



A few good regulators.

Incentivising smarter regulation to drive economic growth and unlock infrastructure investment.

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Foreword.

Fundamental reforms are necessary to boost UK economic growth and unleash a wave of private sector investment in the infrastructure and housing assets needed to support it. Part of this is about being honest about the UK’s problems. The UK faces a big inflection point in its national story – it needs to decide if it is willing to take the steps necessary to remain one of the richest countries in the world – because that status is currently under threat.



While the UK has the fifth largest overall Gross Domestic Product (GDP), on a per capita basis it is projected to be 25th this year.¹ The UK has had very low GDP per capita growth for almost two decades – it is now £16,500 lower (29%) than if the pre 2008 average annual growth trend had continued.² Average real earnings have grown by just 6.6% since 2007.³ While many Britons will have experienced years without a real wage increase it has not yet sunk in how far the UK has fallen in terms of relative incomes.

Research by the Institute of Economic Affairs (IEA) shows most Brits wrongly believe that the average person in the UK is as rich, or richer, than those in Switzerland, the United States, Singapore, Germany, Australia and much of Western Europe. According to the International Monetary Fund (IMF) projections, the UK's GDP per capita of around \$57,000 means we are poorer than all of them⁴ – Switzerland (\$118,000), Singapore (\$99,000), the United States (\$93,000), Australia (\$69,000) and Germany (\$64,000).⁵ If the UK were a US state it would not be similar to wealthy states such as Texas, New York and California, it would be below Mississippi in last place.⁶

This misperception of how wealthy the UK is influences public debate on what the UK can afford in terms of public spending. It can obscure the trade-offs involved in areas such as regulation vs economic growth. It breeds complacency about the impact that delays and bureaucracy are having on development. The UK urgently needs more reservoirs, ports and power plants – having clear, simple, effective and proportionate regulation reduces delays and costs and makes more projects viable for investors.

The problem is that we think that we are rich and don't need to make trade-offs – when we are not as rich as we think and we do have to make trade-offs. We cannot afford to load cost and delay into the system – we need cheaper energy and other infrastructure – and we need it now.

Boosting the pipeline of these projects requires a fundamental look at why a country that gave rise to the industrial revolution now can't deliver major infrastructure projects on budget and in under two decades. This is a subject that PIC has explored in a series of reports including 'Reservoir Underdogs: Unlocking regulatory challenges to delivering new reservoirs' and 'Planes, Trains and Regulatory Gains'. Each advocates a more simplified and streamlined regulatory framework. The latter suggested that UK regulators identify the best foreign regulators in their field and use them as a guide to help the UK achieve best in class regulation – we explore this idea in this report.

This policy idea borrows from the philosophical approach taken by Japan during the Meiji era which faced an even greater challenge in the 19th century - become a rule taker/be colonised or embrace reform. It was a proud island nation, but it recognised that it needed to adopt the best practices from around the world to rapidly modernise. While the UK faces different challenges and the stakes are less high, we can learn a lot from how this fellow island nation reformed their system to meet the challenges of a rapidly changing world.

The UK needs to adopt what we would call 'the Meiji mindset.' It should be humble and flexible and be willing to borrow the best policy approaches from other countries and rethink established UK practices where they are failing. Meiji Japan sent out teams to learn from other nations and recruited foreign experts to pioneer reforms at home. One key area where the UK can learn from others is planning and the associated regulation because recent experiences with large infrastructure projects have been somewhat problematic.



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Background.

Examples of regulatory overreach:

Each of the below cases shows how the current planning system is increasing costs and causing delays for high profile projects that have had political support or interest:

- The Thames Tideway tunnel planning costs alone have been double what Norway spent building the longest existing road tunnel.⁷
- The Stonehenge tunnel project managed to spend almost £180 million on planning before being abandoned.⁸
- HS2 costs increased so rapidly that it has both been cut short by ending in Birmingham and made to go slow to save cash.
- HS2 had to obtain around 8,300 planning consents from public bodies to complete the London to Birmingham line⁹ including agreeing to spend £120 million on a bat tunnel to protect 300 bats.¹⁰

The second staircase rule:

Related Argent, an urban regeneration specialist¹¹ estimates that the requirement to have a second staircase for buildings between 18 and 30 metres prevents one death every 6,135 years. This is based on the Governments own figures of 0.004 deaths prevented per major incident compared to the incidence of such events. Place Base, an advisory firm estimate that 18,000 homes are not being built in London each year because of this requirement.¹² Less secure housing has damaging effects – the APPG for Households in Temporary Accommodation report that “between 1st April 2019 and 31st March 2025, 104 children have died with temporary accommodation indicated as a contributing factor to their vulnerability, ill-health, or death.”¹³

The case of Hinkley Point C:

Nuclear power is one of the most reliable low carbon power sources in the world.¹⁴ As widely reported, to obtain planning approval, the Hinkley Point C nuclear plant had to agree to spend £700 million on fish protection measures to mitigate its environmental impact, equivalent to 1.5% of the total project costs.¹⁵ These measures will save fish equivalent to the annual catch of a small fishing vessel and less than one salmon per year¹⁶ (Salmon are protected under the Habitats regulations).¹⁷ Natural England are reported to be inclined to find these protection measures insufficient and will deny the necessary permissions until additional steps are taken.

