Bank with the necessary powers to lend directly to local authorities and the Northern Ireland Executive, enabling the Bank to play a key role in delivering public sector infrastructure projects.

### BPF VIEW

The BPF supports the Government's move to enshrine the UK Infrastructure Bank's objectives of supporting our net zero emissions targets and reducing regional economic disparity in primary legislation.

We also look forward to hearing more on previous government commitments to working in partnership with relevant private and public sector institutions to support infrastructure investment. Public sector resource is undoubtedly under strain at present as our institutions recover from pandemic pressure so it is crucial that skills and investment are shared in an effective manner.

BPF members have a long history of delivering Public Private Partnerships (PPPs) and would welcome more partnership working with public sector bodies going forward. We will work with government through its relevant agencies to deliver more of these types of projects and look forward to engaging further through the PPP proposals outlined in the Levelling Up White Paper.

In the coming months, the BPF will also publish our own report titled 'Unlocking Growth Through Partnership'. This report will seek to explore a series of PPP projects in order to unpack the successes and challenges of partnership working through real world examples and implications.

# Non-domestic Rating Bill

## BRIEFING NOTES

The main elements of the Bill are:

- Shortening the business rates revaluation cycle from five to three years from 2023.
- Improving the valuation accuracy and timeliness in a shorter revaluation cycle through new duties on ratepayers, with measures to support compliance.
- Creating a power for the Valuation Office Agency to provide ratepayers with information on the calculation of their rateable value.
- Tightening appeals against rates on the basis of changing circumstances – building on our recent legislation and £1.5 billion pandemic support fund by future-proofing business rates against further shocks.
- Introducing new 12-month rates relief on increases to rateable value arising from improvements made to a property, and a new 100 per cent rates relief for low carbon heat networks that are assessed as separate entities for business rates.

## BPF VIEW

**This Bill is implementing reforms emerging from the Fundamental review of Business Rates on which the Government consulted in 2021/22.**

**As set out in [our response](#) to the most recent consultation, we welcome confirmation that the Government will legislate to increase the frequency of business rates revaluations from five years to three. It's vital that rates bills are relevant and not linked to outdated property values, and**

so we hope to see the Government be even more ambitious and move to annual revaluations when capacity allows – we would expect this to be possible by 2026.

**We have concerns about the burden on ratepayers of being asked to provide information to support property valuations and have urged the Government to rigorously test the process for supplying that data with ratepayers before it goes live. The requirement for an annual return, particularly, should be dropped as long as there is a requirement to notify the VOA of any changes to the valuation.**

**Similarly, while it's good to see confirmation of the support for property improvements – particularly to reduce carbon emissions – the Government have missed an opportunity to maximise investment with just a one-year period of rates relief for improvements. This is not likely to be long enough to justify any but the smallest of property improvements. We want to see the Government to be more ambitious in using the business rates system to accelerate investment in renewables and support the net zero agenda.**

# Social Housing Regulation Bill

*“My Government will introduce legislation to improve the regulation of social housing to strengthen the rights of tenants and ensure better quality, safer homes.”*

## BRIEFING NOTES

The main elements of the Bill are:

- Enabling the Regulator to intervene with landlords who are performing poorly on consumer issues, such as complaints handling and decency of homes, and to act in the interest of tenants to make sure issues are rectified.
- Enabling the Regulator to inspect landlords to make sure they are providing tenants with the quality of accommodation and services that they deserve.
- Creating new Tenant Satisfaction Measures which will allow tenants to see how their landlord is performing compared to other landlords and help the Regulator decide where to focus its attention.
- Ensuring tenants of housing associations will be able to request information from their landlord in a similar way to how the Freedom of Information Act works for tenants of Local Authority landlords.
- Guaranteeing that the Regulator will be able to act more quickly where it has concerns about the decency of a home. They will only be required to give 48 hours' notice to a landlord before a survey is carried out.
- Providing powers for the Regulator to arrange emergency repairs of tenants' homes following a survey and where there is evidence of systemic failure by the landlord. This will ensure that

serious issues are resolved rapidly where a landlord is unable or unwilling to act.

