

UK General Election 2024 – What we know so far

Income Tax – Conservatives & Labour

Both Labour and the Conservatives will keep income tax thresholds frozen until 2028 if they win the general election, meaning taxes will rise for many.

Both parties intend to stick with the threshold freezes - amounting to an effective tax rise because of pay inflation - introduced in response to Covid, for the next three years.

Mr Hunt has said the freeze will end after that. Labour has said it will stick to Tory plans.

The Institute for Fiscal Studies has warned this would bring 4.5 million more people into higher income tax thresholds by 2028.

It comes during the second week of a campaign where the Conservatives, Labour and the Lib Dems have all sparred over taxes.

The income tax threshold is different to the income tax rate.

The threshold refers to the amount of money people need to earn before they begin paying tax or, for those already paying tax, the amount they need to earn before paying a higher rate of tax.

The income tax rate refers to the percentage of a person's income that is paid in tax.

The threshold usually rises with inflation, but in 2021 the Conservative government froze most bands in response to Covid. The effect is known as "fiscal drag" as it drags more people into paying tax in the first place, and others into higher tax bands.

VAT – Conservatives, Labour, and Liberal Democrats

Labour, the Conservatives and the Lib Dems have all ruled out raising value added tax (VAT) if they win the general election.

Writing in the Telegraph, external, Chancellor Jeremy Hunt said the Tories would not raise the main rate of the sales tax during the next Parliament.

He challenged Labour to make the same pledge, claiming the party had been evasive on the issue during recent media interviews.

Shortly afterwards, shadow chancellor Rachel Reeves also ruled out a VAT hike, dismissing a claim she had planned to raise it as "nonsense".

Lib Dem Munira Wilson said her party would not not "look to" raise VAT, income tax or national insurance.

The pledge means Labour and the Tories have now both ruled out increasing VAT, income tax rates and National Insurance - the biggest and most reliable revenue-raisers from personal taxation - in the next Parliament.

Conservatives

Immigration – Conservatives

The number of visas available to migrants would be reduced each year under a new Conservative government, the prime minister has promised.

For the first time, MPs would get a vote on annual government proposals aimed at regularly reducing numbers, which would be based on recommendations from the expert Migration Advisory Committee (MAC).

Although no figures were suggested for a possible cap, Rishi Sunak said his was the only party willing to take "bold action to reduce immigration" if elected on 4 July.

Labour's Yvette Cooper, shadow home secretary, pointed to net migration trebling and accused the Tories of "rehashing failed announcements".

The announcement came as Nigel Farage announced he was returning to lead the Reform Party, with its focus on reducing immigration, which has heaped further pressure on Mr Sunak.

Some Conservatives have been unhappy at immigration levels, with control over the UK's borders and reducing immigration figures seen as a key battleground between Labour and the Tories this election.

The cap would apply to worker and family visas and would exempt temporary work routes, such as Seasonal Agricultural Workers.

The MAC's remit would prioritise the economy, with explicit orders to look at the economic costs of migration, including the impact on public services, wages and productivity.

Pensions – Conservatives

The Conservatives have promised to raise the tax-free pension allowance via a "Triple Lock Plus" if they win the general election.

Under the plans, the personal allowance for pensioners will increase at least 2.5% or in line with the highest of earnings or inflation.

Prime Minister Rishi Sunak said the scheme "shows we are on the side of pensioners," who the Tories say will save £275 by 2030.

Labour said the government's plan was not "credible".

At the moment, the state pension already rises in line with whichever is the highest - average earnings, inflation or by 2.5%.

This meant in April the state pension rose by 8.5%.

Both the Conservatives and Labour are committed to keeping the policy, designed to ensure pensions keep up with rising prices and wages.

But currently income tax thresholds have been frozen since 2021 - the independent watchdog, the Office for Budget Responsibility (OBR), has estimated, external that will create 4m extra taxpayers by 2028 and take 3m into the higher rate of tax.

Income tax is paid on money received via pensions.

By 2027, the state pension is expected to be higher than the tax-free personal allowance according to the OBR.

That would mean many millions more pensioners paying income tax, according to the Tories.

Apprenticeships – Conservatives

Prime Minister Rishi Sunak has promised to create 100,000 more apprenticeships a year by axing some “rip-off” university degrees in England if the Tories stay in power after the General Election.

The Prime Minister said a regulator would look at the progression and drop-out rates of university courses, as well their future earnings potential, to determine whether they are underperforming.

Mr Sunak said: “I’m not someone who believes that you have to go to university, and all the apprentices I’ve been talking to this morning are proof of that, describing it as the best decision they ever made.

“And what we do know is that there are university degrees that are letting young people down.”

The Institute for Fiscal Studies (IFS) said funding 100,000 more apprenticeships a year through a “crackdown” on degree courses would be challenging.

