



Federal Conference Report

Newcastle-Gateshead
9-11 March 2012

This report contains the policy motions, constitutional amendments and standing order amendments passed by Conference, as amended. Defeated motions have not been included. It also includes questions on reports of party bodies.

Policy Motions

Europe

Conference deeply regrets the approach adopted by UK Prime Minister David Cameron at the December 2011 European Council meeting, and believes that it:

- I. Overturned fifty years of policy of government of all colours, aimed at preventing the emergence of a two-speed Europe with the UK in the slow lane, by voluntarily putting the UK into this category.
- II. Risks thereby directly removing British influence over major decisions in the EU which have a huge impact on the UK, for example in the economic governance of our largest trading market.
- III. Did nothing to protect particular British interests such as in the financial services market.
- IV. Seriously imperilled British influence in Europe and thereby in the wider world.
- V. Jeopardised efforts to save the euro.

Conference believes that:

- A. The best way of promoting the interests of the British people is by working closely with other European countries.
- B. This applies especially in areas where the interests of British people differ little from the interests of other European citizens, such as:
 - i) Protection of the environment, and being at the forefront of global efforts to limit climate change.
 - ii) Many aspects of defence and security.
 - iii) The promotion of a fair and open international trade system.
 - iv) The promotion of basic human rights and democracy across the world.
- C. The UK should support its EU partners in restoring financial stability as the basis for economic recovery by taking decisive steps towards greater fiscal

union within the Eurozone which alone will restore both market and democratic confidence.

Conference however believes that the European Union needs widespread and extensive reform, and endorses long-standing and extensive party policy setting out proposals for this, such as in our manifesto for the 2009 European elections and policy papers 87, *Shaping our World Through a Strong Europe* (2008), and 56, *Future of Europe* (2003).

Conference therefore calls for:

1. Greater democratic accountability and control of the institutions of the EU.
2. In particular, that in future the democratic choice made by the people in the European elections, next due in 2014, should be the basis for appointing the President of the European Commission.
3. Respect for the principles of subsidiarity and proportionality.
4. An end to the deeply wasteful and unnecessary maintenance of a second seat of the European Parliament in Strasbourg.
5. Sufficient effective oversight of EU funds spent by national governments to ensure that audit opinion on the EU's expenditure does not need to be qualified.
6. The UK to play a constructive role in the EU and build alliances with others to:
 - a) Drive forward an ambitious jobs, growth and reform agenda.
 - b) Support moves for European security and defence.
 - c) Build a credible area of freedom, security and justice, through co-operating closely to fight crime, ensure that family and other civil law works effectively across state borders, and protect the basic rights and civil liberties of all our citizens.
 - d) Promote greater flexibility in management of fisheries.
 - e) Promote completing the internal market in financial services.
 - f) Support moves to tackle climate change.
 - g) Require more rigorous impact assessment of Commission proposals, to ensure that the EU legislates or spends only where there is a clear added value to action at EU level.
 - h) Argue for further reform of the Common Agricultural Policy (CAP), to move away from subsidy of agricultural production and towards incentivising environmental protection and resource efficiency.
7. The Liberal Democrats to continue to argue consistently for Britain to play a full part in the EU, and to work with our sister parties in other countries and the European institutions to promote these goals.
8. The fiscal compact treaty to be integrated with the European Union.

Applicability: Federal.

Background briefing: This motion updates and develops policy on Europe in light of the outcome of the December 2011 European Council meeting. In particular, the

motion creates new policy on the integration of the fiscal compact treaty with the European Union and the appointment of the President of the European Commission.

Previous policy on Europe is set out in the Liberal Democrat Manifesto for the 2009 European Elections, Stronger Together, Poorer Apart, policy paper 87, Shaping our World Through a Strong Europe (2008), and policy paper 56, Future of Europe (2003).

The Federal Conference Committee accepted drafting amendments into the motion as follows:

In point 5, insert 'on' in place of 'of' after 'audit opinion', and insert 'expenditure' in place of 'accounts'.

Insert 6 c).

Insert 6 g).

Conference voted to insert point V.

Conference also voted to insert point C.

Conference voted to retain point 8.

Giving Young People a Future

Conference condemns the disproportionate impact the economic downturn has had on young people.

Conference is concerned that youth unemployment, which rose by nearly 75% under Labour between 2001 and 2010, is still increasing, and that young people face barriers to employment which have a significant impact on their life chances.

Conference is also concerned that youth unemployment disproportionately impacts on people from poorer and BAME communities, those with disabilities, young offenders and young people leaving care.

Conference further acknowledges that young people in rural areas face specific barriers to accessing learning and training and beginning employment including overcoming the lack of access to public services such as public transport, public libraries and youth services which are being cut by Councils in many rural areas.

Conference believes:

- I. A growing economy, which creates new jobs, is vital for tackling youth unemployment.
- II. Young people need to have the skills and opportunities to find meaningful employment.
- III. All career options, including higher education, apprenticeships and on-the-job training should be treated as equally valid.
- IV. The education system should prepare young people for a full and active part in adult society and enable them to make informed choices about their future.

Conference welcomes the Coalition Government's intervention to combat youth unemployment and its commitment to place young people at the heart of its growth strategy through:

- i) Providing opportunities for nearly half a million young people with the £1bn Youth Contract.
- ii) Creating jobs through a £30bn investment in infrastructure and supporting young entrepreneurs with a £10m Innovation Fund and the New Enterprise Allowance.
- iii) Supporting vocational education, including creating 163,000 extra apprenticeships.
- iv) Ensuring face-to-face careers advice for young people with Special Educational Needs or from low income backgrounds.

Conference endorses policy paper 103, *Giving Young People a Future: Policies on Combating Youth Unemployment*, and its key priorities to:

- A. Extend the Youth Contract.
- B. Support young entrepreneurs.
- C. Give young people the opportunity to develop their skills once they have left school.
- D. Ensure schools provide high quality careers guidance and mentoring.
- E. Act to prevent schools failing young people who end up not in employment, education or training (NEET).

Conference calls for further action to deliver these priorities, including to:

1. Extend the Youth Contract into the next spending review period so that the protection it offers remains in place, and permanently retain the guarantee for 18 year-olds to ensure all young people leaving school at 18 enter training, education or work within one year.
2. Support young entrepreneurs through prioritising start-up loans and mentoring for young people under the New Enterprise Allowance, and ensuring the major banks compensate for their failure to lend to young entrepreneurs by funding the development of the community banking sector, which is often better able to support local enterprise.
3. Give young people more opportunities to develop their skills by:
 - a) Providing loans towards living costs and additional childcare support for 18–24 year-olds on the first year of an apprenticeship programme, funded by both businesses and government.
 - b) Increasing the number of 'higher level' apprenticeships, which provide the best chances of future employment and ensuring wide availability of 'foundation level' apprenticeships.
 - c) Undertaking a review of the effectiveness of Jobcentre Plus in meeting the needs of young people.
 - d) Ensuring that when a young person first claims Jobseeker's Allowance (JSA), their Jobcentre Plus adviser assesses their 'life' and

- 'employability' skills, such as presentation, communication and customer service, and provides help on improving these skills to those that need it most.
- e) Enabling jobseekers to volunteer for more than 16 hours per week without losing financial support and encouraging employers to ensure volunteering or work experience schemes are properly mentored and include training opportunities.
 - f) Allowing 'rapid reclaim' of benefits for young people moving off JSA for 12 months to reduce the uncertainty in making the first step into employment.
4. Improve careers guidance and mentoring for young people at school, enabling them to make informed choices by:
- a) Providing age-appropriate careers advice from age 10–11 and face-to-face careers advice for all from age 13–14, as recommended in the Hughes Report.
 - b) Enabling students to undertake good quality work experience and entrepreneurial projects.
 - c) Encouraging companies to work with pupils whilst still at school to support them through their studies and develop 'school leaver' programmes similar to graduate training schemes.
 - d) Supporting schools to form partnerships with former pupils, local businesses and further education providers to provide mentoring for pupils.
5. Allow local authorities to class a school as 'underperforming' when too high a proportion of its leavers become NEET and to intervene appropriately.

Applicability: Federal, except 3 a) and b), 4 and 5, which are England only.