- Ensuring there will be no cap on the fines that the Regulator can issue to a landlord who fails to meet required standards.

## BPF VIEW

The Government issued **draft clauses** on changes to the social housing regulatory regime last month. There was also **a letter** from the Regulator of Social Housing, explaining the powers further, and how they would be exercised. **With several stories of poor housing conditions in some social rented homes the Government is under pressure to improve standards. Implementation of the social housing white paper is also long overdue. Hence, therefore the prioritisation of this Bill.**

**The BPF would be generally supportive of maintaining and raising standards. One measure that did not feature, was the Prime Minister's stated aim of allowing more housing association tenants to exercise a right to buy their home. It remains to be seen whether this was simply local election hyperbole or is something that has some substance.**

# Renters' Reform Bill

## BRIEFING NOTES

The main elements of the Bill are:

- Abolishing so-called 'no fault' evictions by removing Section 21 of the Housing Act 1988, providing security for tenants in the private rented sector and empowering them to challenge poor practice and unfair rent increases without fear of retaliatory eviction.
- Reforming possession grounds for landlords, introducing new and stronger grounds for repeated incidences of rent arrears and reducing notice periods for anti-social behaviour, ensuring that they can regain their property efficiently when needed.
- Applying the legally binding Decent Homes Standard in the Private Rented Sector for the first time ever, giving tenants safer, better quality and better value homes.
- Introduce a new Ombudsman for private landlords so that disputes can easily be resolved without the need to go to court, which is often costly and lengthy, and ensure that when residents make a complaint, landlords take action to put things right.
- Introducing a new property portal to help landlords understand their obligations, give tenants performance information to hold their landlord to account as well as aiding local authorities.
- We will shortly publish a White Paper which will set out more detail on our proposals for landmark reform in the private rented sector.

## BPF VIEW

Confirmation that the Government will shortly be publishing their Renters' Reform White Paper is welcome news. In addition to its inclusion in the Queen's Speech, the BPF also received a letter on 10 May from Eddie Hughes MP, Minister for Rough Sleeping and Housing, confirming that the white paper will be published in the coming weeks. The BPF has engaged extensively with government over the past two years on renters' reform, including attending roundtables and meeting with ministers. The BPF also developed our 'house view' on renters' reform, via our Tenancy Reform Working Group, a summary of which can be found [here](#) and a full position [here](#).

The BPF's position is clear that any new approach to Renters' Reform must maintain the UK market's reputation as an attractive place to invest in housing – to ensure continued growth of institutional delivery of homes, such as through Build-to-Rent. Any removal of Section 21 (no fault evictions) must be accompanied by a strengthening of the grounds to possession, to ensure that owners and their property managers can access their properties for the variety of legitimate existing reasons, such as to renovate or retrofit, for persistent rent arrears, or due to antisocial behaviour. It is therefore positive to see the Government flag that new and stronger grounds will be created as part of this reform process. In addition, any removal of Section 21 must be accompanied by strong and comprehensive court reform, including digitalisation and modernisation of services to ensure swift access to justice.

Other components of reform, such as the ombudsman, property portal and Decent Homes Standard are all supported in principle by the BPF and we shall await the details. Whilst Renters' Reform has been flagged as a bill in this Queen's Speech, given that we are still awaiting a white paper it seems highly unlikely that legislation would progress in this parliamentary session.



# Housing Reform (Leasehold)

## BRIEFING NOTES

The Government will be taking forward a comprehensive programme of reform to improve fairness and transparency in the leasehold market.

The Leasehold Reform (Ground Rent) Act 2022 will come into force on 30 June. This means that landlords will be prevented from requiring a financial ground rent in most new long residential leases. The Government will also publish accompanying guidance for enforcement officers and consumers.