It is “unclear” whether savings from scrapping “low-value” courses would be large enough to fund the Tories’ expansion plan of apprenticeships – which could cost around £900 million each year – as students could still switch to other higher education courses rather than apprenticeships, the IFS said.

University leaders have warned the policy could “run down and undermine” the higher education sector and deter people from studying for degrees.

Labour

Scotland – Labour

A Labour government will bring “good jobs” to Scotland, reduce energy bills and improve energy security, shadow chancellor Rachel Reeves has vowed.

During a visit to Edinburgh, Ms Reeves said her party's industrial strategy, a national wealth fund and a Scotland-headquartered energy body would help make the UK a “global leader” in “industries of the future”.

It came after she told an audience of financial services leaders Labour would “unleash Scotland's economic firepower”.

The SNP have said Labour would continue with austerity policies if they win the general election, while the Scottish Conservatives said the UK government had already helped household finances with tax cuts.

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Ms Reeves told a question-and-answer session that a Labour government would build on Edinburgh and Scotland's "huge potential" in the financial services sector, which support 145,000 jobs in Scotland, according to industry body City UK, external.

The shadow chancellor ruled out hikes in income tax, National Insurance and VAT to give "certainty" to taxpayers.

And Ms Reeves said the party would invest alongside business in "huge opportunities" such as floating offshore wind, carbon capture and storage and green hydrogen".

GB Energy, a publicly owned body headquartered in Scotland, would help create jobs north of the border, Ms Reeves added.

While Labour has pledged to cut migration, she insisted businesses would not be left without migrant workers they rely on.

Taxes – Labour

Shadow chancellor Rachel Reeves has promised that there will be "no additional tax rises" beyond those she has set out if Labour wins the general election.

In her first major speech of the election campaign, Ms Reeves said that every Labour policy "will be fully funded and fully costed - no ifs, no ands, no buts".

But the Institute of Fiscal Studies (IFS), an independent think tank, has warned that whoever wins may have to raise taxes or cut spending.

Prime Minister Rishi Sunak claimed that Labour's plans will cost "every working family" £2,000 each.

Speaking at the engineering giant Rolls-Royce in Derby, Ms Reeves reiterated Labour's plans to recruit thousands of additional teachers and introduce 40,000 NHS appointments every week.

She said that Labour's plan to restore stability to the economy would be "underpinned by robust fiscal rules", which are self-imposed, such as getting debt falling as a share of national income by the end of the parliament.

However, the IFS has said that the state of public finances hangs over the election campaign "like a dark cloud" and the winning party may have to reduce spending or lift taxes - something that Ms Reeves ruled out on Tuesday.

The shadow chancellor said that she wants to lower taxes and increase the thresholds for those people who pay income tax.

Income tax thresholds have been frozen since 2021. This can mean that if a person's pay increases, they may enter a higher tax bracket.

Immigration – Labour

Labour is promising to cut net migration to the UK if it wins the election next month, but will not set an overall target.

Shadow home secretary Yvette Cooper said her party would reduce the need for overseas workers by improving training of British workers.

She argued that not setting a target was "sensible" because the Conservatives had "discredited the whole system" by previously missing targets.

But the Tories said "no-one believes Keir Starmer is serious about tackling immigration".

Speaking on BBC One's Sunday with Laura Kuenssberg, Ms Cooper acknowledged that new salary levels announced by the government were yet to "play through" and would further restrict companies' access to work visas.

But she added that Labour wanted to go further to cut reliance on foreign workers in sectors including construction, IT, social care, health and engineering.

The EU – Labour

There is 'huge scope' for the UK having a closer relationship with the European Union, Sir Keir Starmer has suggested.

But the Labour leader also said today that there is 'no case' for rejoining the EU, insisting he would respect the result of the 2016 referendum should he be elected as Prime Minister.

He also insisted that the UK would not readopt freedom of movement under a future Labour government.

Speaking at a Q&A in Stevenage, Sir Keir said he would like to see closer co-operation with the EU on issues such as trade, education and defence.

"There is no case for saying we'll go back into the EU, we had that referendum back in 2016, we got an outcome for it," Sir Keir said.

"We've got to take that on, a closer relationship I think not just in trade but also I think in defence, I think there's huge scope for closer work on defence and security, and also education, by the way, I think we could do a lot closer work on" the Labour leader added.

Sir Keir's comments come as little surprise as he has repeatedly insisted a future Labour government would not look to rejoin the EU.

None of the main parties have looked to make Brexit a central part of their campaigns so far.

This marks a stark contrast from the previous General Election in 2019, which Boris Johnson framed around 'getting Brexit done'.