We should ask whether it is wise to spend £700 million which will have to be recovered from consumer bills or taxpayers to save this number of fish. For comparison – the Sea Fish Industry Authority in their analysis of the accounts of UK fishing vessels found that the total operating profit of the UK fishing fleet in 2024 was £337 million.¹⁸ EDF Energy could have paid the entire UK fishing fleet to stay home for two years, saved more fish, spent less money and got the plant delivered quicker. Protecting the environment is an important consideration but it is being done in a way that does not recognise the trade-offs involved.

The system is working as intended:

In the cases presented before a process has been followed in which the trade-offs involved have not been recognised as costs have mounted to the point where the projects cost far more than needed. Major corrective actions then became necessary – projects were abandoned or scaled back. A delay to Hinkley Point C means less clean power, more pollution, higher energy prices and less energy security. If current environmental regulations and the role of Natural England in enforcing them has led us to this point, then both need to be reviewed to consider if they are fit for purpose.

People accept this as just the way things are done here, but it does not have to be this way – many countries deliver infrastructure cheaper and quicker than the UK, and the UK itself did it better prior to the current system being put in place. The UK has huge advantages at things that are very difficult to replicate – excellent universities, an incredible record on innovation, deep pools of financial capital and the associated expertise in financial and professional services. But we do the simple things poorly – it takes decades to approve and build a road, a reservoir or a power station. If we don't act now then our economy won't grow and we will miss out on the industries of the future.

About PIC.

Pension Insurance Corporation's (PIC) purpose is to pay the pensions of our current and future policyholders.

Our investment strategy is constructed to provide the cashflows to match all future pension payments over the coming decades. The best way to do this is by investing in secure assets like UK government and high-grade corporate bonds and the infrastructure the UK needs.

Our appetite for risk is low and our timeframe for success is measured over decades, not the next four quarters. We have already invested more than £15 billion in UK productive assets such as social housing, renewable energy, urban regeneration projects, and the UK's universities. We have more than £31 billion invested in the UK and have a total portfolio of £55 billion. So far we have paid £21 billion in pensions to our policyholders, with a 99% customer satisfaction level.



Key recommendations.

We have split these into general principles which explain how the reforms could work in practice. We then advocate three recommendations for a trial of the new model which could demonstrate how this idea could work in a particular sector. These proposals are offered as a basis for discussion with a view to making UK regulation best-in-class to unlock a pipeline of viable projects for private investment.

To achieve the below we would suggest that HM Treasury coordinate as part of the government's overall growth mission by driving the change across all UK based regulators, comparing the approaches of the different regulators and assessing their progress.



General principles:

1. For the UK government to adopt a Meiji mindset¹⁹ which means being fearless in borrowing the best practices from around the world to drive up the quality of regulation and our economic performance in general as Japan did in its 19th century modernisation drive.
2. Ask each UK regulator to nominate one or several foreign regulators to act as peer regulators against which the UK regulators' performance will be benchmarked.
3. Where there are not equivalent regulators to benchmark performance against reassess if there is a need for this UK regulator and potentially abolish it.
4. Select the peer regulators that are the best in that policy area in the world against independent criteria and not just countries of similar size or geographic proximity.
5. Regularly reassess the chosen peer regulators to ensure the UK's performance continues to be benchmarked against the best foreign regulators.
6. Require the UK regulator to provide a quarterly report on the regulatory decisions made by those peer regulators, the approach the UK regulator intends to take on each decision and how the UK's cumulative regulatory burden compares.
7. Establish a fast-track process for products and services approved by a peer regulator to be considered for approval in the UK.
8. Allow individuals and companies the right to formally request a review where a foreign peer regulator has approved a product or service, but it is not yet approved in the UK.

Individual regulators would select their peer regulators according to general principles set by the UK government. Clearly, different criteria would be prioritised depending on the sector – for example, in housing - affordability, safety and ease of construction would all be prominent concerns and the choice would be consistent with the departmental aims of the relevant department, in this case the Ministry of Housing, Communities and Local Government (MHCLG) which would have ultimate oversight. We would advise that each department limit the criteria for choosing a peer comparator to a few criteria that are absolutely core – not a list of twenty plus factors but three to five key criteria.



