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Leave campaigners' £80 billion of reckless unfunded spending pledges

Leave campaigners cannot tell the country how Britain prospers outside Europe.

Their campaign has been asked basic questions about Britain's future economic relationship with Europe, but the campaign have been in chaos and confusion.

Now, new analysis shows that Leave campaigners have been making reckless unfunded spending pledges. Together they have made 20 separate spending commitments, which total £83.6 billion.

The Leave campaigns claim that if Britain leaves Europe we will be able to spend on new infrastructure, tax cuts, deficit reduction and bailouts for domestic industries. This is neither credible nor achievable, and would leave working people worse off.

Despite Leave campaigns' claims, if Britain leaves Europe there is no guarantee that we would make a saving. Once you take in to consideration the funding Britain receives back from Europe, our contribution amounts to 30p per person per day.

Every alternative to EU membership would leave Britain weaker and worse off.

Those campaigning for Britain to leave Europe have no clear or credible plan for what Britain's future looks like outside Europe.

Leave campaigns' reckless unfunded spending pledges

Spending commitment	Cost (£m)
Building new hospitals	735
Hundreds of new schools	2,900
More spending on scientific research	1,150
New roads	1,520
Improving railways	560
Expanding regional airports	53
Reduce the deficit	5,000
Lower taxes	7,900
Lower business taxes	735
More housing	480
More spending on pensions	18,250
Subsidising business to cope with tariffs	7,400
Cutting VAT	

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	13,750
Reversing welfare savings	4,400
Reducing council tax	17,200
Paying state aid to the Steel Industry	200
Trade missions	1.2
Research Grants	1,000
A "British DARPA"	296
Pothole repairs	53
Total	83,583.2

Background: £80 billion of reckless unfunded spending commitments

1. Building new hospitals

“Let’s imagine what else this money could buy: state of the art hospitals”

Vote Leave, Take Control, YouTube, [link](#)

Cost: £735 million

Vote Leave haven’t set out how many hospitals should be built – but based on the average annual cost of construction of the new Queen Elizabeth Hospital in Birmingham, the Royal Liverpool University Hospital, and the Midland Metropolitan, building five would cost £735 million

Queen Elizabeth Hospital Birmingham, A new hospital built on partnership, accessed 17 February 2016, [link](#); New hospital construction gallery, accessed 17 February 2016, [link](#); The Royal Liverpool and Broadgreen University Hospital, New Royal Appointment Business Case, July 2015, [link](#); Carillion, Project description, December 2013, [link](#); HM Treasury press release, 14 July 2014, [link](#); Sandwell and West Birmingham Hospital; Midland Metropolitan Hospital, January 2016, [link](#)

2. Hundreds of new schools

“Let’s imagine what else this money could buy:...hundreds of new schools”

Vote Leave, Take Control, YouTube, [link](#)

Cost: £2.9 billion

This is based on the annual cost of the Building Schools for the Future programme, inflated in to 2015 prices. This is likely to be a conservative estimate, as the cost of this programme had been forecast by the National Audit Office to rise by £0.9-£1.2 billion.

NAO, The Building Schools for the Future Programme, 12 February 2009, [link](#) ; ONS, D7BT, 9 February 2016, [link](#)

3. More spending on scientific research

“Let’s imagine what else this money could buy:...pioneering health and scientific research”

Vote Leave, Take Control, YouTube, [link](#)

Cost: £1.15 billion

It’s not been made clear how much more they would spend on science, so this costing is based on a 20% increase in resource and capital spending in 2015/16
BIS, Science and research budget allocations, 2014, [link](#)

4. New roads

“Let’s imagine what else this money could buy:...we could build new roads”
Vote Leave, Take Control, YouTube, [link](#)

Cost: £1.52 billion

Leave campaigners haven’t said what new roads spending they would make. The Government’s current Road Investment Strategy is costing an average £3.04 billion a year. Assuming an improvement project half the size of this, this would cost £1.52 billion.

DFT, Road Investment Strategy, March 2015, [link](#)

5. Improving railways

“Let’s imagine what else this money could buy:...improve the railways”
Vote Leave, Take Control, YouTube, [link](#)

Cost: £560 million

Vote Leave haven’t detailed how much would be spent on rail improvements, but this estimate is based on the average annual cost of a single electrification project for the Great Western Mainline.

Public Accounts Committee report, 16 November 2015, [link](#)

6. Expanding regional airports

“Let’s imagine what else this money could buy:...expand regional airports”
Vote Leave, Take Control, YouTube, [link](#)

Cost: £53 million

This costing is based on the average annual cost of investment programmes at Manchester, Edinburgh, and Birmingham Airports - assuming just one similar project would be delivered.

Manchester Airport press release, 2 June 2015, [link](#); Edinburgh Airport press release, 22 January 2015, [link](#); Birmingham Airport, About Birmingham, accessed 18 February 2016, [link](#);

7. Reduce the deficit

“Chancellor to raise an extra £5bn in taxes to meet deficit target. How about cutting our EU budget contributions instead?”
Leave.EU graphic, Twitter, 9 February 2016, [link](#)

Cost: £5 billion

This is Leave.EU’s own costing.