Great British Energy – Labour

Labour will bring a "huge number" of skilled jobs to Scotland by basing the HQ of its new energy company there, Sir Keir Starmer says.

The party plans to create a publicly-owned company called Great British Energy.

On an election campaign visit, the Labour leader said the firm would drive the transition to clean energy and make sure "those jobs are in Scotland rather than other countries".

The SNP has criticised the project, saying it could risk 100,000 jobs in the north east of Scotland.

Great British Energy would be headquartered in Scotland, where much of the UK's oil and gas and offshore wind industries are based.

Labour would fund the company through a windfall tax on oil and gas firms, which they said would raise £8.3bn over the next five years.

Great British Energy would invest in wind and solar projects, as well as new technologies including floating offshore wind, hydrogen and carbon capture and storage.

But the SNP has said the scheme would use "Scotland's energy wealth" to fund nuclear projects in England and could cost thousands of North Sea jobs.

Private Schools – Labour

Labour leader Sir Keir Starmer has declared that a Labour government would swiftly implement taxes on private school fees.

Speaking on BBC Radio 4's Today programme, Starmer confirmed that the VAT exemption currently enjoyed by private schools would be removed "as soon as it can be done," resulting in a 20% increase in fees.

The VAT exemption, which independent schools benefit from due to their classification under the supply of education, allows them to avoid charging VAT on their fees. Labour's proposal aims to redirect this financial advantage to better support state education.

Starmer emphasized the urgency of this policy, stating, "Obviously, there will have to be financial statements etc. It is a question of the timetable in parliament. But these first steps are intended to be done straight away."

The removal of the VAT exemption is part of Labour's broader strategy to address inequalities in education funding and ensure that public resources are more equitably distributed. The immediate implementation of this tax highlights Labour's commitment to reforming the education sector and investing in state schools.

SNP

John Swinney has urged people to "vote SNP to put Scotland's interests first" as he formally launched the party's general election campaign.

Mr Swinney told activists and candidates at a rally in Glasgow that Westminster decision-making had meant "austerity, Brexit and a cost of living crisis being imposed on Scotland".

Scotland's first minister stressed his belief in independence as a way to ensure decisions about Scotland are made in Scotland.

Scottish Labour leader Anas Sarwar said John Swinney's "relaunch of a shambolic campaign" proved he was more interested in his party than the people.

Scottish Conservative leader Douglas Ross accused Mr Swinney of "pandering to his Nationalist base and pitting Scot against Scot in a bid to break up the UK".

Meanwhile, Scottish Lib Dems leader Alex Cole-Hamilton also criticised the SNP's continued push for a second independence referendum - insisting voters simply "don't care".

However, Mr Swinney has called on the public to back his party's indy stance in the 4 July general election and use the vote as a direct way to remove the Conservatives from government.

UK Emergency Budget – SNP

Scotland's first minister John Swinney has called on Sir Keir Starmer to commit to an emergency budget if Labour win the general election.

During a speech in Glasgow, the SNP leader said there was a broad consensus to "get rid of the Tories", but voiced concerns about who would replace them.

He added Scottish voters were likely to be in "disappointed" in the alternative being offered by the Labour party.

Mr Swinney also reaffirmed his party's commitment to eradicating child poverty and stimulating economic growth.

He was speaking after Labour leader Sir Keir urged Scottish voters to use the election on 4 July to "stop the chaos".

Speaking at a campaign event in Inverclyde, the Labour leader said the election was "chance for change, to end the chaos of division, to turn the page and to rebuild Scotland and rebuild Britain, because we have to stop the chaos".

Mr Swinney called on Labour leader Sir Keir to commit to delivering an emergency budget “very swiftly” should he be elected prime minister.

Oil & Gas – SNP

Stephen Flynn has suggested the SNP Government could reverse its presumption against new oil and gas licences.

The Scottish Government’s delayed energy strategy is expected to finally be published before the general election on July 4. The draft strategy put forward a “presumption against” new North Sea oil and gas developments being approved by UK regulators – a policy also backed by Labour.

But Mr Flynn, who represents Aberdeen South, has suggested the final document could indicate a change of policy, potentially leading to the SNP backing further expansion of oil and gas drilling instead of tougher action on climate.

Pressed over the Scottish Government’s energy strategy, Mr Flynn hinted the presumption against new fossil fuels projects could be reversed.

He said: “The Scottish Government has a draft energy policy that is out for consultation. The Scottish Government will, of course, in due course come forward with its final energy strategy. The energy strategy, as it stands, is not published in its final form. I’m very much looking forward to it being published in its final form.

“I think we all need to recognise, irrespective of where you are, the importance of the oil and gas sector to Scotland’s economy and the fact that those 100,000 individuals that we are talking about are absolutely crucial in our journey to net zero.”