

Election Update

14 June 2024



This week, the election campaign grew in policy substance, as the major parties published manifestos detailing their visions for the UK, and leaders were interviewed and visited key constituencies. As expected, tax plans were a major talking point for all parties.

Lib Dems push 'For a Fair Deal'

The Liberal Democrats started the week with Sir Ed Davey launching their 116-page manifesto, *'For a Fair Deal,'* which centred on *"saving the NHS."* Key pledges included 8,000 more GPs in England, giving unpaid carers the right to paid carers' leave from work, improving early access to mental health services and introducing free personal care in England.

Key economic pledges included reforming Capital Gains Tax (CGT) by closing loopholes, reversing banking sector tax cuts, raising the tax-free Personal Allowance *"when the public finances allow,"* building 380,000 new homes every year and protecting the Pension Triple Lock.

Conservatives offer a 'Clear plan, bold action, secure future'

On Tuesday, the Conservatives introduced their manifesto from the Silverstone race circuit, where Prime Minister Rishi Sunak set out his *'Clear plan, bold action, secure future'* document which was dominated by pledging £17bn worth of tax cuts, which would be funded by reining-in welfare spending and clamping down on tax avoidance. Most of the pledges were devoted to helping working people to *"keep more"* of their earnings, including abolishing National Insurance (NI) contributions for the self-employed, along with a further two percentage point cut in employee NI contributions by

2027, before removing NI contributions completely *"when affordable to do so."*

The manifesto also confirmed several proposals already announced during the campaign, such as National Service, halving immigration and the Pension Triple Lock Plus, where pensioners won't be subject to Income Tax on their State Pension. The manifesto explored ways to encourage home ownership, including plans to abolish Stamp Duty for first time buyers on homes up to the value of £425,000, an improved Help to Buy scheme and tax cuts for landlords who sell to their tenants. Additionally, Mr Sunak announced that 1.6m new homes would be built by speeding up planning on brownfield land in inner cities.

Green Party pledge 'Real Hope, Real Change'

Wednesday saw the launch of the Green Party manifesto, which announced plans to *"mend what is broken"* in the UK by boosting health and social care spending by £50bn a year. They would achieve this by raising the rate for NI contributions to 8% for workers on annual wages above £50,270, and by creating a new wealth tax of 1% on assets worth more than £10m and 2% on assets worth more than £1bn. Other pledges include aligning CGT with Income Tax, introducing a carbon tax on businesses, expanding the windfall tax on fossil fuel profits, and demanding pensions and other funds divest from fossil fuels by 2030.

Labour plans to deliver 'Change'

It was the Labour Party's turn to publish its manifesto on Thursday, and Sir Keir Starmer took to the stage in Manchester to offer a manifesto which placed wealth

creation as *"our number one priority."*

Key pledges included creating a state-owned energy firm, recruiting 6,500 new teachers, launching a new 'Border Security Command' to tackle immigration and reforming planning rules in order to build 1.5 million new homes on the 'grey belt.'

The manifesto promised no changes to personal tax rates (Income Tax, VAT or NI), explaining its plans would be funded by raising around £8bn through charging VAT on private school fees, abolishing the non-dom tax status, increasing Stamp Duty for foreign buyers and clamping down on those who are underpaying tax by closing 'loopholes' in the windfall tax on oil and gas firms. On pensions, the manifesto said the party would uphold the Triple Lock and undertake a review of the pensions landscape to consider what further steps are needed to improve outcomes for people.

With a clear mandate to deliver change, Mr Starmer professed, *"I have changed my party. Now I want the chance to bring that change to the country."*

Scottish leaders debate

On Tuesday night, the Scottish leaders of the major parties took part in a five-way debate where key topics for discussion included the NHS and the cost of living. At the start of the week, Douglas Ross announced he would stand down as Scottish Conservative leader after the election.

Taking sensible steps

We can't foresee what will happen over the next few weeks, but looking after your financial future remains a priority. Please get in touch if you have any questions.