



# A Stronger Economy in a Fairer Society

**Enabling Every Person To Get on In Life**



# Foreword

By Rt Hon Nick Clegg MP, Leader of the Liberal Democrats and Deputy Prime Minister

My ambition in politics is to build a stronger economy and a fairer society – enabling every person to get on in life.

We need a strong, sustainable, and balanced economy to create jobs and opportunities that last. We need a fair and open society to ensure that everyone, no matter what their background, can take advantage of those opportunities. We have been working in government since 2010 to deliver these twin objectives, and this paper sets out our vision for the next Parliament.

The General Election of 2010 did not deliver an

overall majority for any party. A combination of Liberal Democrats and Conservatives was the only stable way of securing a majority in Parliament. I am proud that the Liberal Democrats took the decision to form this Coalition, delivering strong and stable government in tough times.

We have reduced government borrowing and kept interest rates low, moving away from Labour's model of growth funded by private and public debt. As promised in our manifesto, we have cut taxes for people on low and middle incomes, invested in schools,

started the long process of rebalancing and greening the economy and helped people with the costs of living, such as childcare and energy bills.

To govern is to choose. And coalition has laid bare the different choices that political parties make. The Liberal Democrat presence in government has enabled us to deliver many of our choices – and the public's priorities – rather than those of the Conservative Party, keeping this Coalition anchored in the liberal centre ground.

We have stopped the Conservatives from delivering inheritance tax cuts for millionaires, introducing 'fire at will' employment laws, reneging on the green agenda, going back to the divisive two-tier exam system of the 1960s, introducing a 'Snoopers' Charter' to give the government extra powers to

**We have fought tirelessly for positive policies that will liberate individuals to achieve their full potential**

spy on telephone and internet use, and much more.

But our task in this Coalition is not simply to stop the Conservatives from lurching to the right. Far more important than what we have stopped is what we have started. We have fought tirelessly for positive policies that will liberate individuals to achieve their full potential.

We have stood up for civil liberties, promoted localism, ended child detention, introduced shared parental

leave and supported policies which respect the basic equality between all human beings. We have laid the foundations for green growth and we have argued for an internationalist approach which keeps Britain playing a major and constructive role both in Europe and globally.

But the work is not complete.

The unprecedented financial crisis has constrained the growth we need. The investments we have made in infrastructure, in children, and in green energy will take time to pay dividends. And at times we Liberal Democrats have been held back from delivering the change Britain needs by the conservatism of our coalition partners. On fair taxes, the environment, education, civil liberties and in other areas, a Liberal Democrat majority

**The Liberal Democrats will fight the General Election as an independent party**

government would have delivered so much more.

The Liberal Democrats will fight the General Election as an independent party. The experience of government has taught us that we must craft a manifesto which meets the tough test of being deliverable in government. But we must do this without stifling our liberalism, our creativity or our boldness.

We can make the tax system fairer still, cutting taxes further for those on low and middle incomes and taking millions more people out of income tax,

while introducing a mansion tax to ensure that the wealthiest pay their full share. We must do more to invest in the future of our economy, delivering certainty for investors in green infrastructure and innovation, backing growing businesses taking on staff and making sure that every young person has the chance of an apprenticeship or a place at university.

We will ensure that every child gets off to a flying start, with more help for families striving to get on, higher standards in nurseries and schools, and decent homes for all.

These changes will not happen unless Liberal Democrats are in government. Labour can't build a strong economy: they crashed the financial system in the first place and still have

no answers for the future. And the Conservatives can't build a fairer society: left to their own devices they would scrap workers' rights, cut taxes for millionaires and dismantle the long-standing welfare safety net which we all rely upon. Neither match the Liberal Democrat commitment to giving everyone a chance to fulfil their potential.

As we start the process of drawing up policy plans for the next Parliament, there is one thing I know for certain. When it comes to 2015, only one party will set out a manifesto that can deliver a stronger economy and a fairer society: the Liberal Democrats. ■

