

General Election 2015: What the manifestos say

With the General Election campaign now in full swing, the parties have published their manifestos. They set out the respective programmes for government. However, given the possible outcome of a hung Parliament, they represent the starting point for any coalition negotiations. There is broad consensus on a number of issues of interest to our members, such as pension freedoms and apprenticeships, but a great deal of divergence on the big questions including taxation and EU membership. This briefing provides an overview of the party manifestos. As the election unfolds we will review any more detailed policy proposals beyond manifesto content.

Conservatives

- Referendum on Britain's EU membership by the end of 2017.

Labour

- 'Budget Responsibility Lock' - all policies paid for without need for additional funding.

Liberal Democrats

- Balance the budget fairly through a mixture of cuts and taxes on higher earners.

UKIP

- Changes to tax thresholds paid for by leaving the European Union.

Greens

- Regulate the private sector in the public interest and curb excessive pay for executive and senior managers.

SNP

- Seek an agreement that the Scottish Parliament should move to full financial responsibility.



Conservative Party

‘Strong leadership, a clear economic plan, a brighter, more secure future’

In the lead up to the launch of their manifesto, the Conservatives had been keen to focus on economic competency, their strength in the eyes of the electorate. However, as launch day approached they began to announce a number of policies aimed at addressing perceived weaknesses – most notably a promise of £8bn of extra funding for the NHS. David Cameron was keen to change emphasis and set out a positive vision for the country as he searches for a breakthrough in the polls. Headlines made by the announcement of ‘Right to Buy’ for Housing Association tenants as well as an increase in the inheritance tax threshold. The manifesto sets out measures for families from cradle to grave – identifying commitments designed to help people over six ‘key’ stages of their lives.



Headline announcements

- Eliminate the deficit and be running a surplus by the end of the next Parliament.
- Provision of an extra £8bn above inflation for the NHS by 2020.
- Extend Right to Buy to housing association tenants in England.
- Legislate to keep people working 30 hours on minimum wage out of tax.
- 30 hours of free childcare per week for working parents of 3&4-year-olds
- Referendum on Britain’s EU membership by the end of 2017.
- Increase inheritance threshold to £1m for married couples and civil partners.

Pledges of specific interest

Economy & public spending

- Reduce government spending by one percent in real terms (2015/17). £13bn savings from departmental budgets.
- Ensure that the UK has the best financial services regulation regime in the world.

Taxation

- No increase in VAT, National Insurance contributions or Income Tax.
- Increase the Inheritance Tax threshold for married couples and civil partners to £1m, with a transferable main residence allowance of £175,000. This will be covered by a reduction on tax relief on pension contributions for those earning above £150,000.
- Increase the tax-free Personal Allowance to £12,500 and increase the 40p Income Tax threshold to £50,000.
- From the first budget, raise the tax-free Personal Allowance so that those working 30 hours on the Minimum Wage pay no Income Tax at all.
- Increase the annual tax charges paid by those with non-domiciled status.

Pensions

- Give people the freedom to use pension savings as they want and to pass them on tax-free.
- Continue to increase the Basic State Pension by at least 2.5 per cent through the triple lock.

Skills & education

- A promise of three million more apprenticeships over the next five years.
- The abolition of national insurance contributions for young apprentices under 25 (in 2016).
- Tough new standards for English and maths.

Health, families & social care

- Commitment to increase NHS spending every year and an additional £8bn spend by 2020.
- Tax-free childcare from autumn 2015, aimed at working parents earning less than £150,000 a year.
- 30 hours of free childcare a week for working parents of 3 and 4-year-olds, and the most deprived 2 year-olds.
- Cap charges for residential social care from April 2016, and allow deferred payment agreements.
- Guarantee that you will not need to sell your home to fund residential social care.
- Continued integration of health and social care systems.

Housing

- Right to Buy extended to all Housing Association tenants.
- Creation of 200,000 Starter Homes to be sold at a 20% discount only to first time buyers under the age of 40.

Europe

- In/out referendum on EU membership by the end of 2017.
- Resist EU attempts to restrict legitimate financial services activities.

Climate Change

- Build 1,400 new flood defence schemes to protect 300,000 homes.
- Continue to support the UK Climate Change Act.

Cyber crime

- Improve the UK's response to cyber-crime with reforms to police training and an expansion in the number of volunteer 'Cyber Specials'.