Practical trial of the new model:

- To explore how this model could work in practice, the UK could consider applying the approach of Singapore to how planning works in London. Singapore has had significant success at building a streamlined effective planning system operating under similar constraints to major British cities such as London, accepting that there are also key differences in the political setup in both places (as explored later in this report).
9. Explore the lessons the UK can learn from Singapore in fast-tracking planning approvals to remove delay and added costs.
 10. Trial aspects of the Singaporean system at a city level by allowing Manchester, London, other Mayoralities and development corporations to trial a Singaporean approach to planning.
 11. Audit public land holdings in those cities and where possible combine land owned by different government bodies to enable larger developments in UK cities – taking a whole public sector approach and replicating some of the benefits of Singapore's approach where most of the land is government owned.

Regulation is important and can help raise standards and deliver vital protections. Our case is not for no regulation it is for rules which are proportionate, targeted and informed by the best practice from around the world.

Executive summary.

Key benefits of applying a peer regulator approach to the planning system using Singapore as a point of comparison:

This report advocates that all UK regulators choose a group of foreign regulators against which to benchmark their performance. Below we estimate what some of the benefits would be if the peer regulator approach led to the UK achieving the efficiency of the Singaporean planning system – in terms of project speed, housing costs and the overall economy and housing sector. We provide a figure per home but the savings could also be directed to finance the underlying infrastructure that supports housing such as water and energy.



For the planning system in general:

- Singapore completes construction permit approvals roughly **59% faster** for this one part of the process for which we have comparable data. Construction permit approvals are the final technical authorisation to start a building as opposed to the whole planning and consent stage of the process. This is the only directly comparable international dataset, and we have used it as a proxy to estimate how efficient the whole UK planning and consent stage could be if we replicated the speed of Singapore in the construction permit process across the whole UK planning and consent stage.²⁰
- Boston Consulting Group reports a total UK median time of 65 months for the pre-construction phase of major infrastructure projects.²¹ Our model assigns around 18 months of this to the planning and consent stage reflecting common experience under the UK's Development Consent Order system, where the pre-application stage alone often lasts around two years. Using 18 months is a conservative midpoint that allows for differences across project types.
- The 59% reduction applied to the 18-month UK planning and consent window produces a time saving of roughly **10.5 months per project**.
- We find that given an average construction cost of **£206,250 per home**, a streamlined Singapore-style planning process applied to just the planning and consent stage could deliver savings of **£18,167 per home**. This is because the full UK planning stage imposes a delay penalty of roughly £31,000 per home (about 15% of build cost) in capital tied up plus cost escalation, of which £18,000 (~59%) is avoidable if we matched Singapore's speed.
- Scaled across all homes in the planning system between Q1 2024 and Q2 2025, total savings could reach **£6.358 billion**²².
- This £6.4 billion saving represents the lower overall cost of delivering these homes. The full planning delay cost across the 350,000 homes in the planning system is £15.5 billion (i.e. 15% of build cost), of which around £6.4 billion is the avoidable portion if we replicated the speed of the Singaporean planning system.



For affordable and social homes specifically:

Applying the same logic to the provision of social and affordable homes we find that there is:

- **A per-unit saving of roughly 8.8% of build cost for social homes**, or between ~£15,900 (low) and ~£22,900 (high) per new social rented home.
- Total savings include:
 - Based on actual social homes for rent that have started construction over the past five years (approximately 40,659 units, based on MHCLG Live Table 1000S):²³ **£645 million – £931 million**
 - Based on the government's social housing delivery target over the next five years (18,000 social homes starts each year - not completions):²⁴ **£1.5 billion – £2.2 billion**
 - Based on estimated social housing need (using Shelter's 90,000 homes per year benchmark):²⁵ **£7.1 billion – £10.3 billion**
- The Government is allocating £39 billion to fund social and affordable housing so this suggests a potential saving of between **3.9% – 5.6%** of the total budget derived from the social homes element alone, not including savings on the wider affordable homes funding.



1

Why we need to adopt a peer regulator approach.

The issue: Why are UK regulators not backing economic growth?

UK regulators have a duty to ensure they help businesses go for growth. However, this is one of many duties and the current regulatory setup does not prioritise growth. No-one would create the current UK regulatory setup from scratch:

- Process is not streamlined: HM Treasury state that the regulators “have proved difficult to simplify and align, given the legislative frameworks for regulators have been developed independently without consideration of the wider regulatory picture.”
- Many UK regulators: HM Treasury estimates there are over 100 bodies involved in regulation, before accounting for related non-regulatory bodies, professional associations, public functions, voluntary bodies, or wider regulator professions.²⁶
- Overlapping mandates: HM Treasury found that regulators “objectives, duties and powers have increased substantially over time. They now have different legal forms, duties, powers, appeal routes, and accountability mechanisms, resulting in inconsistency across the regulatory system.”