**Nick Clegg MP**



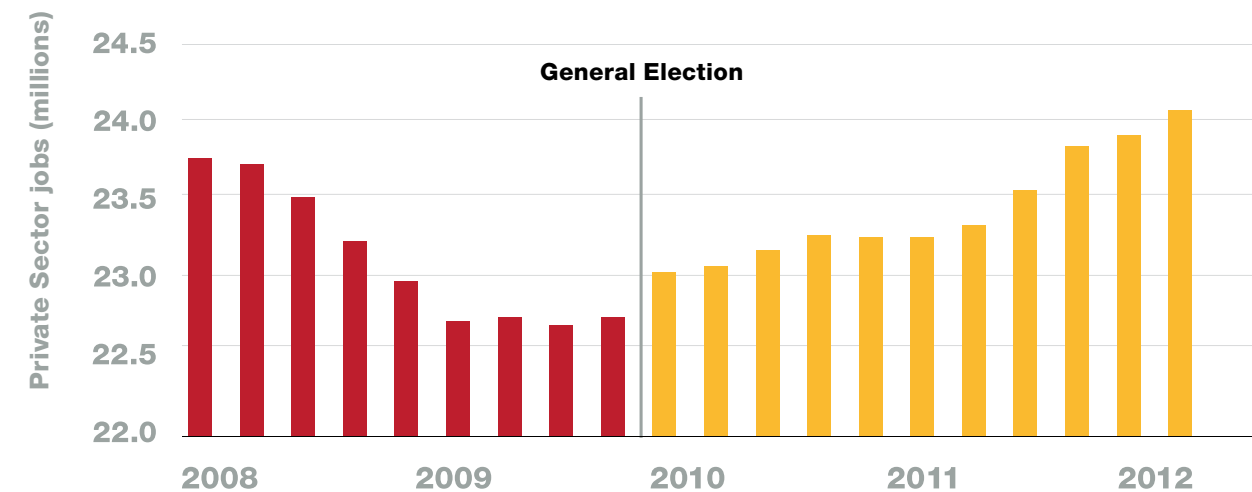
# Stronger Economy

## Liberal Democrat Principles and Vision

Liberal Democrats believe that economic growth must be sustainable, and that it must help to create full employment, decent incomes, a civilized welfare state and high-quality public services. We want to build an economy on the basis of investment, high skills, individual enterprise and balanced growth across all sectors and regions. We support an economy based on competition and devolved power, not on monopolies. We support a tax system which rewards work, incentivises investment, and which

is fair and simplified. We believe in open economies and international trade. We want to compete on the basis of high skills and of green technologies and products which cut pollution and make the best use of increasingly scarce natural resources. Liberal Democrats believe that every person should be enabled to succeed, and that society should use its resources to protect those who would otherwise fall into poverty, and provide a decent level of protection against unemployment, sickness and old age.

## A record of delivery



Lib Dems have helped businesses create over 1 million private sector jobs

Source: ONS

Under this stable Coalition Government, the United Kingdom is slowly recovering from one of the worst economic shocks in our nation's history. Labour promised to "abolish boom and bust". But the economy which we inherited from the last government was built on the quicksand of financial speculation and debt.

Under past Conservative and Labour governments

there has been too much reliance on growth fuelled by debt, financial speculation, and irresponsible banking practices. This burden of debt, together with the crisis in the Eurozone, means that economic recovery has been slower than usual. But, three years on, we have laid the foundations for real and lasting prosperity.

After tough decisions on spending and tax,

government borrowing is coming down, with the deficit already cut by a third. And those on the very highest incomes have made the biggest contribution to austerity. Our actions have kept interest rates low – helping businesses, mortgage-payers and government.

We have started to rebalance our economy. New regulations will help ensure that banks do not

repeat past mistakes. And our Regional Growth Fund will spread prosperity beyond the traditionally over-heated South-East of England. The devolution of powers to Scotland, Wales, Northern Ireland and the great industrial cities will bring new opportunities.

We have begun the process of refitting our economy for the low-carbon era. We have reformed the energy market,



A promise of more

## Building solid foundations for growth

introduced the Green Deal and created the world's first Green Investment Bank. We are investing in renewable electricity and heat, making homes and businesses more energy-efficient – and thereby cutting their energy bills – and creating green jobs that are sustainable for the long term.

Labour claimed that tough action on the deficit would destroy jobs. But they have been proved wrong. More than 1 million new jobs have been created in the private sector, and we have supported more than 1 million new apprenticeships, too, opening doors for young and established workers alike.

We have reformed our tax system to help those on low and middle incomes and to make work pay. By the end of this Parliament, thanks to the Liberal Democrats, no one will pay income tax on the

**More than 1 million new jobs have been created in the private sector**

first £10,000 they earn.

Meanwhile, the Coalition Government has slashed corporation tax to 20 per cent, and ensured that companies will be able to employ up to four people without paying a penny in National Insurance.

Our economy is still on a journey back to good health. With financial discipline, targeted investment and a vision for a sustainable future, we have set it on the right road, but there is much more to do. ■

A strong economy needs strong foundations. It must be built on productive investment and a highly skilled workforce. We must continue to work to ensure that the economy recovers and achieves healthy and sustainable growth.