Equality & diversity

- A new workplace entitlement to volunteering leave for three days a year, on full pay (companies over 250 employees and public sector).
- Requirement on companies with more than 250 employees to publish the difference between the average pay of their male and female employees.
- Replace the Human Rights Act with a British Bill of Rights based on 'basic principles of human rights'.

Full manifesto: <https://www.conservatives.com/manifesto>

Also announced (not in the manifesto)

- Ros Altman to be made a peer and minister by a Conservative government to lead a review of financial consumer protection and financial education.
- Lloyds Bank shares to be offered to small investors at below-market prices.

Labour Party

Britain only succeeds when working people succeed.

The Labour manifesto opens with a “Budget Responsibility Lock” and the promise of no additional borrowing – the Party’s play for much craved for economic credibility, their Achilles’ heel. Ed Miliband hopes that this, backed up by the promise to reduce the deficit year-on-year in the next Parliament, will provide a much needed boost to Labour’s image on the economy and public spending. A number of subject specific mini-manifestos were published ahead of the main event, including one focusing on business (another area where the Party is perceived to be weak), and so a number of policies were already in the public domain. New pledges included a minimum wage to more than £8 by October 2019 and the introduction of a new National Primary Childcare Service, guaranteeing childcare from 8am to 6pm.



Headline announcements

- Budget Responsibility Lock – all policies paid for without need for additional funding. Legislate to require all major parties to have manifestos audited by Office for Budget Responsibility.
- Cut the deficit every year, get national debt falling and a surplus on current budget ‘as soon as possible’.
- Abolition of non-domicile tax status.
- Freeze energy bills until 2017 and give the regulator the power to cut bills this winter.
- A mansion tax on properties worth over £2m.
- Invest an extra £2.5bn in the NHS to pay for more GPs, nurses and midwives.
- Ban on zero hour contracts.
- 16/17 year olds to be given the vote by May 2016.

Pledges of specific interest

Insurance

- Labour’s industrial strategy will build on the UK’s strength as a leader in digital technologies. Big data is identified as one of the key areas.
- As part of Climate Change adaptation, an Infrastructure Commission will be set up and prioritise investment in flood prevention.

Taxation

- The party will not increase the basic or higher rates of Income Tax or National Insurance. The party also will not raise VAT, and they have renewed the pledge not to extend it to food, children’s clothes, books, newspapers or public transport fares.
- Abolition of non-dom status.
- Introduction of a tax on properties worth over £2m to help raise the £2.5bn a year for a NHS Time to Care Fund.
- Introduction of a lower 10p starting rate of tax, paid for by ending the Marriage Tax Allowance.
- 50p rate of taxation on incomes over £150,000 a year.

- Abolish the so-called ‘bedroom tax’.

Pensions

- Promise of reform to the pensions market so that pension providers put savers first, and protect consumers from retirement rip-offs. Labour support greater flexibility for those drawing down their pension pots, but say there must be proper guidance for people to avoid mis-selling.
- Measures to ensure investment and pension fund managers disclose how they vote on top pay.
- Retention of the pensions ‘triple lock’.

Skills & education

- Employers will have more control over apprenticeships funding and standards with powers to deal those employers who do not train.
- Introduction of a new, independent system of careers advice, offering face-to-face guidance on routes into university and apprenticeships
- Raise the standard and status of vocational and technical education, with a high quality vocational route from school through to employment, including via the Technical Baccalaureate for 16 to-18-year olds.
- Protect the entire education budget, including early years, schools and post-16 education so that it rises in line with inflation.
- Students required to study English and Maths to age 18 and undertake work experience between the ages of 14 and 16.

Health, families & social care

- £2.5bn increase in funding for the NHS.
- Repeal the Health and Social Care Act and also create a whole person approach to care.
- Expand free childcare from 15 to 25 hours per week for working parents of three and four-year-olds, paid for with an increase in the bank levy. And introduce a legal guarantee for parents of primary school children to access wraparound childcare from 8am to 6pm through their local primary school
- Double paternity leave to four weeks and increase paternity pay to £260 per week.

Business

- Creation of a Small Business Administration, which will ensure procurement contracts are accessible and regulations are designed with small firms in mind.
- Reform corporate governance to end the culture of short-termism, and prioritise long-term growth.
- Ban unpaid internships/work experience that last more than four weeks.