There is very little incentive to deregulate within the existing system. The trade-offs involved in making new regulations are less powerful than the emotive message that something must be done. There is no built-in retrospective review process for regulations to compare the pledges that brought the rules into being and the reality of how the regulations operate in practice – this is causing issues with the provision of new high-rise housing in London, where there have been substantial delays in approvals. Consequently, the cumulative burden of regulation increases as the system does not self-cleanse.

The all-party House of Lords Financial Services Regulation Committee recently explored how effective UK regulators are at fulfilling their duty to promote competitiveness and growth – it found that UK regulators were more focused on tracking operational inputs than outcomes and were lagging international rivals in approving new products and services. It pointed to Singapore as a country that provided valuable lessons to learn for UK regulators, this paper explores how this could work in practice.²⁷

The solution: How would this work in practice?

Recently, PIC released ‘Planes, Trains and Regulatory Gains’ containing 28 new policy ideas to boost the delivery of UK infrastructure. A key policy recommendation was to ensure UK regulators firmly back economic growth through establishing “a new fast track regulatory process” in which each UK regulator would select a foreign regulator/s as trusted regulators for their economic sector or area of responsibility.

The size of the peer group would vary by UK regulator. In any cases where there is not an appropriate foreign regulator that covers the same policy area the question would need to be asked - why the UK has such a regulator and whether the UK could manage without it.

The regulators approved as peer countries would differ by economic sector so there would be different regulators for the insurance sector to that of say housing or agriculture. The peer group should also be dynamic with the peer regulators for each sector regularly reviewed, perhaps biannually to ensure we continue to benchmark against the best in class in that selected economic area.

Each regulator would not simply choose peer regulators from countries of equivalent size or geographic proximity - having faster growth or less regulation than countries which are experiencing low growth should not be the aspiration. It would not default as so often is the case to comparing the UK with similar size European countries unless that nation were the world leader in a particular economic sector.

In many cases, the relevant competitor will be from outside Europe – for example on tech policy Israel could be a key peer, on financial services it could be cities such as Hong Kong, Singapore and New York. When selected the UK regulator would ensure that from this point onwards if a regulator from a country or economic bloc of high standing such as Singapore or the European Union approves something you can have it fast tracked for approval in the UK.

UK regulators would be expected to track the approvals and decisions of the foreign peer regulators – the UK regulator would then be expected to update on a quarterly basis as to its own decisions on these matters and how the overall UK regulatory burden compares with these other countries.

The existing stock of regulation would remain an issue and other regulators and lawmakers have clearly made different decisions in previous years which has led to the relative weight of regulation in each country differing hugely. For this reason, companies or individuals seeking to sell a good or service that is already being used in other countries should be given a formal right to a review based on the prior decision of a peer regulator – this would not be time limited.



Where is this working now?

The new system would apply some aspects of the approach that the UK Government recently adopted for Pharmaceuticals and the Nuclear sector to other sectors of the UK economy. It would be similar in some respects to the approach the UK followed within the EU as detailed below.

Pharmaceuticals: The UK Medicines and Healthcare Products Regulatory Agency operate the International Recognition Procedure under which it partners with regulators in Australia, Canada, Japan, Singapore, Switzerland and the USA, as well as the European Medicines Agency, individual EU member states and those in the European Economic Area (EEA). Agreed under the previous Conservative Government, the then Chancellor Jeremy Hunt promised it would ensure drugs approved by trusted regulators were granted “rapid, often near automatic sign-off”.

Nuclear: Under the current Labour Government - The UK Office for Nuclear Regulation and the US Nuclear Regulatory Commission have agreed a memorandum of understanding where the UK recognises the latter’s assessments to guide its own. It pledges to:

- “Cut duplication and fast-track decisions: Targeting reactor design reviews within two years, and nuclear site licensing within one year. The Environment Agency will explore accelerating site permitting.
- Share the regulatory load: Regulators will lead on specific aspects of reviews and mutually recognise each other’s assessment, with appropriate due diligence to ensure legal compliance and retain independent decision-making.
- Accelerate second-jurisdiction reviews: Where one regulator has already assessed a design, the second regulator will maximise acceptance of assessment of completed work to avoid duplication and speed up deployment.
- Focus on technologies that are already in licensing, or ready to enter the process in the UK and/or the US.”

European Union: Until recently the UK operated a similar system as it was an EU member. Under EU law through the principle of mutual recognition, established in the Cassis de Dijon judgment, if a product is legally produced and marketed in one Member State, it must be allowed to circulate and be marketed in other Member States, even if it doesn’t fully comply with all local regulations.

What benefits would this bring?

Politically this process could change the incentive structure by providing cover for regulators to back pro-growth measures. Regulators fear being pulled before a select committee and MPs competing to say – this went wrong, why did you allow it and calling for them to be fired. Regulators are less criticised for economic opportunity costs – the growth that didn’t happen, the industries which passed the UK by. This creates an inbuilt bias against growth and innovation.

