UK Budget 2015

Mr Deputy Speaker,

I present to the House the budget.

Herein lies the taxation and spending commitments of the United Kingdom of Great Britain and Northern Ireland. This budget takes into account five years' spending and taxation, and the first of these shall be presented in the finance bill 2015.

This government, composed of MPs from the Labour Party, the Liberal Democrats, Green Party and Pirate Party, is committed to an overall increase in the money in people's pockets, and an active government committed to infrastructure spending and, most of all, committed to ensuring the prosperity of every person on these isles.

The major facet of the agreement combining these four parties' aims is the introduction of a basic income, which necessarily represents the biggest shake-up to this country's welfare system since the post-war consensus years. To that end, I stand here before you pleased to announce the demise of the state, and an end to the winter fuel allowance and jobseekers allowance. Normally this wouldn't be cause for celebration, but my colleagues and I have instead replaced these disparate benefits with a wide ranging basic income.

This is a real safety net on which anybody may rely without applications, sanctions and the real danger of falling between the cracks. If you're a taxpayer, you will receive a monthly payment with your pay packet commensurate with your income. If you are not, simply go to your local job centre and they will arrange it for you.

The benefits of the basic income for the worst off in our society cannot be overstated, and in years to come we will see the huge positive effect this endeavour will have on our country.

As a government, we are also keen to provide this country with the infrastructure it needs without busying ourselves with tinkering at the edges. So we will provide £100bn for new housing, which shall be a mixture of affordable private housing and social housing, to a total number of around 550,000 houses. For too long governments in this country have failed to address the housing crisis, but we shall ensure the huge injection of supply the housing market sorely needs.

£65bn has also been provided over the course of this Parliament to ensure this country's energy needs are catered for. We must decommission inefficient and environmentally unfriendly power plants and create a new infrastructure, which provides for our future energy needs and is as clean and green as possible.

This is accompanied by the great news that R&D spending will remain at previous levels, and later in this Parliament shall indeed have increased funding. Plus, we are pleased to announce that the current iteration of tuition fees is abolished.

Tax changes are less radical than our spending plans. Income tax bands shall change little, although it is a cause of celebration to note that VAT shall reduce immediately to 17.5%, and again to 16% before the end of this Parliament. LVT shall also increase by approximately 60%, as part of measures to ensure local authority spending is matched by local authority revenues; note that this does not preclude central government aid for special projects. Indeed, a good portion of the house building budget will be allocated to local authorities.

The House should also look forward to plans to introduce a wider-ranging and comprehensive carbon tax, which will replace the carbon tax outlined in the last budget. Rest assured that its aim is not to raise revenue, but to curtail harmful carbon emissions.

In summary, this is a radical budget, which brings benefit to every person in this country, both in the short term, where basic income shall be implemented within a year, and the long term, with our infrastructure projects well underway by the end of Parliament.

Thank you, and I await your questions.

The Rt Hon Bnzss MP

Summary

Changes from First Reading:

- Individuals aged 16 and over shall be eligible for the basic income (not merely 18 and over as previously).
- Rules on housing benefit is clarified; the House should know also that the DWP shall put forth legislation further reforming the remaining benefits.

Tax

- Income tax the tax bands at 30%, 50% and 60% for the basic, higher and additional rate respectively. Bear in mind that this accounts also for the absorption of national insurance, which represents an actual cut.
- The personal allowance on income tax has been reduced to £6,000 p/a.
- VAT has been reduced from 25% to 17.5%, and a further reduction to 16% in the fourth year.

Welfare

- Basic income is introduced in the first year, which sits at £12,000 p/a to be paid monthly, and is marginal until a person has earned £54,000 p/a. The annual cost to the treasury of this basic income is £393bn.
- The Department for Work and Pensions shall no longer provide pensions to the citizens of the United Kingdom. Several other welfare provisions have also been cut to account for the increase in individual income as a result of the basic income.

Local Government

- Central government shall no longer fund shortfalls in local authorities' budgets; instead an increase of between 60 and 75% in levied land value tax shall be distributed among local authorities by a central agency.

Health

- Health spending shall increase to account for the NHS's new responsibility in adult social care.

Education

- Tuition fees are absorbed by the government.

Foreign and Defence

- Foreign aid remains at 1% of GDP, and defence spending remains at 2% of GDP.

Housing and Infrastructure

- This government commits to spending over the 5 years of this Parliament to a total of £100bn, which is expected to supply 550,000 affordable and social houses.
- In addition to maintaining previous spending commitments, £65bn has been provided over the course of this Parliament to secure the energy needs of the UK in the form of decommissioning power stations and investing heavily in green energy.

Major Areas of Spending

Welfare

Welfare changes are profound across this Parliament. In addition to losing all pensions spending commitments, we reduce housing benefits by over half. This is, however, made up by the basic income, whose total cost at the rate of £12,000 p/a marginal to income of £54,000, costs the treasury £358bn. The Department of Work and Pensions - or its future guise, as it is no longer in control of pensions - shall be responsible for its distribution.