In the 1980s and 1990s, Conservative governments showed utter disregard for manufacturing industry, much of the economy beyond London and the South East, and issues such as banking regulation, workers' rights and youth unemployment.

With the Liberal Democrats in government, these issues will not be overlooked. We will build on the Regional Growth Fund, the Youth Contract, and new banking regulation.

We must continue to control inflation while ensuring that the Bank of England has a mandate which enables it to support growth

and credit expansion as the economy recovers from the shock of 2008.

Public spending is essential for both a strong economy and a fair society, and we will commit to the level of investment our key services need.

Unmanageable debt ultimately strikes hardest at the most vulnerable in society and at our children. So to deliver a stronger economy and a fairer society, we need to continue our disciplined economic approach, bringing the government's current budget back to balance. This deficit reduction strategy depends on both spending control and higher tax revenues from a growing economy. Both are essential if we are to bring borrowing down.

We need to invest more in the UK's economic infrastructure, including transport and power





enjoys for renewable energy, helping to achieve both security and independence of supply. Such a shift would reduce reliance on imports and help cushion the economy from sudden swings in oil and gas prices.

Global demand is rising for many natural resources, not just for fossil fuels. Government needs to work with industry to develop a new approach to resource efficiency, improving reuse and recycling and reducing dependency on increasingly scarce supplies, developing technologies that will meet the needs of the future. A framework should be developed to ensure environmental objectives are pursued consistently across government.

A healthy banking system is one of the engines of growth; we need the right regulatory environment and the right incentives to

### Only by looking outwards can the UK prosper in a globalised economy

restore confidence in this crucial sector of our economy. We should ensure that the state-owned banks support lending to business, and prepare to break them up into smaller institutions before returning them to the private sector, recovering taxpayers' investment, and introducing more competition into financial services. We must also support more diversity in the banking system, with a wide range of mutuals, co-operatives, credit unions and peer-to-peer lenders and lower barriers to market entry for banks.

Our tax system should encourage and reward

work, wealth creation and investment. It should penalise pollution, resource depletion, and aggressive tax avoidance. Equity investment should not be disadvantaged compared with debt. We must ensure that in an increasingly competitive global economy, our business tax systems make the UK an attractive place in which to locate, invest, and pay tax.

Liberals have championed an open economy and free trade for centuries; only by looking outwards can the UK prosper in a globalised economy. We believe we are at our best when we open our doors to ideas, investment and innovation from around the world. An open, liberal, approach to our economy creates opportunities for exports and trade that benefit everyone.

One major issue in the next Parliament will be Britain's relationship with the European Union, and

### Our party is committed to giving the public a choice of an in/out referendum when there is a Treaty change involving a material transfer of sovereignty to the EU

how the EU develops. Liberal Democrats will work hard to protect jobs and growth by keeping the UK as an active and influential member of the EU. It is an illusion to think that we would be better off outside the EU. We would end up having to accept most of the same rules, while having zero influence in shaping them. We would also give up valuable opportunities to tackle cross-border crime and environmental threats and weaken our ability to regulate

multinational companies.

While we want the United Kingdom to stay in the EU, we believe that the EU must change. The centres of economic power are now moving away from Europe and the USA. The EU needs to reform to keep up with the pace of change. By playing a constructive role in the European Union we can ensure that change benefits Britain: in particular we want to see the completion of the single market, for example in energy, to open more opportunities for UK businesses to export.

We appreciate that many people in the UK want to have their say on any significant further change in Britain's relationship with Europe. In this Parliament, we have legislated for a 'referendum lock', which ensures that if the EU treaties are changed materially, we will make this subject to a vote by the British people in a referendum. Our

party is committed to giving the public a choice of an in/out referendum when there is a Treaty change involving a material transfer of sovereignty to the EU.

While EU countries are our closest and most important trading partners, we must continue to work to improve trade links with the rest of the world, especially with fast-growing economies like India, China and Brazil. We will ensure that our economy and our tax system remain attractive to inward investors.

In difficult times, the pressure to retreat behind national borders can be hard to resist, but Liberal Democrats understand that it is only by retaining our outward-facing, open and liberal culture that Britain can thrive in the 21st century. ■

generation, to lay the foundations for future prosperity. Our fiscal rules should continue to recognise the long-term economic benefits of productive investment.

At the end of their time in office, Labour slashed plans for public sector infrastructure spending. Our economy urgently needs major private and public sector investment.

Government has a key role to play in providing incentives for private investment. And Government must also set out its own investment strategy, to underpin a new, balanced and low-carbon economy.