In a new system, the UK regulator can use the peer regulator process to say we compared our decision and approach with that of other regulators, and we took a proportionate approach in line with the best regulators in the world. It will provide a performance metric to challenge regulator performance against – the stock of regulation that other nations have - building a constant review mechanism into the process – changing the conversation from something must be done to why are other countries doing it better.

It will allow the regulator in some cases to say – policy decisions are the constraint here and to refer that back to politicians to address. This recognises the constraints that regulators are operating under. Empowering businesses and individuals to challenge the regulator to change approach through a formal process will also help introduce a constant push for deregulation which is currently lacking. It will help provide a counterweight to the constant push for regulation and promote a more streamlined approach.

What protections will there be?

UK regulators would retain the ability to both refuse to deregulate and to re-regulate where appropriate but would need to explain and be accountable for their decisions. There could be exceptions for a limited number of sensitive areas such as food standards although we note above that the UK is already using selected foreign regulators to guide our approach in very sensitive sectors such as pharmaceuticals and the nuclear industry so this should not be an excuse to classify multiple sectors as sensitive.



2

The benefits of a peer regulator approach in practice.

We now explore the benefits this approach might bring by looking at one specific area - the planning system. Construction in England is very subdued with borrowing costs, net zero rules, retrofit requirements and the wider growth in regulatory cost contributing to making more projects unviable without substantial public grants.

In contrast, Singapore is very effective at delivering both infrastructure and housing, much of it delivered by public bodies. While it is a city state and England is a larger country, they bear significant similarities which make the comparison appropriate:

- The Singaporean model inherited the housing policies of Britain as a former British colony and where it has diverted from the UK this began as a reaction to the alleged failure of the British system to build enough housing, so its innovations were designed to rectify weaknesses in a British style system.
- Both have a highly centralised system – the Singaporean government owns around 90% of the land in the city. In the UK the state controls all development permissions since the Attlee Government nationalised this, it has around double the percentage of social housing as the Organisation for Economic Co-operation and Development (OECD) average and requires that a percentage of affordable properties must be built as part of each large development in most cases.²⁸
- Both have significant leasehold properties. Singapore's housing system is dominated by the Housing and Development Board which provides 99-year leasehold, high-rise public flats to the bulk of population. The UK has a high proportion of leasehold properties in major cities such as London which it is seeking to reform.
- Singapore like the UK has high housing costs, limited land availability and high labour and materials costs.

The political system in Singapore is very different to that in the UK. It is a city state where the same political party has been in power since 1965. There is less room for local discretion in planning, and it is a more streamlined process. Its land tax policies ensure that almost all development provides high value to the average resident and encourages the efficient use of the limited land available. However, the UK does compete with Singapore for investment and thus there is no reason its approach could not be trialled within the UK on a restricted basis perhaps for similar urban areas through applying it:

- At a city level in the UK in London, Manchester or at a development corporation level.
- Applying it to a category of housing such as affordable housing and/or development on state owned land.

In fact, the Mayor of London Sadiq Khan has already indicated his desire to copy elements of the Singaporean approach and has launched a development arm for that.²⁹ Our approach outlines the overall benefits of having a system that would replicate the efficiency of the Singaporean system. It does not detail every change in regulation and policy necessary to achieve this aim. It does not suggest that the UK can or should adopt the exact same approach to planning as Singapore does. Our focus quantifies the financial benefits of the shorter planning and approval periods that the Singaporean system provides, which we can learn from and aspects of which we could replicate.

Because detailed project-level datasets are not available for a consistent UK-Singapore comparison, our model uses a set of transparent assumptions supported by published benchmarks. This approach allows the results to be generated quickly while remaining grounded in real evidence. We look at two cases – the benefit for planning applications overall at a national level (case study one) and the benefit for the provision of social housing under three different delivery scenarios (case study two). The analysis could also be applied to the construction of any supporting infrastructure such as water or energy provision.

Case study one.

The savings to the planning system overall:

Key points:

- Singapore completes Construction Permit Approvals **59% faster than the UK**. Construction permit approvals are the final technical authorisation to start a building as opposed to the whole planning and consent stage of the process.
- Boston Consulting Group reports a total UK median time of 65 months³⁰ for the pre-construction phase of major infrastructure projects.³¹ Our model assigns around 18 months of this to the planning and consent stage reflecting common experience under the UK's Development Consent Order system, where the pre-application stage alone often lasts around two years.³² Using 18 months is a conservative midpoint that allows for differences across project types.³³
- The 59 percent reduction applied to the 18-month UK planning and consent window produces a time saving of roughly **10.5 months per project**.
- We find that given an average construction cost of **£206,250 per home**, a streamlined Singapore-style planning process could deliver savings of **£18,167 per home** although these funds could also be directed to pay for the provision of wider infrastructure to support new homes.
- Scaled across all homes in the planning system between Q1 2024 and Q2 2025, around 350,000 applications³⁴ this creates total savings of **£6.358 billion**.