One point of note is that housing benefit has fallen by more than half as a result of the introduction of a basic income; this is not intended as a cut in housing benefit as it exists, but a mere anticipation that housing benefit claims shall fall according to current rules. The Department for Work and Pensions shall introduce new regulations on housing benefit to account for basic income, and the House should rest assured that there will be no reduction in overall income (basic, earned, other benefits) for any welfare claimants.

	2015/6	**2016/7**	**2017/8**	**2018/9**	**2019/20**
Budget (000,000)	441,146	441,146	441,909	440,909	432,687

Health

Health spending shall receive an immediate increase, to be maintained year on year, of £20bn to account for the absorption of social care spending from local authorities. On top of this, the NHS shall receive a 2% p/a funding boost on the previous year's spending for every year of this Parliament.

	2015/6	**2016/7**	**2017/8**	**2018/9**	**2019/20**
Budget (000,000)	207,839	211,996	216,235	220,560	224,971

Transport and Infrastructure

Previous spending commitments are maintained throughout this Parliament, with the addition of large scale funding towards green energy projects. These include the decommissioning of old power stations and the building of greener alternatives. Additionally, R&D spending generally has been increased substantially throughout the Parliament as part of the budget.

	2015/6	**2016/7**	**2017/8**	**2018/9**	**2019/20**
Budget (000,000)	24,288	39,788	42,116	37,116	52,116

Education

Education shall receive year on year increases in spending, and additionally tuition fees shall be abolished and the bill footed by the government from the first year of Parliament.

	2015/6	**2016/7**	**2017/8**	**2018/9**	**2019/20**
Budget (000,000)	66,300	66,510	67,840	67,840	69,197

Housing

The government commits to £100bn towards new housing, in the form of a mix of affordable homes built alongside our major buildings contractors and social housing, the latter of which will form the majority of houses built. We anticipate 550,000 new homes over the course of the five years.

	2015/6	**2016/7**	**2017/8**	**2018/9**	**2019/20**
Budget (000,000)	26,100	26,100	31,100	28,100	18,600

Accounts Summary

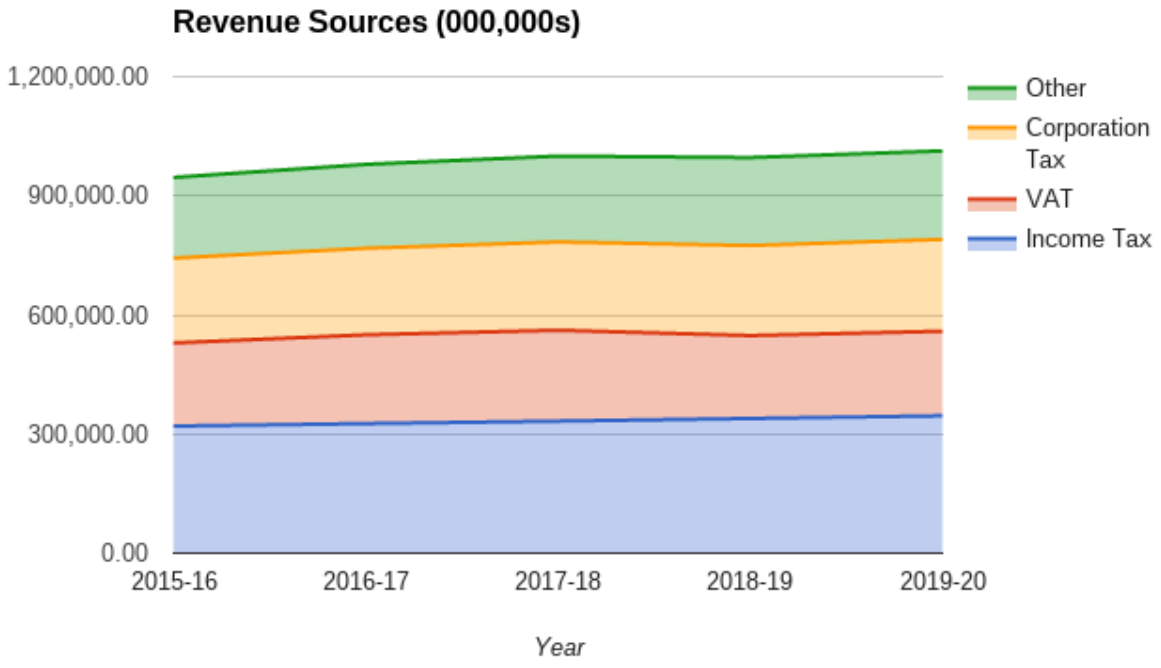
Revenues (000,000)

2015/6	2016/7	2017/8	2018/9	2019/20
947,464	979,553	999,716	1,000,072	1,014,113

Expenditure (000,000)

2015/6	2016/7	2017/8	2018/9	2019/20
986,012	1,004,299	1,022,960	1,021,285	1,028,067

Sources of Revenue



Areas of Spending