Background briefing: This motion and the accompanying paper substantially update policy on youth unemployment. They include new proposals to extend the Youth Contract into the next Spending Review period, retain permanently the Youth Contract guarantee for 18-year-olds, allow schools to be assessed as 'underperforming' when too high a proportion of leavers become NEET, enabling local authorities to intervene.

Previous policies on youth unemployment are set out in the 2010 General Election Manifesto Change that Works for You, policy paper 96, Free to be Young (2010), and policy paper 80, Freedom From Poverty: Opportunity For All (2007).

The Federal Conference Committee accepted a drafting amendment to insert the paragraph beginning "Conference further acknowledges that..."

Conference voted to retain E. and 5.

Making Tax Fairer

Conference believes that the taxation system should be progressive and

proportionate and that it should in particular ensure that:

- I. Those earning the lowest wages are not disadvantaged by working.
- II. Wealthy individuals and businesses make their fair contribution, as part of a tax system that seeks to reduce inequality and fund public services and national infrastructure.

Conference further believes that:

- a) A taxation system cannot be truly fair unless it is also green. The effects of pollution and carbon emissions disproportionately impact the poorest and most vulnerable in society.
- b) The environmental impact of goods and services is not adequately reflected in the current tax system.
- c) The tax system needs to be re-balanced so that pollution, carbon emissions and wealth are more heavily taxed and work is less heavily taxed.

Conference recognises that the UK finds itself in a period of unprecedented economic uncertainty given the current global economic position and that environmentally sustainable economic activity needs to be supported.

Conference therefore welcomes the actions of the Coalition Government in:

- i) Raising the income tax Personal Allowance to £8,105 for 2012/13, lifting over 1.1 million people out of tax altogether, and providing a tax cut for 25 million people.
- ii) Prioritising this progressive measure over Conservative Manifesto proposals to raise the inheritance tax threshold to £1m for the benefit of just the richest 2% of all estates.
- iii) Introducing a bank levy that raises £2.5bn in each and every year of the Parliament, compared with Labour's one-off bonus tax that raised just £2.3bn.
- iv) Limiting the amount of tax relief on pension contributions for the highest earners, which will raise over £4bn per year by the end of the Parliament.
- v) Raising the Capital Gains Tax rate to 28% for higher rate taxpayers.
- vi) Cracking down on tax avoidance and evasion, by investing £900m that will bring an extra £7bn in tax each year by the end of the Parliament.
- vii) Tackling the abuse of non-domicile status by UK residents by increasing the annual levy to be paid by those non-domiciled individuals who have been resident for 12 years to £50,000.

Conference calls for further action in lifting the lowest paid out of taxation altogether, and supporting UK economic activity and UK employment by:

- A. Raising the Personal Allowance to £10,000 as set out in the Coalition Agreement as quickly as possible, and in the longer term as resources allow raising it to the level implied by full-time work on the minimum wage and ensuring that it remains linked to minimum wage.
- B. Ensuring that the tax system supports SMEs and new businesses

throughout the country as the Government continues to rebalance the economy away from an overdependence on financial services, for example through National Insurance incentives for small businesses.

- C. Ensuring that action to tackle the record deficit inherited from Labour continues to be taken fairly by ensuring that those with the broadest shoulders continue to make the largest contribution.

Conference also calls for the following immediate steps to ensure that wealthy individuals and businesses pay their fair share of tax and to help fund the proposals above, including:

1. Introducing a 1% annual levy on the value of the property that exceeds £2m for residential properties (uprated periodically for house price increases) with a deferral mechanism for those who may be asset-rich but income-poor; we anticipate that less than 0.1% of people would be affected by this tax.
2. Further limiting tax relief for payments into pension funds, which currently offers the greatest benefit to higher rate tax payers.
3. Further action to tackle tax avoidance, through:
 - a) A General Anti-Avoidance Rule aimed at transactions for which the sole commercial purpose is the avoidance of tax.
 - b) Reduction of stamp duty avoidance including by the use of companies to hold UK property.
 - c) Ensuring that those non-domiciled individuals who have been UK resident for 7 out of the last 10 years are subject to tax on all offshore income in the same way as UK domiciled British citizens.
 - d) Ensuring that international businesses including internet based companies pay fair tax which reflects their revenue generated from the UK.
 - e) Extending the scope of inheritance tax by lengthening the period for which gifts made by a donor before death are potentially exempt from inheritance tax from the current seven to fifteen years.
4. Arguing through international bodies for a global Financial Transaction Tax.

Conference resolves that the wealthy and those with the very highest incomes should make the greatest proportionate contribution to the tax measures necessary for the reduction of the structural budget deficit and that the Additional Income Tax Rate of 50% on the top 1% of earners is needed to achieve this.

Applicability: Federal.

Background briefing: This motion re-affirms and updates policy on reform of the tax system. In particular, proposals include raising the Personal Allowance to £10,000 as soon as possible, limiting the amount of tax relief on pension contributions for the highest earners, raising the Capital Gains Tax rate and cracking down on tax avoidance and evasion.

Previous tax policy is set out in the 2010 General Election Manifesto Change that Works for You, and policy paper 94, A Fresh Start for Britain (2009), building on the policies set out in policy paper 81, Reducing the Burden (2007), and policy paper 75, Fairer, Simpler, Greener (2006).

The Federal Conference Committee accepted a drafting amendment, to insert "Conference further believes that" points i), ii), iii) and to insert in the paragraph that follows, after "...position and that..."; "environmentally sustainable".

Conference voted to insert 3 d).

Conference voted to insert 3 e).

The Greenest Government Ever

Conference believes that the commitment to be the 'greenest government ever' is in reality not a choice but a necessity.

Conference congratulates Liberal Democrat Ministers in the Coalition Government for key green policies, including the Green Deal energy efficiency initiative, the creation of the Green Investment Bank, the legally binding target for a 50 per cent reduction in UK carbon emissions by the mid 2020s, the establishment of the low-carbon Technology and Innovation Centre, a 25 per cent improvement in energy efficiency standards for all new buildings, support for green buses, subsidies for the purchase of electric vehicles, a reduction in carbon emissions from central government buildings by 14 per cent over twelve months, and working through the EU to achieve successful outcomes from the UN climate conferences in Cancun in 2010 and Durban in 2011.

Conference regrets, however, that a firm commitment to green policies is still not consistently embedded throughout government. Conference particularly condemns public statements by Ministers that undermine confidence in the Government's commitment to its climate targets and inhibit investment in low-carbon technologies such as renewable energy.

Conference calls on the Government to place green investment at the heart of its strategies for recovery from recession and the creation of lasting economic prosperity, stimulating new jobs and export opportunities while also reducing emissions and energy bills and improving quality of life.

Conference calls on the Government, over the remainder of this Parliament, to:

1. Drive significant improvements in energy efficiency, including:
 - a) Encouraging rapid take-up of the Green Deal, if necessary through new regulatory and fiscal incentives, with the aims of cutting energy use and energy bills and tackling fuel poverty.
 - b) Upgrading building efficiency regulations to deliver the zero-carbon homes standard for new homes by 2016 and to improve dramatically the energy performance of existing homes and public buildings by

2019.

- c) Adopting an ambitious EU Energy Efficiency Directive, with an overall EU energy saving target of 20 per cent by 2020.
2. Develop Britain's low-carbon energy infrastructure, through:
 - a) Legislating for the reform of the electricity market in order to accelerate investment in renewable energy, ensuring that Britain remains a leader in renewable technologies such as offshore wind, tidal and wave power.
 - b) Facilitating the early construction of interconnectors with the rest of Europe and in particular with Norway, in order to balance rising production from UK renewable energy sources and allow the UK to export excess renewable electricity in times of plentiful supply.
 - c) Promoting local community-owned renewable energy and energy efficiency schemes, building on the new Local Energy Assessment Fund.
 - d) Adopting a sustainable feed-in tariff structure for solar PV and other forms of microgeneration, incorporating gradual reductions in tariff levels in line with falling costs, linking support to energy efficiency measures and including more generous treatment for not-for-profit schemes benefiting local communities.
 - e) Accelerating the development of renewable heat technologies, including through an ambitious and well-funded Renewable Heat Incentive.
 - f) Putting in place an emissions performance standard for fossil fuel power stations and ensuring rapid implementation of commercial-scale carbon capture and storage demonstration projects, developing a major new UK industry.
 - g) Introducing a windfall tax on operators of existing nuclear stations, recovering through taxation the profits they make solely as a result of the introduction of the carbon price floor from April 2013; the proceeds of the windfall tax to be used to help consumers adapt to higher energy prices.
 3. Push forward the transition to low-carbon transport, by:
 - a) Encouraging the deployment of low-carbon vehicles, including supporting the replacement of urban buses and taxis by electric equivalents, accelerating the installation of charging points and amending planning and building regulations to require charging points in all new building developments.
 - b) Increasing the use of biofuels from environmentally sustainable sources, including waste.
 - c) Arguing for ambitious EU vehicle carbon emissions standards.
 - d) Reducing the need for reliance on cars by promoting the expansion of public transport, cycling and walking.
 - e) Aiming to reduce emissions from aviation and maritime transport, including incorporating emissions from both sectors in UK carbon

targets and budgets, promoting international taxation of bunker fuels and reforming UK taxation of air travel.