Methodology:

The model begins by comparing the relative speed of planning approvals in Singapore and the United Kingdom using the World Bank's Doing Business indicator for dealing with construction permits.³⁵ This is one of the few international datasets that records a like-for-like measure of approval time. The model applies Singapore's relative speed advantage only to the planning and consents component, not the entire pre-construction period to avoid overstating the impact.

What would the housing specific impacts be?

To arrive at this estimate we used sourced time-series data from MHCLG showing the volume of homes and schemes moving through the planning system to scale our per-scheme savings to housing-specific impacts. We consulted multiple sources to establish midpoint construction costs for 1-, 2-, and 3-bed homes, then applied a weighted average based on the actual distribution of housing applications between Q1 2024 and Q2 2025.

Reason for including a discount rate:

The model used a four percent discount rate to capture the economic cost of delaying the project. This rate follows standard UK government economic appraisal practice set out in HM Treasury's Green Book, which prescribes a 3.5% real discount rate.³⁶ Rounding this to four percent provides a simple, stable value that is commonly used for high-level modelling exercises.

Effective annual cost escalation and why six percent is used:

The second parameter is the yearly rise in actual project costs caused by delay. The model uses 6% as the escalation rate. This assumption is supported by several sources. Construction inflation has frequently run at 4 to 10% in recent years, according to the Office for National Statistics (ONS)³⁷ and Building Cost Information Service (BCIS).³⁸ Consultancy and design costs have shown annual increases of around 5 to 8% on delayed schemes such as Crossrail, based on National Audit Office reviews.³⁹ The Infrastructure and Projects Authority (IPA) also report uplifts of 2 to 4%.⁴⁰ Given these ranges, six percent is a defensible and moderate assumption that captures the combined effect without overstating it.

Why the model multiplies cost, time saved and the combined rate ($r + g$)

The final cost saving is calculated by multiplying three elements: the size of the project budget, the time saved, and the combined value of the discount rate and the escalation rate. The discount rate represents the economic value lost by tying up capital, while the escalation rate represents the cash cost that increases when work is delayed. When planning delays are shortened, both penalties are avoided for the period saved. Adding these two rates provides a single annual penalty factor. Multiplying that factor by the project budget and the time saved gives a simple but meaningful estimate of the financial benefit.



Case study two.

The savings in social and affordable housing delivery:

Given the greater emphasis that new Prime Minister Andy Burnham has put on increasing social and affordable housing delivery we apply this methodology to estimate how the reforms would impact that sector.

Considering these data points, and assuming a typical social housing unit is built to lower specs than a market unit a defensible assumption for all in cost of a new social rented home in England is therefore **a range of £180,000 - £260,000 per unit**, consistent with Affordable Homes Programme cost data. Using this assumption across three scenarios, the estimated savings of having the Singaporean speed of approvals for social homes would be as below.

Key points:

A **per-unit saving of roughly 8.8% of build cost**, or between ~£15,900 (low) and ~£22,900 (high) per new social rented home.

- Based on actual social homes for rent that have started construction over the past five years (approximately 40,659 units, based on MHCLG Live Table 1000S)⁴¹:
£645 million – £931 million
- Based on the government's social housing delivery target over the next five years (18,000 social homes starts each year - not completions)⁴²:
£1.5 billion – £2.2 billion
- Based on estimated social housing need (using Shelter's 90,000 homes per year benchmark)⁴³:
£7.1 billion – £10.3 billion
- The second scenario accounts for the fact that 30% of homes within the government's target are to be delivered in London, for which we have applied an uplift to the per unit build costs. The government will allocate £39 billion to this house building programme so, this implies a potential saving of between **3.9%–5.6%** of the total bill (and this is driven only from the social homes element, not including wider affordable homes).

Note on methodology: How the saving is calculated:

If the length of the UK's pre-construction period (i.e. the time required to secure construction permits and achieve consent etc) was as short as Singapore's, then the per-unit cost saving can be calculated by multiplying three elements:

- the all-in cost of delivering a new social housing unit,
- the time saved in the pre-construction phase,
- and the combined value of the discount rate and the escalation rate.

The discount rate represents the economic value lost by tying up capital, while the escalation rate represents the cash cost that increases when work is delayed. When planning delays are shortened, both penalties are avoided for the period of time saved. Adding these two rates provides a single annual penalty factor ($r + g = 10\%$). Multiplying that factor by the unit cost and the time saved gives a per-unit saving of roughly 8.8% of build cost, or between ~£15,900 (low) and ~£22,900 (high) per new social rented home.

