



FUNDING A FAIR DEAL

**Manifesto Costings
Summary 2024**



FUNDING A FAIR DEAL

The Liberal Democrat manifesto is a bold, ambitious and fully-costed plan to give the British people the fair deal they deserve. And we will pay for it fairly, too.

After years of Conservative chaos and neglect, there is no doubt that our NHS, social care, schools and other public services desperately need more investment. GPs are overstretched, hospitals are overcrowded and school buildings are crumbling.

At the same time, families and pensioners are struggling in the face of a cost-of-living crisis. The Conservatives have already put up their taxes by freezing income tax thresholds. It would be wrong to ask them to pay more to clear up the Conservatives' mess.

That's why we will fund our fair deal without raising income tax, national insurance contributions or VAT. Instead, we will focus on tax changes that make the system fairer – such as reversing the Conservatives' tax cuts for the big banks and imposing a proper windfall tax on the super-profits of oil and gas companies.

Responsible public finances are essential for the stability, certainty and confidence that drive economic growth, and for getting mortgage rates under control. The Conservative Government has shown all too clearly the damage and pain caused by fiscal irresponsibility. Under our plans, we will get the national debt falling as a share of the economy and ensure that day-to-day spending does not exceed the amount raised in taxes.



CURRENT SPENDING

		£m 2028-29
1	End the crisis in the NHS and social care	8,350
2	Support unpaid carers	1,450
3	Invest in early years and childcare	2,960
4	Invest in schools	2,170
5	Invest in higher education and lifelong learning	1,500
6	Tackle child poverty and make the welfare system fairer	4,060
7	Support farmers, rural communities and the environment	970
8	Cut the cost of transport	570
9	International, defence and borders funding	6,700
10	Other	100
11	Additional funding for Scotland, Wales and Northern Ireland	2,890
Savings		
12	<i>Cut the asylum backlog and allow asylum seekers to work after three months</i>	-4,290
13	<i>Crack down on Conservative waste by halving consultancy spending</i>	-630
Total		26,800



- 1. End the crisis in the NHS and social care:** 8,000 more GPs; invest in cancer research and treatment; guarantee access to an NHS dentist for everyone needing urgent and emergency care; invest in mental health services, including talking therapies and walk-in hubs for young people; make chronic mental health prescriptions free; increase the public health grant; supervised toothbrushing for children; scrap VAT on children's toothbrushes and toothpaste; increase the number of staffed hospital beds; introduce free personal care; introduce a higher Carer's Minimum Wage.
- 2. Support unpaid carers:** Boost Carer's Allowance by £20 per week, raise the amount carers can earn and introduce an earnings taper to end the unfair cliff edge.
- 3. Invest in early years and childcare:** Give disadvantaged three- and four-year-olds an extra five free hours a week; increase the Early Years Pupil Premium; increase Statutory Maternity Pay, Shared Parental Pay and paternity pay; introduce a use-it-or-lose-it month of leave for fathers and partners; pay an enhanced rate of Child Benefit for one-year-olds; introduce paid neonatal care leave.
- 4. Invest in schools:** Put a dedicated mental health professional in every school; extend free school meals to all children in poverty; introduce a Tutoring Guarantee; fund teacher training properly; introduce a Young People's Premium; extend Pupil Premium Plus funding to children in kinship care; reduce the amount schools pay towards EHCPs; expand provision of extracurricular activities.
- 5. Invest in higher education and lifelong learning:** Reinststate maintenance grants; create Lifelong Skills Grants.
- 6. Tackle child poverty and make the welfare system fairer:** Scrap the two-child limit, the benefit cap and the bedroom tax; reverse cuts to bereavement support; restore the full rate of Universal Credit for all parents regardless of age. Includes Housing Benefit and Local Housing Allowance savings from the increase in social housing.
- 7. Support farmers, rural communities and the environment:** Boost British farming; provide more funding for the Environment Agency and Natural England; expand Rural Fuel Duty Relief.