- f) Continuing to extend electrification of the rail network as far and as fast as possible to accelerate the achievement of a carbon-free railway and to manage the operation and detailed specification of HS2 with energy efficiency as well as sheer speed in mind.
4. Support low-carbon technologies through:
- a) Investing in low-carbon and other green projects through the Green Investment Bank, legislating to establish the Bank's remit and guarantee its permanence and independence, and ensuring it has full borrowing powers.
 - b) Implementing the coalition commitment to create green financial products to boost investment in low-carbon and green infrastructure.
 - c) Ensuring that the public sector plays a leading role in reducing emissions, including rapid improvements in energy efficiency, and public procurement policies promoting environmentally sustainable technologies and services.
 - d) Introducing mandatory company carbon reporting, initially for quoted companies and in due course for wider categories.
 - e) Increasing support from UK Trade & Investment and UK Export Finance to exports of low-carbon technologies and services, and ensuring that these agencies withdraw fully from supporting all fossil fuel-related sectors, including legislating, if necessary, to modify their remits.
5. Protecting the natural environment, including:
- a) Ensuring that the new planning regime and other legislation enables all future development to be genuinely sustainable, including sustainable transport, protecting and enhancing the natural environment wherever possible and increasing resilience to the impacts of climate change.
 - b) Making faster progress towards the coalition commitments to work towards a zero-waste economy, including banning by 2015 the disposal of biodegradable waste to landfill, and promoting a huge increase in energy from waste, in line with the waste hierarchy, through anaerobic digestion and other environmentally sustainable technologies.
6. Take action at the EU and global levels, including:
- a) Securing agreement to a more ambitious EU target to reduce greenhouse gas emissions (from 20 per cent to 30 per cent by 2020), and arguing for a substantial shift in EU financial resources towards low-carbon innovation, technology and infrastructure.
 - b) Encouraging international cooperation for the development of low-carbon economies, including pressing for ambitious climate change targets at global and EU levels, and making climate change a top priority for the UK's presidency of the G8 in 2013.

Conference further calls on the Government to put appropriate coordinating structures in place to ensure that all government departments and agencies pursue and achieve ambitious sustainable development goals.

Applicability: Federal

Background briefing: This motion updates and develops policy on the environment. In particular, it calls for the adoption of an EU Energy Efficiency Directive, the introduction of a windfall tax on operators of existing nuclear stations, increased use of biofuels from environmentally sustainable sources, investment in green projects through the Green Investment Bank and securing agreement to a more ambitious EU target to reduce greenhouse gas emissions.

Previous party policy on the environment is set out in conference motion A Green Stimulus for Economic Recovery (2011), the 2010 General Election Manifesto Change that Works for You, Policy Paper 93, Our National Heritage (2009) and policy paper 82, Towards a Zero Carbon Britain (2007).

The Federal Conference Committee accepted a drafting amendment which inserted 2 b).

Conference voted to insert 3 f).

Public and Private Sector Pensions

Conference notes:

- I. The commitments in the Coalition Agreement to “safeguarding key benefits and pensions” and to “simplify rules and regulations relating to pensions to help invigorate occupational pensions encouraging companies to offer high quality pensions to all employees”.
- II. That there is now a major crisis in private sector occupational pension provision and, while welcoming the introduction of auto-enrolment, NEST and the Coalition proposals for reform of the state pension as important steps forward, acknowledges that these proposals cannot in themselves resolve this major crisis.

Conference reaffirms:

- a) The party’s historic commitment to fighting poverty in old age which a century ago brought our introduction of the Old Age Pension.
- b) The fundamental Liberal Democrat principle that “none shall be enslaved by poverty”.

Conference notes with concern that:

- i) The retreat of private sector employers from providing quality pensions is in large measure the result of the failures of previous Labour and Conservative governments.
- ii) The severe market volatility and its uncontrollable impact on Defined Benefit

(DB) pension fund deficits demonstrates that current actuarial funding policies introduced by Labour are not fit for purpose and are needlessly damaging sponsoring employers' finances and destroying DB pension schemes.

- iii) DB pension schemes are under further pressure from over-regulation, in particular regulatory demands to pay off long-term theoretical deficits in short-term time frames.
- iv) Growing numbers of private sector workers are losing confidence in occupational Defined Contribution (DC) pension schemes which push all risk onto the individual, are too expensive and complicated and provide no guarantee of even a minimum pension.
- v) There is too little transparency in the fees and charges of pension industry companies including investment companies and that there is a case to answer regarding the levels and structures of fees and charges.
- vi) The growing number of pension schemes that have no oversight by representatives of the beneficiaries.
- vii) The proliferation of a multitude of local government pension schemes with their costly duplication of administration costs, fees and charges, inadequate regulations to ensure member-nominated representatives on all LGPS boards and inadequate provision of training for LGPS representatives.

Conference welcomes:

- A. The Coalition Government's concessions in November/December 2011 regarding its public sector pension proposals.
- B. The announcement dropping proposals that would have allowed companies winning public sector contracts to lower their bids and increase profits by abolishing the privatised workforce's 'Fair Deal' entitlements.
- C. The 'big pots' proposals to allow private sector workers to put their pension savings from multiple schemes into one place.

Conference calls upon Liberal Democrats in government to:

- 1. Act with great urgency to protect private sector DB schemes including:
 - a) Immediate reform of pension scheme actuarial valuation rules that make pension scheme costs so volatile for employers.
 - b) Lifting such overly interventionist regulatory practices as automatic investigation of longer deficit repair periods.
 - c) Opposing European-level legislation that would inadvertently have the effect of closing DB schemes.
- 2. Radically reform and simplify the design of occupational defined contribution pension schemes in order to achieve greater certainty of pension.
- 3. Legislate to ensure real transparency and accountability to scheme beneficiaries of contract-based schemes and make it a requirement that all trust-based schemes have member-nominated trustees.
- 4. Investigate and act in relation to pensions industry charges, fees, annuity prices, benchmarks, transparency and disclosure, including investment

- charges and charging structures, in order to ensure that pension schemes and their members achieve better value for money.
5. Save money from the local government pension schemes by merging them into one or more schemes, while ensuring more effective control by member and employer representatives, with the resulting benefits shared with the scheme members.
 6. Investigate the extension of the Pensions Regulator's Online Toolkit, the foundation stone of private sector trustee training, to include training modules for public sector representatives, and introduce an entitlement for all pension scheme trustees and representatives to have specified minimum levels of paid time off for training and preparation.

Applicability: Federal

Background briefing: This motion creates new policy on the system of private and public sector pensions. Key proposals include reforming pension scheme actuarial valuation rules, lifting overly interventionist regulatory practices, simplifying occupational defined contribution pension schemes, merging local government pension schemes and investigating the extension of the Pensions Regulator's Online Toolkit.

Conference voted to reject an amendment that would have inserted after 4.:

5. Reconsider the linkage between the public sector pension age and state pension age in the knowledge that not all public sector workers will be able to work to 68 or older, and at minimum protect those concerned by allowing early retirement without penalty, within the negotiations with the unions.
6. Ensure that low and medium earners, who are mainly part-time and women, are properly protected from a decrease in living standards attributable to contribution increases, both before and after the new schemes come in from 2015, within the negotiations with the unions.

