

Election Update

7 June 2024



The second full week of the campaign began with Monday's YouGov poll projecting the Labour Party was on course to win 422 seats, securing the biggest parliamentary majority since 1924, when Stanley Baldwin was elected. The poll predicted the Conservative Party would win 140 seats, the Liberal Democrats 48 seats and the Scottish National Party 17.

Later on Monday, the calculus changed again after Nigel Farage, Chairman of the Reform UK Party, announced he would be standing for election in Clacton. Farage said he would be *"betraying"* voters if he did not give them a serious right-wing option to vote for. The announcement was termed an *"existential threat"* to the Conservative Party, with Reform UK Party candidates expected to split the Conservative vote in key constituencies.

A heated debate

On Tuesday, attention turned to the televised debate between Prime Minister Rishi Sunak and Sir Keir Starmer. Both took questions from members of the public on topics ranging from the cost of living, funding the NHS, education, tax, immigration and climate change.

On the cost-of-living crisis, Starmer said the government had lost control of the economy, while Sunak said his plan was working, with the economy growing and wages rising. On cutting NHS waiting lists, Starmer said he would engage with striking doctors to resolve wage disputes. Sunak said he did not believe it was right to raise taxes or increase spending to end the strikes.

In his closing statement Keir Starmer said, *"I don't pretend there's a magic wand that will fix everything overnight. Instead, I offer you a practical common-sense plan... Britain can do better and must do better."* Rishi Sunak closed by saying, *"Agree or disagree with me you know what I stand for. I'll always have your back as I did with furlough."*

Interviewed after the debate, Ed Davey said the Liberal Democrats fully costed manifesto will include spending pledges to be funded by reversing tax cuts given to big banks. On immigration, Davey stressed the need for safer routes for asylum seekers and intentions to target international criminal gangs.

Tax claims

The most hotly contested area of debate centred on taxes. Sunak said independent analysis conducted by the Treasury concluded Labour would put up household taxes by £2,000 as a result of unfunded spending pledges. Those figures were disputed during the debate by Starmer, and on Wednesday morning, a letter from Treasury Permanent Secretary James Bowler said the figure included *"costs beyond those provided by the civil service."*

On Thursday, Chancellor Jeremy Hunt vowed there would be no increases to Capital Gains Tax, Stamp Duty or Council Tax, calling this the *"family home guarantee."*

And the Triple Lock?

Both parties have committed to retaining the Triple Lock, where the State Pension rises in line with whichever is the highest

– average earnings, inflation or by 2.5%. In May, Mr Sunak announced intentions to raise the tax-free pension allowance via a 'Triple Lock Plus,' where the Personal Allowance for pensioners would also increase by at least 2.5% or in line with the highest of earnings or inflation.

There was no mention in the debate of Labour's plans to reverse the abolition of the Lifetime Allowance, which came into effect in April 2024. However, at the weekend, a Labour spokesman said the party was *"committed to reintroducing a Lifetime Allowance in a fair and reasonable way,"* with its manifesto expected to provide further details.

When will manifestos be published?

The Institute for Government (IfG) think tank expects party manifestos will be published before 16 June to give voters time to study them. We will provide updates on manifestos and their financial implications.

In other news

Parliament was prorogued and dissolved last week on 30 May in advance of an official five-week election campaign. As such, various Bills were hastily passed, while others were abandoned. The Finance Bill, which includes taxation plans outlined in the Spring Budget, was passed, while the Renters Reform Bill was dropped. This Bill would have brought changes to the private rental sector, including rent rise regulation.

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.