What is the unit cost of social housing?

It differs by project and area so we can only provide a general guide but there are a series of data points that provide an indication of average costs:

- Homes funded through the current Affordable Homes Programme (outside London) show an average total scheme cost per home of **about £214,000**.⁴⁴
- Research by the JLL Consultancy on meeting waiting list need assumes average build costs of **about £160,000** per social home on the basis of land provided at zero cost, so total development cost would be higher once land costs are included.
- CEBR analysis of delivering 90,000 social rent homes put total cost at around £35.4 billion at 2023 prices, implying an average of **roughly £390,000 per home** including land, infrastructure and on costs. This reflects a mix of higher and lower cost locations and is at the upper end of the likely range.
- The Housing Forum puts average build costs for homes/flats of any type (i.e. not social homes specifically) at **£202,000 – £242,000 for homes and £287,000 – £366,000 for flats**. This is averaged across all locations so is dragged up by London.



Conclusion.

This is just one example of how our current approach to regulation is costing the UK economy. An around £6.4 billion cost that we should not be paying. There will be many such cases. Decisions like this are making us poor so it is time to adopt the Meiji Mindset and look to the best countries in the world and replicate their approach here in the UK.

Commentators may say – the UK is not like Singapore – and they are correct there are many differences, but the UK competes with Singapore for talent and investment. Making it easier to build is the simplest way to boost the UK's GDP per capita; to allow more people to work near jobs and opportunities and to reduce the spend on housing so more is available for investment and growth.



Appendix.

Note on the overall Methodology: Limitations and purpose of the approach.

Comparable data for international comparisons between planning systems is very difficult to obtain. The World Bank Doing Business Indicator was the best such figure available, and this is why we have used it to inform our analysis. However there are a few caveats to consider on the data we have used and the assumptions that inform our model which is meant to be illustrative of the kind of savings that could be achieved.

First, the Doing Business figures were discontinued in 2021 after 18 years because of the alleged actions of some states in manipulating the data to improve their ranking. Neither the UK nor Singapore were subject to these allegations and consequently we have used the stats for both here and find them reliable, but it speaks to the difficulties in such comparisons between nations.

Second, these figures relate to 2019 and thus they were conducted prior to the Building Safety Regulator being established and the wave of new building regulation that it administers. Given there has been no equivalent regulatory drive in Singapore – it is likely that the figures presented here underestimate the true regulatory cost gap between the UK and Singapore rather than overstate it.

Third, the model captures only the time channel – i.e. savings from shortening the pre-construction phase – and does not attempt to quantify the land-value channel. Applying Singapore Housing & Development Board-style land acquisition costs to the UK would require additional assumptions that are difficult to defend, given Singapore's land regime is not market-based and so for this reason we have not estimated this.

Fourth, the 5.4-year pre-construction benchmark is derived from Boston Consulting Group research on major infrastructure projects and is applied to social housing here as the best available like-for-like proxy, in the absence of comparable published housing-specific data. Similarly, the World Bank construction permit indicator is based on approving a warehouse, but we have applied this more broadly to housing in the absence of other comparable data.

Fifth, the unit-cost range we have used is indicative: where more granular regional or scheme-type data becomes available, the ranges can be refined. These calculations are purely based on making the system deliver approvals quicker.

Lastly, our model is designed to be transparent and quick to implement, rather than an exhaustive cost-engineering exercise. The method relies on clearly stated assumptions that can be replaced or stress-tested if more detailed data becomes available. The figures should be interpreted as indicative estimates that help illustrate the scale of improvement possible under a faster planning regime.

Endnotes.