Protecting our NHS: the Shirley Williams Motion

Conference notes:

- A. That during the Lords Report Stage of the Health and Social Care Bill in February and March 2012 Liberal Democrats, in conjunction with peers from other benches, have achieved significant changes to the Conservative Health Secretary's original Health and Social Care Bill.
- B. Taking the lead from the motion passed at Spring Conference 2011, Liberal Democrats in the House of Lords have worked successfully to:
 - i) Guarantee the Secretary of State's responsibility for a comprehensive health service, his power to intervene if things go wrong and his accountability to Parliament.
 - ii) Ensure that competition in the NHS is in the interests of patients, based on quality not price.
 - iii) Secure the commissioning process against damaging conflicts of interest.

- iv) Ensure that any profits from treating private patients in Foundation Trust hospitals are invested in the NHS.
- v) Underpin the independence of public health.
- vi) Place a duty on the National Commissioning Board and CCGs to address and report on progress in reducing health inequalities as part of how their performance is assessed.
- vii) Place on all service providers an equal duty to provide NHS education and training; and
- viii) Put the NHS in the vanguard of medical research.

Conference further:

1. Confirms the commitment of Liberal Democrats to a comprehensive national health service accessible to all and free at the point of need.
2. Welcomes the changes made to the Bill, which meet the main demands made by Conference at Sheffield, including :
 - a) Making Monitor's top priority the interests of NHS patients, not competition.
 - b) Ending Labour's policy of giving preferential terms to the private sector.
3. Supports the Liberal Democrat team in the House of Lords in its endeavours to ensure that the Bill is further amended to:
 - a) Remove reviews by the Competition Commission from the Bill.
 - b) Retain Monitor's regulation of Foundation Trusts after 2016.
 - c) Ensure that individual Foundation Trusts have to justify in advance any substantial increase in their private income.
4. Calls Liberal Democrats nationally and locally to work with Royal Colleges, NHS staff, patients and carers groups and local authorities in the interests of upholding the NHS as a public service, ensuring its ability to meet the challenges of an ageing society despite constrained financial circumstances, and securing better health outcomes for all.

Applicability: England

Background briefing: This motion updates policy on the Health and Social Care Bill. Previous policy is set out in the conference motion Updating the NHS: Personal and Local (March 2011).

Conference voted to delete the original point 4 that read: "Calls on Liberal Democrat peers to support the Third Reading of the Bill provided such further amendments are achieved."

Trusted, Professional and Effective: British Policing at its Best

Conference notes that

- A. This country has a highly effective police service, with dedicated and able officers doing their best for the communities they serve.
- B. Some groups, however, such as many young people and some ethnic minority communities, have a less positive view of the police.

- C. Wider public confidence in the police has been shaken recently by the riots, by phone hacking, and by the way that protest marches have been policed.

Conference believes that:

- I. Policing by consent is at the heart of our approach to policing – it is essential to restore public confidence and address the sense that some parts of the public feel over-policed and under-protected.
- II. The rapport built by visible police presence on the streets is an essential part of policing and should be supported as a core activity by all police officers and all ranks, whether formally in neighbourhood policing, responsive policing or specialist roles.
- III. Recruitment and promotion processes need to be reviewed to increase diversity in the police service at all ranks.
- IV. Action is needed to ensure that we have a police service that is more trusted, more professional and more effective.

Conference calls on the Government to work with Chief Constables and Police and Crime Commissioners to ensure that:

1. Trust in the police increases because they listen to local people and make policing much more responsive to communities' priorities.
2. Police and Crime Commissioners and Chief Constables set up genuine consultative mechanisms to listen to the public and use that feedback to drive what the police do and how they do it. Such mechanisms should:
 - a) Be very local.
 - b) Reach out to all sections of community and not be confined to vocal minorities.
 - c) Provide effective feedback relating to both force-wide and more local issues.
3. The police become more professional by ensuring the new police professional body is established on schedule in 2012 and within its first year:
 - a) Recommends detailed national minimum recruitment standards for the police.
 - b) Considers additional entry routes, such as Police First, based on the highly successful Teach First scheme.
 - c) Makes recommendations on how to make promotion processes more objective, including 'blind marking' of written papers and assessments carried out by a number of different assessors, to avoid any personal bias.
 - d) Works on a strategic framework that provides guidance to Police and Crime Commissioners and Chief Constables on civilianisation and outsourcing of policing activities.
4. The police become more effective by making evidence-based policing the

defining feature of 21st century policing and establishing the world's first Institute for Policing Excellence.

5. Police and Crime Commissioners and Chief Constables do everything possible to protect spending on front-line policing, both response policing and neighbourhood policing.
6. Police and local authorities collaborate to bring together neighbourhood policing and local authority crime prevention, enforcement and regulatory roles into a joint service.
7. Police and Crime Panels are able to act as an effective check and balance on the powers of individual Police and Crime Commissioners by having:
 - a) Regular access to experts in policing and crime matters, people from the voluntary and community sector and from those groups who are most often victims of crime and anti-social behaviour.
 - b) Access to the Chief Constable and other senior police officers when they require it.
 - c) Sufficient dedicated independent organisational and financial support, including access to data and independent financial advice and analysis.

Conference further calls on the Government to ensure that:

- i) A systematic and independent evaluation of the new structure of Police and Crime Commissioners and Police and Crime Panels is commissioned, which should:
 - a) Begin immediately, in line with the new arrangements put in place in London from the start of 2012, and look at the preparations being made for the changes in other areas.
 - b) Consider whether Police and Crime Commissioners and Police and Crime Panels have achieved the objectives set for them across their crime and policing remit.
 - c) Report by the summer of 2014, the mid-point of their term of office.
- ii) There is no expansion of the role of Police and Crime Commissioners until the independent review has reported.

Conference calls on the Government to ensure, using primary legislation if necessary, that the principle of accountability in the police is not eroded by any move to offer services for tender by the private sector. Conference calls on Liberal Democrats in Government to oppose any relaxation of the rules that prohibit frontline services from being offered to tender.

Applicability: England and Wales

Background briefing: This motion introduces substantial new policy on policing. Proposals include commissioning an evaluation of the new structure of PCCs and

PCPs, the introduction of 'Police First' based on the Teach First scheme and the establishment of the world's first Institute for Policing Excellence based on NICE.

Previous policy on policing can be found in the 2010 General Election Manifesto Change that Works for You, conference motion Cutting Crime: Catching Criminals With Better Policing (2008) and Policy Paper 78, Together We Can Cut Crime (2007).

Conference voted to add the final paragraph.

Civil Liberties

Conference believes that:

- i) This Government needs to undo the damage done to civil liberties, including Labour's sustained assault on basic freedoms.
- ii) It is the duty of Liberal Democrats to safeguard basic freedoms against the encroachment of state power and unfair discrimination in society.
- iii) Liberal Democrats have an excellent tradition of promoting human rights, and should continue to support both the Human Rights Act and our 2009 conference motion Standing Up for Civil Liberties.

Conference therefore welcomes the introduction of the Protection of Freedoms Bill and other measures taken by this Government to restore civil liberties, including:

- A. Scrapping of ID cards.
- B. Removal of innocent people from the national DNA database.
- C. Controls on the misuse of CCTV and local authority surveillance.
- D. Ending the taking of biometric material from children without their parents' consent.
- E. Abolition of the ContactPoint database.
- F. Ending of 28 day detention without charge.
- G. Abolition of Control Orders and the end of internal exile.
- H. Rolling back of government powers of entry into your home.
- I. Commitment to review the powers of bailiffs.
- J. Dramatically increasing openness of government data.
- K. The repeal of provisions which banned protest near Parliament.
- L. Reform of the Rehabilitation of Offenders Act 1974.
- M. Ending Labour's policy of routinely detaining children for immigration purposes.

But conference notes that:

- I. The government needs to go further in protecting the right to free speech when:
 - a) Police can still prosecute those who use words and behaviour which are merely insulting, not abusive or threatening.
 - b) The cost of defamation proceedings limits freedom of expression and the protection of reputation to the rich and powerful.

- II. Vigilance is needed as the right to peaceful protest is constantly under threat – for example international attempts to control recent protests, such as the ‘Occupy’ movement, have led to disproportionate policing and an undermining of the right to peaceful protest.

