



Manifesto Costings Summary 2019





The Liberal Democrats are the only party contesting this election with a clear plan for how we will build a brighter future. The first step of our plan for a brighter future is simple: stop Brexit and use the Remain Bonus to invest in public services.

Staying in the European Union will secure a £50 billion Remain Bonus, with the economy nearly two per cent larger by 2024-25. We can invest that bonus in our schools, and on tackling in-work poverty and inequality.

We will responsibly manage the nation's finances by investing in the things that we need – childcare, tackling the climate emergency, the NHS, education, social care, the police and the safety net – and ensuring that we clearly identify where the money that will allow us to do this comes from.

Our plan is to fully fund day-to-day public spending and borrow for capital spending. The current, historically low interest rates provide an opportunity to borrow for investment in infrastructure and innovation – creating jobs, accelerating towards net zero greenhouse gas emissions and preparing the economy for the future. We will:

- Use the £50 billion Remain Bonus to invest in services and tackle inequality, giving a major boost to schools and combatting in-work poverty.
- Ensure that key services are properly funded and responsibly manage their budgets so that they rise year-on-year.
- End the continual erosion of local government funding and commit to a real increase in local government funding throughout the Parliament.
- Ensure overall national debt continues to decline as a share of national income.
- Protect the independence of the Bank of England and keep the inflation target of two per cent.

Spend			Income		
	Item	£m 24/25		Item	£m 24/25
1	Investment in schools	10,560	18	Remain Bonus	14,300
2	Tackling in-work poverty	3,330			
3	Health and social care	7,740	19	1p increase in income tax	7,740
4	Early years and childcare	13,990	20	Return Corporation Tax to 20%	9,950
5	Introduce Skills Wallets for all adults	1,620	21	Abolish the separate Capital Gains Tax-free allowance	5,660
6	Green transport	2,610			
7	Protecting the environment	1,330	22	Reform Air Passenger Duty	4,860
8	Police and crime prevention	1,030	23	Cannabis duty and savings	1,490
9	Further education, developing skills and youth services	1,650	24	Funding committed in spending review	12,460
10	Extend free school meals	1,160	25	Anti-avoidance measures	5,700
11	Restore maintenance grants	940	26	Increase Digital Services Tax	1,030
12	Tackling child poverty	2,820	27	Abolish Marriage Tax Allowance	630
13	Support for disabled people	1,280			
14	Making the welfare system fairer	2,000			
15	Other spending lines	2,730			
16	Extra spending on defence and aid	1,340			
17	Additional funding for Scotland, Wales & Northern Ireland	6,790			
	Total	62,920		Total	63,820



1. Investing in schools: allowing schools to employ 20,000 teachers, reduce class-sizes and restoring funding to 2015 per pupil levels; ending the crisis in Special Educational Needs and Disabilities funding by halving the amount that schools pay towards the cost of a child's Education Health and Care Plan; and introducing a clear and properly funded entitlement to genuinely high-quality professional development for all teachers.
2. Tackling in-work poverty: ensuring that the welfare system incentivises people to work by reversing cuts to work allowances, introducing a new second-earner work allowance and increasing support for self-employed people.
3. Health and social care: additional investment in priority areas, funded by the 1p increase in income tax: social care, NHS England (including mental health), public health and investing in the workforce.
4. Early years and childcare: providing free, high-quality childcare for children of working parents from nine months and for all children aged 2-4; investing in children's centres; tripling the Early Years Pupil Premium; and, increasing statutory paternity leave from two weeks to six weeks.
5. Introduce Skills Wallets for all adults: enabling an adaptable, future-focused workforce by giving every adult £10,000 to spend on education and training throughout their lives.
6. Green transport: investing in green transport and encouraging people to use greener options; substantially increasing funding for buses so that new routes can be opened and old routes restored; promoting walking and cycling as options; and, freezing rail fares for five years while we make the rail system fit-for-purpose.
7. Protecting the environment: increasing funding for the Defra and its agencies as well as water bodies so that they are all properly funded and provide funding for local government zero-carbon strategies.
8. Police and crime prevention: providing enough funding for the police to hire two additional officers in every ward and to fund year-on-year salary increases.