8. Lower taxes

“Let’s imagine what else this money could buy:...we could lower taxation”
Vote Leave, Take Control, YouTube, [link](#)

“If you are still wondering what it will look like if we came out, think about this:...lower taxes as a result of no longer having to pay into the EU budget”
Vote Leave press release, 6 January 2016, [link](#)

“£10 billion is a lot of money each year...The adventurous who want more growth will say let’s all have a Brexit tax cut, so we individually get to spend it because we pay less Income tax.”
John Redwood, John Redwood’s Diary, 25 January 2016, [link](#)

Cost: £7.9 billion

Vote Leave haven’t set out exactly how much they want to lower taxes – but just a 2 pence reduction in the basic rate of income tax alone would cost £7.9 billion in 2016/17
HMRC, Direct effects of illustrative tax changes, 25 November 2015, [link](#)

9. Lower business taxes

“there are areas where government spending is a detriment to an efficient economy since it wastes money which could be going towards helping businesses which creates jobs and income. I think that the billions we spend on our EU contributions and the foreign aid budget would be a good place to start”
Nigel Farage, SunNation, 8 April 2015, [link](#)

Cost: £735 million

This is the 2016/17 cost of a 1 pence reduction in Corporation tax
HMRC, Direct effects of illustrative tax changes, 25 November 2015, [link](#)

10. More housing

“it would give our government the freedom to spend all those billions we’d save on arguably higher-priority areas...housing”
Leave.EU website, [link](#)

Cost: £480 million

Leave.EU have not set out the number of house that they would like built, so this costing is based on the annual cost of the Government’s £2.3 billion fund to deliver up to 60,000 starter homes, assuming a scheme of the same size
DCLG press release, 4 January 2016, [link](#)

11. More spending on pensions

“If I had a magic answer, I could glibly say, don’t give the EU £50 million a day and spend it on British pensioners...even that would not be sufficient to deal with the scale of this problem. That is me being completely honest with you”
Nigel Farage, Guardian, 12 November 2014, [link](#)

Cost: £18.25 billion

This is based on Nigel Farage’s proposal for £50 million a day, over a year, which he suggested could need to be even higher.

12. Subsidising business to cope with tariffs

“outside the EU, the UK Government could not only continue subsidising the current recipients of EU funds, but also assist exporters with their tariff costs (under the ‘worst case scenario’), and still have £3.9bn to spare”
Business for Britain, 23 June 2015, [link](#)

Cost: £7.4 billion

This is Business for Britain’s own analysis of the potential costs of tariffs.
Business for Britain, 23 June 2015, [link](#)

13. Cutting VAT

“Would taxes change? They could, and probably should. Under EU law, the UK is not permitted to apply a standard VAT rate below 15%, and a reduced VAT rate below 5%. These limits could be repealed once the UK secured independence.”
Vote Leave website, [link](#)

Cost: £13.75 billion

This is based on the 2016/17 estimated cost of reducing the standard rate of VAT to its 2010 level of 17.5%. With Leave.EU suggesting VAT could be brought below 15% the true cost of this could be significantly higher.
HMRC, Direct effects of illustrative tax changes, 25 November 2015, [link](#)

14. Reversing welfare savings

“The controversial tax credit bill that was rejected by the House of Lords last week would have provided the Treasury with £4.4bn worth of savings. Here’s an idea, George - when we leave the EU, you’ll be able to fill that hole in EU membership fee savings’
Leave.EU Facebook, 2 November 2014, [link](#)

Cost: £4.4 billion

This was the costing given by Leave.EU

15. Reducing council tax

“Without our EU budget contributions, we could give everyone a 60 per cent council tax cut.”

Daniel Hannan’s Twitter, 1 September 2015, [link](#)

Cost: £17.2 billion

This costing is based on a 60 per cent reduction in the 2015/16 forecast for council tax receipts

HM Treasury, Spending Review and Autumn Statement 2015, November 2015, [link](#)

16. Paying state aid to the Steel Industry

“Imagine if we Vote Leave... we will be able to end unfair state aid rules, and support struggling industries like Steel”

Vote Leave Campaign News, 10 February 2016

Cost: £200 million

It has not been made clear which industries state aid would be given for, so this costing takes the single example of the average annual loss at SSI which would have to have been funded to make the business break even.

Hansard, Written Answer, 30 November 2015, [link](#)

17. Trade missions

“the UK taxpayer’s money saved by this plan should be reinvested in new UK trade missions across the world to promote Britain”

Business for Britain, 14 January 2014, [link](#)

Cost: £1.2 million

This costing assumes a 10% increase in UKTI’s Trade Events & Missions budget from 2014/15

UKTI Annual Report 2014/15, 9 July 2015, [link](#)

18. Research Grants

“We are not talking about scrapping any sort of funding when it comes to subsidies for farmers or research grants for universities or any other sort of EU funding”

Matthew Elliott, Yorkshire Post, 20 November 2015, [link](#)

Cost: £1 billion

This was the estimated value of funding for UK science through Horizon 2020 in its first year

European Commission press release, 30 January 2014, [link](#)

19. A “British DARPA”

“you have a chunk of money which you immediately save which you can put into it. You can set up a British DARPA”

Dominic Cummings, The Economist, 21 January 2016, [link](#)

Cost: £296 million

The budget for the Defence Advanced Research Projects Agency was \$2.87 billion in 2016. This would be equivalent to \$428 million in the UK if the budget were the same as a percentage of GDP. This would be £296 million.