- III. Individual freedom must be upheld:
 - a) Police powers, such as stop and search, have been used in a discriminatory way, which has caused a breakdown in relationships with the police and has been identified as one of the factors in the summer riots.
 - b) People must have equal access to justice for society to be free and fair.
 - c) The equality impact of surveillance is too little researched, too little known and of crucial importance to the cohesion of our society.

- IV. The public’s right of access to information and individual private data must be protected:
 - a) Public organisations, and private companies contracted to deliver public services, continue to withhold information.
 - b) Police and other agencies tend to hoard private data, with risks to individual liberty as technology allows more efficient cross-referencing.
 - c) Government has a poor record of protecting private data from wider dissemination.

Conference therefore calls for:

- 1. The right to free speech to be protected through:
 - a) The repeal of section 5 of the Public Order Act, which creates ‘non-intentional’ speech offences, and the removal of ‘insulting’ from Section 4A of the Public Order Act, both of which have been used to criminalise legitimate freedom of expression.
 - b) Amendment of Section 127 of the Communications Act 2003 to include context and intentionality to prevent the criminalisation of jokes.
 - c) Review of the Malicious Communications Act 1988 to ensure that it covers intentional conduct only.
 - d) The introduction of a libel reform bill in the next Queen’s speech to provide better protection for every citizen for free speech and protection of reputation.
 - e) The creation or development of effective public interest defences in relevant criminal and civil offences to protect and foster investigative journalism.

- 2. The right to protest to be restored through:
 - a) The repeal of the offence of ‘Aggravated Trespass’, as set out in

Sections 68 and 69 of the Criminal Justice and Public Order Act 1994 and used in the Fortnum and Mason trial.

- b) A properly regulated right to protest in quasi-public spaces to balance the interests of citizens and landowners.
 - c) An end to threats being made against protestors who have done nothing wrong, such as the threatened use of rubber bullets before demonstrations.
 - d) The end of kettling large groups of people.
 - e) Resisting new powers to impose curfews on unconvicted people.
 - f) Not extending the existing powers on people covering their faces.
3. The restoration of individual freedom and policing by consent through:
- a) Greater control of the use of stop and search powers; in particular provisions in the Terrorism Act 2000 and the Criminal Justice and Public Order Act 1994, which have been used indiscriminately and beyond their stated intent.
 - b) A review to reduce the use of civil orders, such as ASBOs, for criminal activity.
 - c) Stronger controls over the use of mobile fingerprint devices and non-lethal devices such as tasers, sound cannons and laser lights.
 - d) A guarantee that where citizens are not required to provide their name and address this will be made clear to individuals by the police.
 - e) Guidelines to regulate the collection, storage and use of videos and photos of innocent people taken by the police, particularly Forward Intelligence Teams.
 - f) A ban on high frequency Mosquito devices which discriminate against young people.
 - g) Tighter controls to ensure the ban on police covering their badges.
 - h) The introduction of safeguards to prevent pre-emptive arrests and pre-charge bail conditions being used to restrict civil liberties and stifle peaceful protest.
 - i) Full review of the powers of bailiffs and the repeal of the power for the Secretary of State to further enable bailiffs to use force against people.
 - j) An end to the ban on photography of police and preventing police from forcibly deleting photos with no grounds.
 - k) Oversight of undercover police tactics to protect citizens from unfair and unwarranted surveillance.
4. The right of access to information and individual data protection to be expanded through:
- a) A review to reduce exemptions to the Freedom of Information Act.
 - b) A review of the Regulation of Investigatory Powers Act 2000.
 - c) Increased powers for the Information Commissioner and tougher sentences for breaches of the Data Protection Act.
 - d) An end to the Ministerial veto over information tribunal decisions.
 - e) The creation of one overall Privacy Commissioner with specialists leading on each separate area.

5. The right to privacy to be protected by:
 - a) Ensuring that there shall be no interception of telephone calls, SMS messages, social media, internet or any other communications without named, specific and time-limited warrants.
 - b) Guaranteeing that any communications data kept by service providers in accordance with the EU Data Retention Directive are kept securely by the service providers, and that they be only released to government bodies with strict and strengthened safeguards.
 - c) Ensuring that service providers are not mandated by law to collect communications data by any method that would also provide access to content information, unless specifically authorised by a warrant.
 - d) Ensuring that service providers are not mandated by law to collect third-party communications data for non-business purposes by any method.
 - e) Renegotiating the EU Data Retention Directive and changing how it is implemented into UK law, to provide a better balance towards privacy.
6. A second Protection of Freedoms Bill to enact any necessary legislative changes.
7. The protection of fair and equal access to justice, through:
 - a) A properly funded system whereby access to legal advice and representation before the courts is not denied to those otherwise unable to bear the costs.
 - b) The continued provision of legal aid, for those who cannot afford to pay for legal services, in serious cases where a failure to provide legal services may lead to injustice.
 - c) The continued provision of free legal advice and assistance to all held in custody regardless of means and merits.
 - d) The continued provision of legal aid to those who qualify in appeals cases where there are grounds of appeal, and ensuring that the scope of civil legal aid covers appropriate legal help and assistance in categories of law where the issues raised are of substantial importance to the assisted person and which cannot be settled by alternative dispute resolution (ADR).
 - e) Adequately supporting ADR and other means of resolving civil legal problems through the training and provision of mediation and conciliation services, and through direct support of Citizens Advice Bureaux and Law Centres.
 - f) The implementation of the party's policy on Access to Justice debated at Conference in 2011.

Applicability: Federal.

Background briefing: This motion updates and develops policy on civil liberties. It particularly updates policy in the areas of freedom of speech, the right to protest, policing by consent and data protection.

The motion builds on existing policies as set out in the 2010 General Election Manifesto Change that Works for You and conference motion Standing up for Civil Liberties (2009).

The Federal Conference Committee accepted a drafting amendment which added III. c).

Conference voted to retain 2 a) and 2 b)

Conference voted to insert 5 a)-e).

Conference also voted to add section 7 a)-f).

Constitutional Amendments

Support For A Government Which Contains Other Political Parties

Add the following new Article 15:

ARTICLE 15: Support for a government which contains other political parties

15.1 This Article applies where the Parliamentary Party in the House of Commons ('the Commons Party') enters into negotiations with one or more other political parties with a view to the formation of a government supported by the party and such party or parties; and sets out the procedures to be followed for the party to give its support for such an arrangement.

15.2 For this purpose:

- (a) the Leader shall, with due regard to diversity, appoint a negotiating team to conduct such negotiations; and
- (b) there shall be a reference group consisting of not more than nine people (none of whom shall be members of the negotiating team) appointed equally by (i) the Federal Policy Committee (ii) the Federal Executive and (iii) the Westminster Parliamentary Parties (in the last case acting jointly).

15.3 The negotiating team shall report regularly to the Leader and the reference group, and shall have regard to their respective views.

15.4 If as a result of these negotiations the Commons Party determines, after further consultation with (i) the Federal Policy Committee (ii) the Federal Executive and (iii) the Parliamentary Party in the House of Lords (together 'the consultees'), to support a government which contains members of one or more other political parties, it shall seek the approval of conference by submitting a motion to that effect. Such a submission shall state the final views thereon of each of the consultees, and such a motion shall require for its passage a two-thirds majority of those present and voting at the conference.

15.5 Upon the submission of such a motion, the Federal Conference Committee shall convene a conference to consider the motion at the earliest practicable opportunity or shall include the motion in the agenda of a conference currently in session or imminently to start.

Applicability: Federal.

Background briefing: conference voted to defeat an amendment that would have added a new clause 15.6 as follows:

If after a vote at Conference:

- (a) the proposal from the Commons Party is agreed but
- (b) the majority is less than 2/3rds then, if after further consideration, the Commons Party still wishes to support the arrangement with one or more other parties then at their request the Federal Executive shall arrange a ballot of all Party members pursuant to clause 6.11 or 8.6 of the Constitution, the consent of a majority of those voting shall be taken as giving support to the arrangement.

Standing Order Amendments

Support For A Government Which Contains Other Political Parties

In conference standing orders section 1.3 ('Who may submit agenda items'), insert:

- (e) The Parliamentary Party in the House of Commons may submit a motion relating to supporting a government containing members of the other parties, in accordance with article 15 of the constitution.

Applicability: Federal.

Questions on Reports to Conference

Federal Conference Committee Report

Q1. Andrew Hudson, Barrow and Furness

When will the people who submitted questions that weren't taken at Birmingham receive the answers that they were promised?

