



INDEPENDENT FINANCIAL ADVISERS

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Election Update

28 June 2024



With less than a week until polling day next Thursday, the last few days of campaigning have become more heated as all parties put their cases to the electorate.

UK voters face a “knowledge vacuum”

Monday saw the Institute for Fiscal Studies (IFS) deliver its verdict on party tax plans. Director Paul Johnson said UK voters were “voting in a knowledge vacuum” heading into the election, and that both Labour and the Conservatives had “ducked” painful choices of either higher taxes or worse public services in their manifestos. Johnson noted, “Regardless of who takes office following the General Election, they will – unless they get lucky – soon face a stark choice. Raise taxes by more than they have told us in their manifesto. Or implement cuts to some areas of spending. Or borrow more and be content for debt to rise for longer. That is the trilemma. What will they choose? The manifestos have left us guessing.”

Prime Minister Rishi Sunak responded by reaffirming, “We have a fully costed manifesto which can deliver tax cuts for people at every stage in their lives. That is largely funded by making sure that we can find some savings in the growth of the welfare budget because it has been growing at unsustainable levels since the pandemic.” Sir Keir Starmer responded, “The economy has flatlined for 14 years, and that is exactly what we are wanting to change, and that’s why we have set out plans for growth in our manifesto.”

‘Gamblegate’ betting controversy deepens

Revelations of election candidates placing bets on the timing of the election

continued. BBC Newsnight reported up to 15 Conservative Party candidates and officials were being investigated by the Gambling Commission. On Tuesday, the Conservatives withdrew support for Craig Williams (candidate for Montgomeryshire & Glyndŵr in Wales) and Laura Saunders (candidate for Bristol North West). Russell George, a Member of the Welsh Parliament for Montgomeryshire who represented the constituency since 2011, became the fifth candidate facing Gambling Commission enquiries. Labour suspended Kevin Craig, its candidate for Central Suffolk and North Ipswich, after learning he placed a bet on himself to lose.

What else happened this week?

Tuesday saw Liberal Democrat Ed Davey launch a six-page ‘mini-manifesto’ titled ‘A Fair Deal on Care’. Pledges include a new minimum wage for care workers that would raise pay by £2 an hour, forming an independent living taskforce to help more people live independently in their own homes, and establishing a National Care Agency to set care standards.

Also on Tuesday, Keir Starmer confirmed he planned to crack down on the sale and possession of dangerous knives by passing ‘Ronan’s Law’, named after 16-year-old Ronan Kanda, who was murdered in 2022. Starmer met with knife crime campaigner and actor Idris Elba as well as the families of knife crime victims, saying Labour had a “moral mission” to address the “scourge of knife crime” by halving it within a decade.

New research from the Centre for Social Justice said Starmer had rebuilt trust in the Labour Party among Britain’s

poorest. The report ‘Breadline Britain’s Election Battleground,’ said Labour was ‘overwhelmingly’ the most popular party among the poorest, with half of those polled supporting them in the election, a 14% increase on 2019. Conservative support has fallen from 23% in 2019 to just 15%, while 40% of the nation’s poorest voters saw the Conservatives as ‘out of touch,’ up 6% from 2019.

TV debate: Sunak vs Starmer

Sunak and Starmer met for a 75-minute televised debate at Nottingham Trent University on Wednesday, answering audience questions on tax, welfare, immigration, protecting women’s only spaces and Brexit. Sunak went on the offensive, cautioning over Labour’s tax plans, warning the public, “If you’re not certain about Labour, don’t surrender to them.” Starmer countered that Conservatives were planning “unfunded tax cuts” and people were “paying hundreds of pounds more because of the damage done to the economy.”

Latest polls: Labour holding a 23-point lead

Wednesday’s IPSOS poll put Labour at 42%, the Conservatives at 19%, Reform UK at 15%, Liberal Democrats at 11% and Greens at 7%. However, one-third of respondents said they might change their mind before polling day. An Economist ‘mega poll’ said Labour was on track to win 465 seats, the Conservatives 76 seats, the Liberal Democrats 52 seats and Reform UK gaining three seats.

Taking sensible steps

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

**The value of investments can go down as well as up and you may not get back the full amount you invested.
The past is not a guide to future performance and past performance may not necessarily be repeated.
All details are correct at time of writing (28 June 2024)**