Energy supply will be crucial. A quarter of Britain's power stations will reach the end of their useful lives over the next decade. This is an opportunity to realise the enormous potential Britain



# Modernising Britain's Economy: Competitive, Highly Skilled and Green

The growth model which Labour pursued, urged on by the Conservatives, until the financial crash in 2008 was completely unsustainable. An economy dependent on risky financial schemes, a housing boom and an explosion of consumer debt was always vulnerable to collapse. And the economy wasn't environmentally sustainable, either.

We must ensure that our prosperity is based on solid and sustainable foundations. We need more green growth, more growth in manufacturing and technology and less reliance on financial services, and more growth in high-skilled, high-pay employment.

We need a planning system which supports growth while protecting and enhancing

key social and environmental assets.

Low-carbon and environmental investment offers the UK a chance to create new jobs and prosperity – a route out of recession and towards a modern and competitive economy. Green technology, infrastructure and service companies now account for almost 10 per cent of UK GDP and employ almost a million people. Britain's real strengths in technologies such as offshore wind and marine renewables, and in green finance, mean that the country is well placed to compete in new, fast-growing, international markets. No sectors are as well placed to give the economy the boost it needs in the short term and the competitive strength it

needs in the long term.

We need to stick to ambitious targets for cutting greenhouse gas emissions, and adopt a binding target for the decarbonisation of our electricity sector – giving investors the confidence they need to invest billions in low-carbon industries. We can help leverage new sources of investment by expanding the Green Investment Bank and increasing its powers to borrow to make its money go further.

We need to expand the Green Deal to insulate homes and cut energy bills – creating thousands of new jobs in the process, and helping to end fuel poverty.

We need a massive programme to upgrade our transport network, including High Speed Rail 2, Crossrail

2, electrification of rail lines, and reopening smaller branch lines and stations, tram links and bus routes.

We should also back healthy and sustainable travel options such as walking and cycling. And by ensuring we move more swiftly to decarbonise road transport with electric vehicles – starting with urban buses and taxis – we could help ensure the road investment our economy needs is compatible with a cleaner environment.

Our investment needs are not just about infrastructure and industry. We need more houses. Britain simply does not build enough homes, and this constraint on supply pushes up prices, raises housing benefit bills, undermines the jobs market, and prevents young people





**We need to ensure that enough homes are built to keep prices stable over the long term**



from buying or even renting a decent-sized home.

We need to ensure that enough homes are built to keep prices stable over the long term – as they are across much of Europe – so that every young family can aspire to own a home of their own. We want to free councils to build homes again in their local communities, and develop new ways to support people on low and middle incomes into home ownership, while improving protections for those who rent in the private and social sectors.

More housing investment will boost our economy,

save government money and improve our society. And modern techniques can deliver zero-carbon homes, hugely reducing household energy bills.

We must also invest in our educational and research facilities. In the knowledge economy, infrastructure means more than just bricks, steel and tarmac. It means completing the roll-out of broadband and upgrading speeds to compete with the best in Europe, enabling rural communities and cities alike to participate in the new economy.

We also need to support technology, science, research and investment to create the intellectual infrastructure we need to prosper: the United Kingdom can and must be a leader in new, low-carbon and high-tech industries, from software engineering to energy generation, from waste recycling to gene therapy.

The digital economy has huge potential to provide jobs and boost growth, and we will support its development. The creative and cultural industries can also play

a major part in economic development.

And our Regional Growth Fund will help ensure that prosperity is spread across all regions of England, working closely together with local enterprise partnerships and City Deal local authorities to meet local needs and realise local opportunities.

Our people are, of course, our greatest resource of all. But other countries aren't standing still. Their education systems are improving rapidly. We know that at both national and individual levels,

enriched human capital is now essential. Economies and individuals which do not invest in skills will be left behind.

That is why investment in education is not just a social priority, it is an economic necessity. We can no longer tolerate an educational system in which almost half of young people do not achieve basic minimum qualification levels. We need to raise dramatically our expectations of what national success looks like at both primary and secondary school level. We must move to an education system in which the overwhelming majority of young people secure good academic and vocational qualifications, as a sound basis for success in their working lives.

We must continue to allow for the expansion of higher education, with the progressive lifting of the cap on student numbers, so that

**Our aspiration is that every young person aged 18 should be earning or learning, not stuck on benefits**

everyone who has the right qualifications and could benefit from a degree will be able to study for one, without paying a penny for tuition until they are earning a full graduate salary. We should also support and promote high-quality vocational education.

And access to education must become a choice for individuals, not a decision for politicians. No one who could benefit should be turned away from studying because of a politically determined cap on numbers; to thrive in the world, Britain needs more graduates, not fewer.