Reply by Andrew Wiseman (Chair, Federal Conference Committee)

(1st reply applies to Q2 & Q6 also) I try to e-mail answers to submitted questions before conference, but different Chairs do it in different ways. After conference we report back on the conference which is meant to include answers to all questions. Unfortunately this didn't happen correctly last time – it didn't happen in a timely manner and I can only apologise for that. This is partly down to a lot of staff changes but it should have happened and I can only apologise. We'll make sure it is up on the website as quickly as possible following this conference.

Supplementary question:

Thank you for replying to question before conference. Do you have a problem giving a simple answer to a simple question?

Reply by Andrew Wiseman (Chair, Federal Conference Committee)

I'm sorry I thought I had given a simple answer to simple question. I'll repeat the main points of what I just said, every committee who reports back deals with questions differently, for various reasons the reports of answers to questions from Birmingham were delayed last time – I am sorry it didn't get out in a timely manner last year – we will do our best to get it out quickly this year.

Q2 Gareth Epps, Reading

Why have the answers to questions submitted to last Autumn's Federal Conference not been published, in contravention of Standing Order 12.4 which states that: 'After the conference the Committee shall publish the answers to all questions submitted under Standing Orders 1.5 (d) and (e) which are in order, and to all supplementary questions asked'?

Reply by Andrew Wiseman – see reply to Q1

Q3 Mark Pack, Islington Local Party

In order to improve communication within the party and to help ensure members are well-informed, will the committee commence publishing a written report after each of its full committee meetings?

Reply by Andrew Wiseman

I'm more than happy to do this. FCC already have a system of state reps that should be reporting back to their local parties and that could extend to regional as well. I'm more than happy to prepare the report that Mark talks about. FCC may be different from FPC or FE as they do already report back from 4 of their meetings each year – the agenda for spring and autumn conferences and amendments for conferences, but we can publish reports for the other meetings too.

Q4 Jacquie Bell, East Lothian

I have been a voting delegate since 1989. I was selected as an East Lothian voting rep at the AGM in November. At the weekend (4/3 after return from Scottish Conference) I received a non-voting badge.

Information sent said, if I was expecting a voting pass, to contact the local party officer who sent in the names. I thus e mailed on 4/3 a letter from the membership secretary confirming that I was a voting rep to Membership.

Yesterday (5/3) I was told by Membership it was too late to add me to the computerised list. The Membership secretary has apologised for forgetting my name off the list submitted. I was also told it was too late to add me as a substitute for one of the people whose name they do have and who I know are not going. I was told that it was not a unique situation – that others have been similarly been left off by local parties and thus without a vote.

As you can imagine it is disappointing to make the effort to come to Conference and then not be able to pay a full part in party decision making through no fault of my own. I had tried to rectify the mistake as soon as I got the pass – I had had no reason to think I would not get a voting pass and had registered as a voting delegate at the earliest opportunity. This wasn't queried at the time of registration when I might have had a chance to get the mistake corrected. .

Please Conference Committee/ Conference organisers suggest ways to work with Membership on systems to ensure that this does not happen again to myself or others.

Reply by Andrew Wiseman

I've looked into this. The point you raise is a very specific problem from your point of view and I'm happy to give you more precise details about what actually happened. But basically it's up to local parties to submit the names for their voting reps and your name wasn't on your local party's list. Membership services can only go with the names they are provided; they do chase local parties up about this, but unfortunately in your case there seems to have been a break down of communication with your local party. We do have a deadline which sometimes causes problems, but I'm more than happy to look in more detail outside of conference

Supplementary Question:

Part of the issue was that it wasn't until I got my pass last week that I realised it was a problem and I contacted immediately but it was too late – how can we have

an earlier trigger for people who think they are voting reps to know if anything has gone wrong?

Reply by Andrew Wiseman

The only way to get round that would possibly be by e-mailing people saying 'do you think you're a voting rep?' However it does come to a stage where the local parties need to take responsibility for their voting reps.

Q5 John Calvert, City of Nottingham

Although no one is expected to agree with every dot and comma of party policy, I certainly do not. Why is it that while it is party policy to keep the cheque book, the conference office will not accept them?

Reply by Andrew Wiseman

We're certainly looking into what we can do about this. There is quite a large staff cost in terms of taking cheques. It's not about the difference between bank charges – the issue is people register online and we have to somehow hold that registration, wait for cheque to come in and marry it up. It is difficult to marry up cheques with the registered person. Online payment is easier – cheques take up a lot of staff time. We need to weigh up those who can't actually pay online and the staff costs of having a system where they pay by cheque. It is a difficult issue, and it has been considered by FCC.

Q6 Hywel Morgan, Calderdale local party

Whilst I thank the Chair of Conference Committee for providing speedy and comprehensive answers to the questions I tabled at Autumn conference, my experience of other party bodies is less good.

Will the Conference Committee therefore publish in their next report a breakdown of questions asked of each party body at conferences since Autumn 2010 along with figures for the number of questions which were answered within 28 days?

Will the Conference Committee consider whether there is a need to reform the way party bodies are questioned and held to account by conference (particularly in light of the move to 2 year terms) and will they report back their conclusions to the next conference.

Reply by Andrew Wiseman

We don't have that past data and it would take too much time to go back and try to find it- I think it is more important to keep it moving forward. (See reply to Q1. for second part of question)

Federal Policy Committee Report

Q1 Mark Pack, Islington local party

In order to improve communication within the party and to help ensure members are well-informed, will the committee commence publishing a written report after each of its full committee meetings?

Reply by Jeremy Hargreaves (Vice Chair, Federal Policy Committee)

The short answer is yes. FPC discussed this last night and we will put in place arrangements to make this happen. The FPC does of course already publish a very full report of its work twice a year, to conference, which is a very good guide to what FPC is up to, and which possibly not everyone reads as assiduously as those in the hall this morning.

Q2. Submitted by Mark Pack, Islington local party

Following the passage of motion F41 Community Politics at the party's autumn conference, what steps has the committee taken to implement it, and in particular Conference Calls For 2: "The party's parliamentarians and decision-making bodies to ensure that the policies and positions they develop are conducive to community politics and are worded and presented in such a way to help the community activist"?

Reply by Jeremy Hargreaves

FPC did note this motion at its meeting after autumn conference, and I think that it, along with everything else passed at conference, does underpin the policy development that FPC does, and brings to conference. On your point about 'presenting' policies, I think FPC would agree that it has a duty to think about how policies it proposes will come across, but it also feels strongly that presentation and communication by the party is primarily the responsibility of others in the party.

Supplementary question:

In terms of the policy motions e.g. at this conference, it's hard to see any policy motions that have come from FPC that are different as a result of the last conference's policy motion about community politics.

Reply by Jeremy Hargreaves

You are right that FPC is not bringing any specific motions in response to that motion, but that's not what the wording you mentioned asked for. The thinking of community politics, which that motion reminded us of, does underlie all the policy development work FPC does. I think FPC would certainly say that the policy proposals it brings are, as the motion asked for, supportive of community politics.

Report of the Federal Executive

Q1 Mark Pack, Islington Local Party

In order to improve communication within the party and to help ensure members are well-informed, will the committee commence publishing a written report after each of its full committee meetings?

Reply by Tim Farron MP (President of Liberal Democrats)

Fair question. Yes we should and we will, starting from our next meeting which is on March 26th.

Q2 Mark Pack, Islington Local Party

Following the passage of motion F41 Community Politics at the party's autumn conference, what steps has the committee taken to implement it, and in particular Conference Calls For 1, 3, 4, 5 and 6?

Reply by Tim Farron MP

The FE have deliberately shifted focus onto the community politics aspect of campaigning. The membership challenge comes entirely out of that desire to build a community base. I have been doing road shows over the last few weeks as a way of leading to the front. You can only do so much from the centre in terms of community politics – you can't 'enforce' it. The motion from last conference wasn't about *imposing* community politics on the party – can't do that. There is a fringe event on this later which might be helpful.

Supplementary question:

I appreciate it's not role of FE to micromanage what parliamentary staff do. I hope that between now and the next conference more work will have been done on the communications aspect of this motion.

Reply by Tim Farron MP

We try and keep parliamentary e-mails short but with the right information.