- 1 GDP per Capita (2026) - Worldometer
- 2 The UK's continuing economic growth crisis – Soft Machines, by Richard Jones
- 3 Britain 'no longer a rich country' after living standards plunge
- 4 On Purchasing Power Parity, the results still show that we lag these nations though the gap is different dependent on local living costs.
- 5 Britain is poorer than people think - CapX
- 6 Britain—Like France and Spain—Is Poorer than Mississippi | Mises Institute
- 7 Thames crossing delayed after planning it cost more than world's longest road tunnel | Politics News | Sky News
- 8 Stonehenge tunnel planning consent revoked after millions spent - BBC News
- 9 Bat safety barrier will cost £100m, says HS2 chairman - BBC News
- 10 Is the bat tunnel problem solved? - Britain Remade
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- 15 Trials show that Hinkley Point C's Acoustic Fish Deterrent is Highly Effective | EDF
- 16 Hinkley Point C and Fish Protection: What the Evidence Actually Shows - Nuclear Industry Association, referring to research by Swansea University.
- 17 £700m plan with 'fish disco' could save 90% of marine life, says Hinkley Point C study | Hinkley Point C | The Guardian
- 18 Economics Of The Fleet 2024
- 19 The Japanese Emperor Meiji presided over an era named after him which lasted from 1868 to 1912 called the Meiji restoration. During this period the Japanese Government pursued a policy of touring the world to identify which countries led in each policy area and copied what they were doing to rapidly modernise Japan in areas such as banking, military organisation and the introduction of tax reforms such as a Land Value Tax. The movement adopted an approach of 'Japanese Spirit, Western Techniques.'
- 20 We are using this differential as a proxy for the wider planning and consent speed gap, not just the final permit step, on the basis that it is the only directly comparable international dataset. This assumes the UK to Singapore gap is broadly representative of the pre-construction stage as a whole.
- 21 This assumption does not claim to be precise for every project, but it provides a credible estimate of the typical delay before construction begins.
- 22 Using the New homes granted planning permission, which MHCLG publishes each quarter (the homes data is supplied to them by a firm called Glenigan This counts homes rather than applications. It runs at roughly 220,000 to 240,000 homes a year.
How the £6.358bn is built:
 - Our £ saving per home is £18,167. It's the cost avoided by getting a home through planning faster, in line with Singapore.
 - Homes over the period (start of 2024 to mid-2025, i.e. 18 months) = 350,000. We get there by taking the 241,000 homes granted permission across the whole of 2024, then adding roughly 110,000 for the first half of 2025 (half of the latest annual figure of 221,000). £18,167 x 350,000 = £6.358bn. The 350,000 is approximate: the homes data is published as rolling 12-month totals, so we've estimated the first half of 2025 by halving the latest annual figure. That likely overstates it slightly given the downward trend, but recent figures also tend to be revised up later, so the two roughly offset.
- 23 <https://www.gov.uk/government/statistical-data-sets/live-tables-on-affordable-housing-supply>
- 24 <https://www.gov.uk/government/publications/delivering-a-decade-of-renewal-for-social-and-affordable-housing/delivering-a-decade-of-renewal-for-social-and-affordable-housing>
- 25 https://england.shelter.org.uk/support_us/campaigns/social_housing/brick_by_brick_report_full
- 26 New approach to ensure regulators and regulation support growth (HTML) - GOV.UK
- 27 Growing pains: clarity and culture change required. An examination of the secondary international competitiveness and growth objective
- 28 Affordable housing database
- 29 Mayor launches 'Singapore style' development arm for London with £100m investment to redevelop key site in Royal Docks | London City Hall
- 30 Source: <https://www.bcg.com/united-kingdom/centre-for-growth/insights/reshaping-british-infrastructure-global-lessons-to-improve-project-delivery>
- 31 This assumption does not claim to be precise for every project, but it provides a credible estimate of the typical delay before construction begins.
- 32 Source: <https://www.gov.uk/guidance/planning-act-2008-pre-application-stage-for-nationally-significant-infrastructure-projects>
- 33 This assumption does not claim to be precise for every project, but it provides a credible estimate of the typical delay before construction begins.
- 34 350,000 homes is an approximate number derived by taking the 241,000 homes granted permission across the whole of 2024, then adding roughly 110,000 for the first half of 2025 (half of the latest annual figure of 221,000).
Sources:
 - Homes granted permission, full year 2024 (241,000)
 - Homes granted permission, year to June 2025 (221,000)In each release the figure sits in the residential section and in Table 3, Number of housing units granted planning permission. This is all homes combined, private, affordable and social. It isn't a social-housing-only number
- 35 Source: https://www.worldbank.org/content/dam/doingBusiness/media/Annual-Reports/English/DB2020-report_web-version.pdf
- 36 Source: <https://www.gov.uk/government/publications/the-green-book-appraisal-and-evaluation-in-central-government>
- 37 ONS COPI: <https://www.ons.gov.uk/economy/inflationandpriceindices>
- 38 BCIS: <https://bcis.co.uk>
- 39 NAO Crossrail Report: <https://www.nao.org.uk/reports/crossrail>
- 40 IPA Annual Reports: <https://www.gov.uk/government/collections/infrastructure-and-projects-authority-reports>
- 41 MHCLG affordable and social housing supply (Live Tables): <https://www.gov.uk/government/statistical-data-sets/live-tables-on-affordable-housing-supply>
- 42 MHCLG, Social and Affordable Homes Programme (forward target): <https://www.gov.uk/government/publications/delivering-a-decade-of-renewal-for-social-and-affordable-housing/delivering-a-decade-of-renewal-for-social-and-affordable-housing>
- 43 Shelter, Brick by Brick (90,000 social homes / year): https://england.shelter.org.uk/support_us/campaigns/social_housing/brick_by_brick_report_full
- 44 UK Housing Review, Section Two, Chapter Four, Housing expenditure plans, p.90. Also corroborated – Homes England, 2021-2026 Affordable Homes Programme summary, end of March 2023, p.4.

Notes.



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