8. **Cut the cost of transport:** Reintroduce the plug-in car grant; cut VAT on public charging; extend half fares on buses, trams and trains; introduce a Young Person's Buscard.
9. **International, defence and borders funding:** Reverse Conservative cuts to Army troop numbers; return international development spending to 0.7% of GNI.
10. **Other:** Support small employers with Statutory Sick Pay costs; establish creative enterprise zones; end period poverty; reform the Child Maintenance Service.
11. **Additional funding for Scotland, Wales and Northern Ireland:** An additional £1,480m for Scotland, £760m for Wales and £650m for Northern Ireland would be available for them to spend on their priorities.
12. **Cut the asylum backlog and allow asylum seekers to work after three months:** Extra tax and national insurance revenue, savings in asylum support and accommodation and healthcare spending.
13. **Crack down on Conservative waste by halving consultancy spending:** Halve the amount the government spends on external consultants.



REVENUE

		£m 2028-29
14	Reverse Conservative cuts to bank taxes	4,250
15	Fairly reform Capital Gains Tax	5,210
16	A proper windfall tax on oil and gas super-profits	2,120
17	Raise the Digital Services Tax on tech giants	2,090
18	Introduce a 4% tax on share buybacks	1,420
19	Sewage tax on water company profits	260
20	Tobacco company profits levy	290
21	Super tax on private jet flights	380
22	Fairly reform aviation taxes	3,620
23	Tackle tax avoidance and evasion	7,230
Total		26,870



- 14. Reverse Conservative cuts to bank taxes:** Reverse Conservative tax cuts for the big banks, restoring Bank Surcharge and Bank Levy revenues to 2016 levels in real terms.
- 15. Fairly reform Capital Gains Tax:** Close loopholes exploited by the super-wealthy by adjusting the rates and basing them solely on capital gains while increasing the tax-free allowance from £3,000 to £5,000, on top of a new tax-free allowance for inflation, and introducing a relief for small businesses.
- 16. A proper windfall tax on oil & gas super-profits:** Scrap the 'investment allowance' loophole, increase the headline rate and extend it to profits since October 2021 when Liberal Democrats first called for its introduction.
- 17. Raise the Digital Services Tax on tech giants:** Increase the Digital Services Tax on social media firms and other tech giants from 2% to 6%.
- 18. Introduce a 4% tax on share buybacks:** Introduce a 4% tax on the share buyback schemes of FTSE-100 listed companies, to incentivise productive investment, job creation and economic growth.
- 19. Sewage tax on water company profits:** Apply an additional 16% tax on water company profits.
- 20. Tobacco company profits levy:** Set up a new levy on tobacco company profit margins with an inbuilt anti-avoidance mechanism.
- 21. Super tax on private jet flights:** Introduce a new tax on each private jet flight and remove the VAT exemption for private flights.
- 22. Fairly reform aviation taxes:** Reform the taxation of international flights to focus on those who fly the most, while reducing costs for ordinary households who take one or two international return flights per year.
- 23. Tackle tax avoidance and evasion:** Narrow the £36 billion annual tax gap by investing an extra £1 billion a year in HMRC to improve customer support and boost compliance and anti-avoidance activities.



PUBLIC INVESTMENT

We will invest an additional £19.7 billion a year on average over the next Parliament in public assets, to boost growth and improve our public services.

This includes:

- £1.1 billion of investment in hospitals and other NHS infrastructure and equipment.
- £1.9 billion to build new schools and clearing the backlog of repairs, £0.9 billion of which will be funded by redirecting capital funding for unnecessary new free schools.
- £8.4 billion to tackle climate change and protect the natural environment, including:
 - An emergency Home Energy Upgrade programme.
 - Investment in renewable power, grid infrastructure and energy storage.
 - Protecting habitats and wildlife, restoring peatlands and planting 60 million trees a year.
- £1.2 billion of investment in better transport, including:
 - Rolling out more electric vehicle charging points.
 - Creating new cycling and walking networks.
 - Significantly extending the electrification of the rail network.
- £6.2 billion to support our target of building 150,000 social homes a year and ensure that gigabit broadband is available to every home and business.
- An additional £1.9 billion would be made available for Scotland, Wales and Northern Ireland to spend on their priorities: £1 billion for Scotland, £0.5 billion for Wales, and £0.4 billion for Northern Ireland.



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