Housing

- Ensure ‘at least 200,000’ new homes a year are built by 2020. Three new garden cities.

Equality & diversity

- Require large companies to publish their gender pay gap, strengthen the law against maternity discrimination and homophobia, and establish a race equality strategy.

Full manifesto: <http://www.labour.org.uk/blog/entry/the-labour-party-manifesto-2015>

Liberal Democrats

Stronger economy. Fairer society. Opportunity for everyone.

The five key themes of the Liberal Democrats manifesto have been known since February (prosperity for all, fair taxes, quality healthcare for all, opportunity for every child, environment protected) and following their launch Nick Clegg has been keen to present his party as the moderating influence in British politics. The big announcement accompanying the publication of the full manifesto was the promise of extra funding for education. In the lead up extra money was also promised to the NHS, including for mental health care. New spending commitments will be paid for by a mixture of spending cuts and taxation.



Headline announcements

- Balance the budget fairly through a mixture of cuts and taxes on higher earners.
- Increase tax-free allowance to £12,500.
- Guarantee education funding from nursery to 19 with an extra £2.5bn and qualified teachers in every class.
- Invest £8bn in the NHS. Equal care for mental & physical health.
- Five new laws to protect nature and fight climate change.

Pledges of specific interest

Financial services

- Protect the new regulatory framework.
- Encourage the growth of crowdfunding and alternative finance models, encouraging local authorities to use these platforms to improve credit access in their areas.
- Review of effective ways to promote 'rainy day' saving to improve financial resilience.

Taxation

- Raise the Personal Allowance to at least £12,500 by the end of the next Parliament.
- Raise the employee National Insurance threshold to the Income Tax threshold.
- Reform Capital Gains Tax and Dividend Tax relief, refocus Entrepreneurs' Relief.

Pensions

- Establish a review to consider the case for, and practical implications of, introducing a single rate of tax relief for pensions, which would be designed to be simpler and fairer and which would be set more generously than the current 20% basic rate relief.
- Legislate for the 'triple lock' of increasing the State Pension each year by the highest of earnings growth, prices growth or 2.5%.
- Ensure pensioners are eligible to gain from the increased Personal Allowance of £12,500.
- Improve workplace pensions and continue to auto-enrol workers, completing the rollout of this scheme in full and on time. Crack down on charges and encourage people to save more into their pension pot

- Continue with plans to allow people more freedom in the use of their pension pots and to allow existing pensioners to sell their annuity.

Business

- Support medium-sized businesses through a one-stop-shop for accessing government support, a dedicated unit in HMRC, and the development of management skills.
- Reform business tax to ensure it stays competitive, making small and medium-sized enterprises the priority for any business tax cuts. Extend the business rates review to ensure it considers the implementation of land value tax.

Skills & education

- A major expansion of high-quality and advanced apprenticeships, offering vocational education on a par with academic qualifications. Measures to expand apprenticeships will be backed up with new sector-led National Colleges.
- Improve links between employers and schools, encouraging all schools to participate in mentoring schemes.
- Expand the availability of work experience placements.

Europe

- Remain a committed member of the EU. An in/out referendum on EU membership if there is any treaty change involving material transfer of sovereignty from the UK to the EU.

Health, families & social care

- Deliver the £8bn England's NHS has identified it needs to 'keep it strong'.
- Complete the implementation of the Dilnot Report proposals for a cap on social care costs.
- Commitment to a goal of 20 hours' free childcare a week for all parents with children aged from two to four-years, and all working parents from the end of paid parental leave (nine months) to two years. A commitment to provide 15 hours a week of free childcare to the parents of all two-year olds. Then prioritise 15 hours free childcare for all working parents with children aged between nine months and two years.
- Complete the introduction of Tax-Free Childcare, providing up to £2,000 of childcare support for each child.
- Encourage employers to provide more flexible working, expanding Shared Parental Leave with an additional 'use it or lose it' month to encourage fathers to take time off with young children.

Housing

- Build 300,000 new homes a year. Ten new garden cities.

Flood management

- Flood management and prevention will remain a priority over the next parliament.
- Work with local government to review the governance of flood risk and land drainage and introduce high standards for flood resilience for buildings and infrastructure in flood risk areas. Also set up a commission to research back-to-nature flood prevention schemes.