Q3 Simon McGrath, Wimbledon

(Leadership programme) How many people from each of category applied for the leadership programme? How many were successful?

Was anyone not included in the Programme because they were not in an under represented Group?

Will the full report on the recruitment process, which has been widely circulated be made available to all members?

Reply by Tim Farron MP

There is a full report on the recruitment programme which contains detailed break down of the process and requirements, and is available to any confirmed members from Rachael Clarke. All those who applied to the programme had to be identified as being from an underprivileged background and no applications were thrown out on this basis.

Q4 Simon McGrath, Wimbledon

When will the Report into the AV Referendum and the 2011 Local elections be published?

Reply by Tim Farron MP

It was published before autumn conference last year and is still available online. There are no plans to release a further report.

Note: Conference voted to reject a proposal to reject the section in the FE report referring to Police & Crime Commissioners

Report of the Federal Finance and Administration Committee

Q1 Cllr Ron Beadle

This question refers to the Membership and Development section of the report: Could you provide the total membership of the party for each quarter from May 2010 to March 2012, expressed by region and state parties?

Reply by Duncan Greenland (Chair, Federal Finance and Administration Committee)

Yes we could but we would strongly prefer not to, as to do so would provide very valuable electoral intelligence to our rivals. In addition to this, membership is a state issue. Membership figures are released to state and regional parties on a monthly basis for their information (and action!).

Supplementary question:

I've heard conflicting answers to this question - can I have some clarification on whether you will answer this question fully?

Reply by Duncan Greenland

My view is that we would not do so and not provide a detailed answer to that question for the reasons I have just given – that it would provide our rivals with too great a degree of information. No other party would dream of doing so.

Q. 2, 3, 9, 12 by Hywel Morgan, Calderdale local party

(Answered in a single block as there was significant overlap in the responses required)

How much does the Treasurer expect Ministerial tithes will bring in during 2012. If this will be significantly below the £40,000 figure in the budget for 2011 will he explain why that is the case?

The Bones report made an 'urgent' recommendation in 2008 that it be a condition of becoming an elected Liberal Democrat (at all levels) that you tithe to the party. Is the Chair of FFAC satisfied that all our MPs and MEPs have complied with this recommendation? What discussions has he had with the Whips of the relevant parliamentary parties about achieving full compliance with this recommendation?

I only received a copy of your reply to my question regarding ministerial tithes a few days ago. In that answer you stated:

"The budget for 2012 has not yet been settled. For the purposes of the outline budget, the projected tithe income has been established with reference to money received so far. There is no requirement on ministers to pay their tithes in a particular way or by a particular point in the financial year. Therefore I am confident that – following my discussions with Alistair Carmichael – we will be able to revise that figure upwards during the budget-setting process."

- a) The Treasurer produced budgets for 2011 presented to conference in Spring 2011 and Autumn 2011 which had an entry of £40,000 income from Ministerial tithes in that year. How was this figure arrived at?
- b) The figure in the outline budget for 2012 presented to Autumn conference was £30,000. Has the Treasurer been able to revise this figure upwards or downwards during the year following his discussions with the Chief Whip.

"Yes - I am satisfied that our MPs are making appropriate contributions and that those that haven't yet in this financial year will do so. I regularly meet Alistair Carmichael and this is an item that we monitor jointly. As with the ministerial tithes, I am not prepared to go into details."

- a) This answer seems contradictory. How can you have been satisfied that our MPs "are making appropriate contributions" when seem are apparently yet to do so.
- b) Of those MPs who hadn't made a contribution at the time of your previous answer how many did so in the remainder of the financial year.
- c) How many times in the 2011 financial year did you meet with the Chief Whip to monitor this?
- d) If you are not willing to provide further details then, given the clear recommendation of the Bones Commission regarding "tithes" from elected Liberal Democrats and the fact that such contributions are mandatory for elected councillors in England will you give full reasons for your refusal.

Reply by Duncan Greenland

I am declining to answer Question 2 as Mr. Morgan received an answer to this question after last autumn's conference. It is also my understanding he also received a direct response from the Leader of the Parliamentary Party in Europe on the subject of MEPs.

With regards to the budget, this figure was arrived at through a calculation using 10% of the after tax difference between an MP's basic salary and the Ministerial salary they receive, for all ministers. The projection of income from this figure has neither increased nor decreased since the draft budget. In the process of monitoring tithes, the Chief Whip and I have both met physically and spoken via telephone many times

during the preceding year, during which conversations regarding tithing were a prominent component.

As I have made clear before, I am unwilling to speak to individual cases with regards to tithing. What I will say is that full implementation of MPs' tithing as opposed to ministerial or councillors' tithing poses difficulties as they are not responsibility to a single local party. Many MPs are affected by differing financial arrangements in different state parties, and so installing a single level of tithe across the board would be entirely unjust. Thus, determining and collecting the varying levels of tithe from MPs proves a more difficult task than the other two situations previously mentioned.

Q3 Hywel Morgan, Calderdale local party (see above)

Q4 Hywel Morgan, Calderdale local party

The draft budget in the FFAC report is broken down into the following headings:

Income	Expenditure
Direct mail appeals and standing orders	Chief Executive's department
LD Calling	Elections & Skills
Fundraising income	Membership
POLD restricted income	Finance & Resources
Federal levy	Commons Whips
Conference	SAOs
Lib Dem News	ELDR/LI
Cross charges to state parties	PDF grants to Scotland & Wales
Policy Development Fund	
WFD Admin fees	
ELDR Grant income	
Affinity	
Regional draws	
Interest Receivable	

However previous draft budgets - including the 2012 draft budget present to Autumn Conference in 2011 used these headings

Income	Expenditure
Direct mail appeals and standing orders	<u>Staff costs</u>
Ministerial tithes	Campaigns
LDCalling	Office of the Chief Executive
Fundraising income	Commons Whips
POLD restricted income	Conference
Federal levy	Finance & Resources
Conference	Fundraising Unit
Lib Dem News	International
Cross charges to state parties	LDCalling
Policy Development Fund	Lib Dem News
WFD Admin fees	Membership
ELDR Grant income	Policy
Affinity	Media & Communications
Interest receivable	Restructuring costs
London Rent	<u>Departmental non-staff costs</u>

Regional draws	Campaigns
<u>Cost of sales</u>	Office of the Chief Executive
Appeals costs	Conference
Fundraising costs	Finance & Resources
Conference	International
Lib Dem News	LDCalling
	Membership
	Media & Communications
	Policy
	Fundraising
	Commons Whips
	<u>Campaigns & Development</u>
	Campaigns & elections
	<u>Central costs</u>
	Depreciation
	Organisational staff costs
	Communications
	1975 Pension scheme
	Audit fees
	Bank charges
	Irrecoverable VAT
	Committee expenses
	Services to MPs
	Grants to party units
	Grants to Scotland & Wales

This change makes it difficult to compare figures on a like for like basis and no explanation as to the rationale behind this change is made in the accompanying report. Why has this change been made, will the Party Treasurer publish a draft budget containing figures in categories which allow a meaningful comparison to be made to previous budgets.

Reply from Duncan Greenland

These changes have been made by the FFAC with input from the new Chief Executive and financial oversight sub-group. They signal a move to directorate-level budgeting, which is more logical and allows HQ directors greater oversight of their own budgets and cashflow. As such, we will not be providing figures in the old format either now or in the future. There is, however, a greater breakdown provided to Federal party committees for monitoring purposes.

Q5 Hywel Morgan, Calderdale local party

Is the figure for budgeted income for 2012 a net or gross figure? Will the Party Treasurer publish budget figures for the cost of sales as has been the previous practice?

Reply from Duncan Greenland

The budget is now being determined on a gross basis. In the past, there has been a degree of netting off between income for a specific purpose e.g. To fund a specific post, and its related expenditure. To give a clearer understanding of the scale of the Party's activities, this is no longer occurring.

2012 Budgeted costs of sales are as follows:

Appeals Costs- £65,000
Fundraising Costs- £78,000
Conference- £605,050
Lib Dem News- £114,000

Q6 Hywel Morgan, Calderdale local party

The draft budget presented to Autumn conference showed a budgeted income of £5,340,000 (gross) £4,494,000 (net) (compared to a £5,323,047 and £4,525,522 in 2011). The budget presented to this conference shows a budgeted income of £6,466,000. As there is no explanation in the accompanying report of why these figures have increased so dramatically could the Treasurer provide one?