9. Further education, developing skills and youth services: investing in further education; introducing a Young Peoples' Premium and investing in youth services.
10. Extend free school meals: extending free school meals to all children in primary education and to all secondary school children whose families receive Universal Credit.
11. Restore maintenance grants: reinstating maintenance grants for the poorest students, ensuring that living costs are not a barrier to disadvantaged young people studying at university.
12. Tackling child poverty: making changes to the welfare system that will reduce child poverty by scrapping the two-child limit and the benefit cap.
13. Support for disabled people: reform the welfare system to better support disabled people by reinstating the Independent Living Fund and reversing cuts to the Employment Support Allowance for the Work-Related Activity Group.
14. Making the welfare system fairer: other changes to the welfare system including increasing support for bereaved parents, scrapping the bedroom tax, linking Local Housing Allowance to average rents in an area and raising the amount people can earn before losing their Carer's Allowance from £123 to £150 a week while reducing the number of hours' care per week required to qualify for it.
15. Other spending lines: introducing baby boxes, investing in legal aid, ending rough sleeping within five years, introducing a new Commercial Landowner's Levy to replace Business Rates, regionalising the British business Bank, tackling violence against women and girls and domestic violence, young carer's bus pass and support for refugees.
16. Extra spending on defence and aid: because GDP/GNI will be higher if we stop Brexit, we will invest more in defence and aid to meet our commitment to spending 2% of GDP on defence and 0.7% of GNI on aid.
17. Additional funding for Scotland, Wales & Northern Ireland: this is the additional funding that would be available to Scotland, Wales and Northern Ireland for them to spend on their priorities. This will mean



£3,400m additional funding for Scotland, £1,870m for Wales and £1,500m for Northern Ireland.

18. Remain Bonus: the amount of extra revenue available due to GDP growth as a result of staying in the EU. This is the net figure and takes into account payments into the EU budget as well as money saved that would otherwise have been spent on the Withdrawal Agreement and replacing EU spending in the UK. We would use the Remain Bonus to fund investment in schools (1) and to make work pay (2).
19. One penny increase in income tax: money raised by increasing income tax by 1p, this money would be used to invest in health and social care services (3).
20. Return Corporation Tax to 20%: current government spending plans are based on reducing Corporation Tax to 17%. We would not proceed with this cut and instead would increase Corporation Tax to 20%. We would put money raised towards funding our childcare offer (4) and introducing Skills Wallets (5).
21. Abolish the separate Capital Gains Tax-free allowance: we would instead tax capital gains and salaries through a single allowance. We would put money raised towards funding our childcare offer (4) and introducing Skills Wallets (5).
22. Reform Air Passenger Duty: we will reform the taxation of international flights to focus on those who fly the most, while reducing costs for those who take one or two international return flights per year. We would use the money raised to invest in tackling the climate emergency by investing in green transport (6) and the environment (7).
23. Cannabis duty and savings: income from introducing a legal, regulated market for cannabis and savings to the police and court system. We would use the money raised through legalising cannabis to fund the police and youth services (8).
24. Funding committed in spending review: funding that the government committed to in the September Spending Review and that we assume that they would continue, rather than planning to make cuts to services.

- 25. Anti-avoidance measures: We will set a target for HM Revenue and Customs to reduce the tax gap and support that by investing in staff to enable them to meet it.
- 26. Increase the Digital Services Tax: we would increase the Digital Services Tax from 2% to 6%, ensuring that the tech giants pay their fair share.
- 27. Abolish Marriage Tax Allowance.



Capital investment

We are committed to a responsible and realistic £130 billion package of additional infrastructure investment, which will include:

- £86 billion to tackle the climate emergency and protect the environment, including:
 - Substantial additional investment in the railways – opening new routes and electrification.
 - £15 billion for an emergency programme – helping to leverage additional private investment – to reduce energy consumption from buildings.
 - Introducing a £10 billion Renewable Power Fund to leverage investment in renewables from the private sector.
 - £5 billion to prevent floods and fund climate adaptation measures.
 - A Natural Capital Fund to plant trees and protect habitats and wildlife.
 - £5 billion of initial capital for a new Green Investment Bank.
- A capital investment programme in schools and hospitals that will support capacity increases and modernisation.
- Directly invest in house building to support our target of building 100,000 social homes per year.
- Investment to achieve our target of 2.4% of GDP spent on research and development.

As part of our Regional Rebalancing Programme we will ensure that at least £50 billion is spent on priorities outside of London and South East England.

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