This was the first part of the Government's seminal programme to implement leasehold and commonhold reform in this Parliament. Building on this, the Government remains committed to:

- transforming the experience of leaseholders by making it easier and cheaper for them to extend their lease or buy their freehold, and simpler and quicker to take control of the management of their building;
- better protecting and empowering leaseholders by giving them more information on what their costs cover and ensuring they are not subject to any unjustified legal costs and can claim their own legal costs from their landlord;
- banning new leasehold houses so that all new houses are freehold from the outset other than in exceptional circumstances; and
- delivering a reformed commonhold system as an alternative to leasehold ownership.

The Government will continue to work closely with the Competition and Markets Authority as their investigation into mis-selling and unfair terms in the leasehold sector continues. In recent months,

the Authority secured commitments from fifteen businesses that had bought freeholds from the housing developer Countryside to remove egregious doubling ground rents terms for their leaseholders and revert charges to original rates. The Government encourages developers who have not yet engaged with the investigation to do so.

## BPF VIEW

**This was possibly one of the big surprises of the Queen's Speech. There had been strong expectations that the Government would introduce a Leasehold and Commonhold Reform Act - a commitment that was repeated several times during the passage of the Building Safety Bill. However, with that Bill now passed, and with uncertainty when the Government will go to the country in a general election, the Government seems to have prioritised rental reform, and social housing reform, over leasehold reform. As the commentary states, the Government remains committed to further reforms to enfranchisement, right to manage, and commonhold, but not seemingly via a Bill in this session.**

**The BPF continues to be engaged with officials across several aspects of the Government's reform agenda, including through representation on its Commonhold Council.**

# Economic Crime and Corporate Transparency Bill

*A bill will be brought forward to further strengthen powers to tackle illicit finance, reduce economic crime and help businesses grow.*

## BRIEFING NOTES

The main elements of the Bill are:

- Broadening the Registrar of Companies' powers so that they become a more active gatekeeper over company creation and custodian of more reliable data, including new powers to check, remove or decline information submitted to, or already on, the Company Register.
- Introducing identity verification for people who manage, own and control companies and other UK registered entities. This will improve the accuracy of Companies House data, to support business decisions and law enforcement investigations.
- Providing Companies House with more effective investigation and enforcement powers and introducing better cross-checking of data with other public and private sector bodies.
- Tackling the abuse of limited partnerships (including Scottish Limited Partnerships), by strengthening transparency requirements and enabling them to be properly wound up.
- Creating powers to more quickly and easily seize and recover crypto assets, which are the principal medium used for ransomware. The creation of a civil forfeiture power will mitigate the risk posed by those who cannot be criminally prosecuted

but use their funds to further criminality.

- Enabling businesses in the financial sector to share information more effectively to prevent and detect economic crime.

## BPF VIEW

**This Bill takes forward the previously announced proposals to strengthen the powers of Companies House alongside the register of beneficial ownership of property enacted in the Economic Crime (Transparency and Enforcement) Act 2022. The BPF supports greater transparency on the ownership and beneficial ownership of companies and the ability to enforce. We wait to see the details of the Bill to ensure that the proposals are effective and proportionate.**

# Product Security and Telecommunications Bill

incentives for hosting through better connectivity for buildings where equipment is located.

## BRIEFING NOTES

The main elements of the Bill are:

- Requiring manufacturers, importers and distributors of smart devices to comply with minimum security standards. The legislation also imposes duties on these businesses to investigate and take action in cases of non-compliance.
- Providing a robust regulatory framework that can adapt and keep pace with rapid technological advances, techniques used by cyber criminals, hostile states and broader global regulation.
- Reforming the Electronic Communications Code to support faster, fairer and more collaborative negotiations for the use of private and public land to enable deployment of telecommunications networks.

## BPF VIEW

**It is good to see Government have listened to our concerns and are proposing to reform the Electronic Communications Code (EEC). We support the rollout of faster broadband but this must be balanced with property owners' rights.**

**The BPF have been calling for this as it has encouraged poor performance by telecoms operators and discouraged property owners from hosting telecoms equipment.**

**The Code needs to: provide a more certain framework for compensation for property owners for hosting equipment; provide a clear complaints process; make it easier to move equipment when repairing or refurbishing buildings; and build in**

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