Reply from the Federal Finance and Administration Committee

Compared to the draft budget, the final 2012 budget includes an increase in projected fundraising income and is affected by the use of gross as opposed to net figures referred to in the answer to Question 5.

Q7 Hywel Morgan, Calderdale local party

The draft budget presented to Autumn conference showed a budgeted expenditure of £4,376,500 (compared to £4,325,111 in 2011). The budget presented to this conference shows a budgeted expenditure of £6,266,000. What is the reason for this sharply increased figure?

Reply from the Federal Finance and Administration Committee

Compared to the draft budget, the final 2012 budget includes the cost of sales (listed in the answer to Question 5) and is also affected by the use of gross as opposed to net figures as referred to in the answer to Question 5.

Q8 Hywel Morgan, Calderdale local party

The draft budget presented to Autumn conference 2012 listed £331,000 budgeted expenditure for the Office of the Chief Executive. The draft budget presented to this conference lists just over £2.3 million to be spent on the Chief Executive's department. Assuming the Chief Executive has not expanded his department 7 fold in 6 months what spending headings are now being grouped under this category?

Reply from the Federal Finance and Administration Committee

The figure of £331,000 in the draft budget related only to the Office of the Chief Executive, whereas the higher figure in the final 2012 budget is for the entire directorate, which includes the departments of policy, press, fundraising, conference, and the international office, and the cost of sales for both fundraising and conference.

Q9 Hywel Morgan, Calderdale local party (see above answer to Q2)

Q10 Hywel Morgan, Calderdale local party

The budget presented to conference only achieves a surplus because of a significant increase in fundraising income. This has more than doubled from the figure in the draft

budget presented to Autumn conference (which was itself a significant increase from the 2011 budget). Can the Treasurer confirm that:

a) This is a sustainable budget target to have set.

Reply from Duncan Greenland

Yes it is. In previous budgets, fundraising income has been netted off against specific expenditure. This year's report to Conference has been made more transparent by demonstrating the gross fundraising income. If the 2011 budget was presented in the new format, fundraising income would be shown as £1,434m. Therefore the increase is less substantial than apparent. An examination of the Electoral Commission Website will show well over £1.1m in declarable cash donations made to the Federal Party during 2011.

b) Whether this figure is net or gross of any additional fundraising costs incurred?

Reply from the Duncan Greenland

This a gross figure with no significant costs incurred bar the recruitment of one additional fundraiser with a significant anticipated return on investment - accounting for the majority of the budget increase to £1,844m.

c) If additional fundraising costs have been incurred what those are?

Reply from the Duncan Greenland

I refer you to the answer to part b of this question.

d) What contingency plans are in place if this fundraising target is not met.

Reply from the Duncan Greenland

The Party has continued to invest in its fundraising operation and has a diversified range of income generating strategies, with built-in short, medium and long term initiatives. In addition, it is generating income from a far greater number of donors than ever before. Both the diverse range of activities and increase in donor numbers are designed to mitigate reliance on any one income source.

e) Whether the outturn accounts for January and March indicate whether or not this target is being met.

Reply from the Duncan Greenland

Federal Party fundraising continues to go from strength to strength and first quarter results indicate that it remains very firmly on track for meeting this year's ambitious targets.

Q11 Hywel Morgan, Calderdale local party

Due to the failure of Connect to be an adequately working system when first launched the party has by way of compensation provided local parties with an additional 3 months free trial. What effect does this have on budget projections for 2012?

Reply from Duncan Greenland

Connect has had a very successful launch and is now in widespread use. At this time, there are 2000 Connect users working in over 300 constituencies. It has played a key role in several council by-election successes already, and the Virtual Phonebank module has had a particularly positive impact.

In some specific areas, we have had some problems with data formats, and record matching and remedial work is being done to correct these. Because of this, we are providing local parties with an additional month's use free of charge.

However, because of a higher than projected take-up rate for Connect so far this year, we expect the effect of this provision to be revenue-neutral.

Q12 Hywel Morgan, Calderdale local party (see above answer to Q2)

Q13 Hywel Morgan, Calderdale local party

Will the Treasurer give a commitment that any questions not answered at conference due to either lack of conference time or the need to obtain additional information will be answered within 28 days of conference and published in Liberal Democrat News?

Report of the Commons Parliamentary Party

Q1 Andrew Hudson, Barrow and Furness

What is the group's position on the proposed changes in the rules for migrant domestic workers including the removal of the right to change employer?

Reply by Alistair Carmichael MP (Chief Whip)

The situation is essentially that we see this as something of an anomaly in the immigration rules. The right to change employer was a solution to the problem that rules had been relaxed. They won't be vulnerable to exploitation that has been the case in the past.

Supplementary question:

At the debate on the 1996 resolution, I pointed out it was effectively a point of slavery – what has changed since then?

Reply by Alistair Carmichael MP

The rules, as they presently exist allow exploitation in the way that they are regulated. I think the changes are ones that will give greater protection and any concerns you have about slavery should not be exacerbated.

Q2 Mark Pack, Islington Local Party

Motion F41 Community Politics, passed at the party's autumn conference, included Conference Calls For 2: "The party's parliamentarians and decision-making bodies to

ensure that the policies and positions they develop are conducive to community politics and are worded and presented in such a way to help the community activist". What steps have the Parliamentary Party taken since the passing of the motion in order to help achieve this?

Reply by Alistair Carmichael MP

Just about everybody who is in the House of Commons came in through the route of community politics and it is still very much at the core of what we do. Tim Farron still really stands for that and community politics does feed through in just about every meeting we have as parliamentarians. I really hope this continues to be the focus for parliamentarians and on every level of the party.

Q3 Hywel Morgan, Calderdale Local Party

The Bones report made an "urgent" recommendation in 2008 that it be a condition of becoming an elected Liberal Democrat (at all levels) that you tithe to the party. Is the Chief Whip satisfied that all our MPs and MEPs have complied with this recommendation? What amendments have been made to the standing orders of the Parliamentary Party in order to achieve full compliance with this recommendation?

Reply by Alistair Carmichael MP

This is done in a variety of ways. It would not be appropriate for me as Chief Whip to discuss the details of individuals' arrangements. Standing Orders are the property of the PLDP. They were recently revised. No amendment to deal with this matter was considered appropriate.

Report of the Lords

Q1 Mark Pack, Islington Local Party

Motion F41 Community Politics, passed at the party's autumn conference, included Conference Calls For 2: "The party's parliamentarians and decision-making bodies to ensure that the policies and positions they develop are conducive to community politics and are worded and presented in such a way to help the community activist". What steps have the Parliamentary Party taken since the passing of the motion in order to help achieve this?

Reply by Lord Shutt (Chief Whip)

The most significant thing we've done is we passed the Localism Bill. In terms of making things friendly, we have a weekly column in the Lib Dem news to keep them updated on what the peers are doing.

Supplementary question

Lib Dem news is very good, but is not a channel to everyone; you should maybe look to other means to communicate?

Reply by Lord Shutt

The media aren't as interested in peers as other parliamentarians which is a problem but we are doing are best.

Additional Reply by Lord McNally

Peers are available, so if you've got a function do write to the whips office and see if anyone's available.

Report of the European Parliamentary Party

Q1 Mark Pack, Islington Local Party

Motion F41 Community Politics, passed at the party's autumn conference, included Conference Calls For 2: "The party's parliamentarians and decision-making bodies to ensure that the policies and positions they develop are conducive to community politics and are worded and presented in such a way to help the community activist". What steps have the Parliamentary Party taken since the passing of the motion in order to help achieve this?

Reply by Fiona Hall MEP (Leader of the Liberal Democrat European Parliamentary Party)

Our job in the European Parliament is to deal with what comes to our desk, with whatever comes in front of us in the way of legislation – no matter what it is, you have to engage with it. It may be something very dry such as a revision of technical standards. So we have had to find other ways to connect with communities. One way is local campaigns e.g. Sarah Ludford MEP's diabetes campaigning. We use such initiatives as an opportunity to do joined up campaigning with Lib Dems at local, national and European levels and we tend to prioritise areas we feel are most important on the ground. We try to connect everyone together with the work we do in Brussels.