Equality & diversity

- Implement new rules requiring companies with more than 250 employees to publish details of the different pay levels of men and women in their organisation.

Full manifesto www.libdems.org.uk/manifesto

UKIP

To provide credence to their proposals, UKIP's spending plans have been independently scrutinised by the Centre for Economic and Business Research. Aside from the expected plans on Europe and immigration, UKIP's manifesto provides detailed pensions policy.

Headlines

- Spending: UKIP's spending plans will be paid for by EU exit, HS2 cancellation, cut in the foreign aid budget.
- Europe: support an in/out EU referendum.
- Taxation: create a "low-tax revolution".
- Migration: establish a Migration Control Commission to oversee an Australian-style points based system.

Taxation

- Raise the 40p tax rate threshold to £55,000, introduce a new 30p tax band and scrap inheritance tax.
- Raise the personal allowance to £13,000. Restore the allowance for those earning over £100,000.

Pensions

- Pensions: introduce a flexible state pension window, where pensioners will be able to take lower weekly state pension from the age of 65.
- Fund a higher standard of independent advice available to all pensioners. They will double the budget for guidance in 2015/16 from £30m to £60m, and treble the 2016/17 budget from £10m to £30m.
- UKIP, with "consultation with bodies such as the Chartered Insurance Institute and the Personal Finance Society, promise to develop a pensions advice and seminar programme that will help protect pensioners' best interests".

Link: www.ukip.org/manifesto2015

Green Party

The Green Party's manifesto sets out plans to end austerity and measures to reduce environmental impact. The funding for their plans would come from a range of tax changes, including a number levied on financial services.

Top level

- A Robin Hood (financial transaction) tax will be introduced to reduce speculation.
- Give the Bank of England the power to "limit the size of mortgages in relation to the property value and the borrower's income".
- Introduce a citizen's pension, paid regardless of contribution. The pension will pay £180 to a single pensioner, or £310 to a couple per week, taking all pensioners above the poverty line.
- The party will work for the abolition of the City of London Corporation.

Link: <https://www.greenparty.org.uk/we-stand-for/2015-manifesto.html>

Scottish National Party

It looks likely that the SNP will play a major role in Westminster following the General Election as a result of their probable gains. Their policies point to an alternative to austerity and also include a number of UK-wide commitments. The SNP has made clear that they would reject any deals that would create a Conservative government but would look to support a Labour government.

Top level

- The SNP will demand that the proposals of the Smith Commission are delivered quickly and in full. They will seek agreement that the Scottish Parliament should move to full financial responsibility. If there is an anti-Conservative majority, the party will vote in a motion of confidence against a Conservative government getting off the ground.
- Opposition to an In/Out EU referendum.
- Opposition to the Trident nuclear weapon system.
- Back plans for an annual UK target of 100,000 affordable homes
- Ensure public interest is fully protected in any future disposal of RBS and Lloyds shares, including decisions on how any windfall revenues should be used.

Taxation

- Revenue raising measures to include: the reintroduction of the 50p top tax rate, a tax on bankers' bonuses, a bank levy, a mansion tax, a crackdown on tax avoidance, the abolition of 'non dom' status, reversal of the married couples' tax allowance, and a review of the pension tax relief available to the wealthiest.

Pensions & social care

- A single-tier pension set at £160 per week, with the triple-lock protection continuing. A review the pension tax relief available to the wealthiest. A review of the planned increase in the retirement age from 66 to 67.
- Continuation of the roll out of auto enrolment for occupational pensions and also back, in principle, proposals to give pensioners more flexibility over their pension pots.
- Work with pensioner groups to identify and target unfair, hidden pension charges.
- Health and social care integration will be a priority for the SNP. There will be £300m invested over the next three years for the Integrated Care Fund and a £30m investment in health.

Link: <http://www.snp.org/node/15170>

Other parties

Plaid Cymru: **Manifesto** <https://www.partyof.wales/2015-manifesto/>

Social & Democratic Unionist Party **Manifesto**: http://www.sdip.ie/site/assets/files/42192/westminster_manifesto.pdf

Alliance Party **Manifesto**: <http://allianceparty.org/document/manifesto/assembly-manifesto-2011.pdf>

Democratic Unionist Party **Manifesto**: <http://www.mydup.com/publications/view/2015-westminster-manifestof>

Sinn Fein **Manifesto** <http://www.sinnfein.ie/contents/34582>

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