DARPA Budget, accessed 15 February 2016, [link](#); OECD, Gross domestic product, current PPPs, 14 December 2015, [link](#)

20. Pothole repairs

“The EU has spent £264 million on just four bridges in Greece, Romania, Bulgaria and Poland, more than the £250 million that is forecast to be spent on the UK’s Pothole Action Fund in the next five years. After we Vote Leave, we can spend our money on our priorities like fixing our roads. Taxpayers’ money should be spent on filling in potholes in Britain, rather than being squandered on foreign bridges to nowhere”

Vote Leave Campaign Email, 2 February 2016

Cost: £53 million

This costing is based on the £264 million spending attacked by Vote Leave, assumed to, like the Pothole Action Fund, be spread over five years.

There is no guarantee of a saving if Britain leaves Europe

- **Leave campaigners claim that being in Europe costs £18.2 billion a year saving from leaving Europe**

“Every week the United Kingdom sends £350 million of taxpayers money to the EU”

Vote Leave, Take Control, YouTube, [link](#)

“If we vote to leave, then the £350 million we send to Brussels every week can be spent on our priorities like the NHS.”

Kate Hoey, ITV News, 9 October 2015, [link](#)

“Last week, a university Vice Chancellor explained how 17 percent of his research budget came from the EU. If we were outside the EU, instead of sending £350 million every week to Brussels, we would have more to spend on our own priorities, like pioneering scientific research.”

Douglas Carswell, 9 October 2015, Telegraph, [link](#)

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- **But this is completely wrong**

This is the wrong figure to use. The correct figure to use is the net contribution, which takes account of the UK rebate – money which never leaves the UK - and private and public sector receipts we receive in spending.

Britain's average net contribution to the EU is £7.1bn, which amounts to 30p per person per day.

And if we left the EU and continued to trade with the EU's single market of 500 million consumers we would still pay budget contributions, as Norway and Switzerland do.

- **Britain's average net contribution to the EU is £7.1bn**

£ million	2010	2011	2012	2013	2014
UK gross contribution before rebate	15,625	15,116	16,203	18,166	16,247
UK rebate	-3,055	-3,120	-3,084	-3,676	-4,894
UK receipts	-5,784	-5,701	-5,623	-5,355	-5,635
UK net contribution	6,786	6,295	7,496	9,135	5,718
Source	link	link	link	link	link ; link

Average (£bn) 7.1

- **This amounts to 30p per person per day**

Net Contribution (billion)	£7.1	
Population (million)	65.14	<i>ONS National Population Projections</i>
No of Households (million)	26.99	<i>ONS Families and Households, 2015</i>
Net contribution per household	£263	
Net contribution per person per day	£0.30	

- **And this ignores the fact countries outside of the EU still pay budget contributions.**

Both Norway and Switzerland – two of the alternatives promoted by leave campaigners – make EU budget contributions as the price for the terms of their relationship with Europe. Per person Norway's contribution is 76% of the UK's contribution, and Switzerland's is 38%.

House of Commons library, Exiting the EU, 12 February 2016, [link](#)

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- **Leave campaigners have admitted that the UK would continue to pay EU budget contributions**

Jon Moynihan, Vote Leave board member, has said “Nobody knows how much of it we would save”

“[£350 million is] right in gross. We do get some money back... Nobody knows how much of it we would save... It’s probable that at the end of the day we would want to spend something like 20% of that money. The other 80% would be available to us.”

Today, 26 January 2016, [link](#)

Leave.EU’s publication *The Market Solution* has said “a range of financial contributions” are part of the package they would accept

“EEA costs and contributions. Part of the EEA package is a provision for a range of financial contributions.”

*Leave.EU, *The Market Solution*, 8 January 2016, [link](#)*

Daniel Hannan MEP, Vote Leave spokesman, suggested the UK would pay a fee like Iceland, Switzerland or Norway

“We’ll recover our parliamentary sovereignty and, with it, the ability to sign bilateral trade deals with non-EU countries, as Norway and Switzerland do... Would we have to pay a participation fee?”

According to Professor Herman Matthijs of the Free University of Brussels, who has produced the only like-with-like comparator, Iceland’s annual per capita contribution is €50, Switzerland’s €68 and Norway’s €10”

Spectator, 26 January 2016, [link](#)

David Campbell Bannerman has admitted that the UK would still pay budget contributions.

“[Norway] also pays fees for membership of EU programmes and agencies as the UK would”

Huffington Post, 29 February 2016, [link](#)

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