Access to education must be fair, with no one held back from realising their potential by social or economic disadvantage.

Workplace skills are essential too, and we need to work with employers to train and invest in people at every stage in their careers. High-quality apprenticeships must become the norm for every young person who does not go to university, with tailor-made entry routes for those who have struggled at school. Our aspiration is that every young person aged 18 should be earning or learning, not stuck on benefits.

Investment now will deliver a job-rich transition to a sustainable economy that we can be proud to hand on to our children. And we should also seek to encourage enterprise and self-employment by young people, who will be the key wealth creators of the future. ■

# Enabling Everyone to Participate: Living Standards and Jobs

We want to help people who are struggling to make ends meet in these tough times. That means fairer taxes, more assistance with childcare, and better-paid work opportunities. Through these and other routes we want to see a dramatic reduction in inequality in our society.

Work is crucial for securing income, and for health, participation in society and for reaching people's full potential. We aim to see high levels of employment based on highly-skilled, well-paid jobs.

We want to help all those people who can work to do so. We want to ensure that work is an effective route out of poverty, while continuing to help all those who cannot work because of disability or lack of jobs. We will also recognise and encourage the contribution to society of those who do unpaid work as volunteers or carers.

We have already set out our aspiration that by 2020, no one earning the minimum wage or less – presently around £12,500 – will pay any income tax at all. That would require another big rise in the personal tax allowance, helping millions of people on middle and low incomes, including pensioners. We have identified a number of policies that will help pay for this change by raising revenues from those with very high incomes or wealth, including introducing a Mansion Tax for homes valued at over £2 million, and continuing to bear down on tax evasion and tax avoidance.

In spite of our success in creating jobs, there is much more to do to reduce youth unemployment and to ensure that there are high-quality jobs right across the UK. The Regional Growth Fund, which backs businesses

creating jobs across England outside London, must continue to expand, and to work more closely with local enterprise partnerships and City Deal local authorities to meet local needs and realise local opportunities. And more investment will be needed in young people, expanding apprenticeships and traineeships so there are opportunities for every school leaver to take up.

Worklessness blights many lives, and has a disproportionate impact in some parts of the country and amongst some ethnic minority communities. We should provide support for all those people who want to work. And we must help people with parental and other responsibilities to work flexibly. That is why we will extend shared parental leave and improve access to childcare.

We must also reform

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benefits, cut taxes on work, and massively improve education, training and job-search support. These policies will cost money. But unemployment has a massive cost too, in wasted money and wasted lives.

Many people with disabilities need help and encouragement to get back into employment. It is reasonable to expect people who can work to do so, rather than claiming benefits. However, it is essential that assessments of those



who are ill or who have disabilities must be fair and proportionate, and proper help must be available with job search and other skills and support. Those people who cannot work should be offered support.

We must make sure that it pays to work by delivering more support for childcare and by ensuring that those who go into employment are rewarded for doing so. This means not only having a benefits system in which it pays to work but having jobs which offer decent pay. We are committed to keeping the National Minimum Wage and having it uprated on the basis of an independent assessment by the Low Pay Commission.

We should develop ways of encouraging employers

to deliver higher pay for the lowest earners, while protecting employment rights. Government departments could all afford to pay a Living Wage, by prioritising the lowest paid employees within existing budgets. Meanwhile, we should expect larger companies to publish how many people they employ on incomes under the Living Wage, and extend to all low-paid employees a right to support and advice on career progression.

Liberal Democrats have long championed greater employee ownership, which can help to deliver a highly motivated and better paid workforce. We should aim to spread employee ownership models such as mutuals and

co-operatives and embed workplace democracy throughout industry. We do not believe, however, that employee ownership should be expanded at the expense of employee rights.

Many people who seek work will come to Britain from other countries. We need highly skilled people from abroad to work in our private and public sectors, and to pay tax here too. We should also open our doors to students who want to study at our universities, tourists who want to visit our country, and businesspeople who want to invest in Britain or trade with us.

But a welcoming approach to migrants who can benefit the UK has to be backed up by a system that works. People have lost confidence in government's ability to control the country's borders, and that is undermining public support for any kind

of migration, even that which boosts our prosperity or fulfils our international obligation to provide a safe harbour for refugees. Liberals who want Britain to be open have the most to gain from an immigration system that is properly regulated and can command public confidence.

So we need to ensure full entry and exit checks at all ports of entry. We need effective action to target those who overstay their visas, enter Britain illegally or work without permission. People must know that the immigration system is fair. We should focus particular attention on those who exploit migrants, through illegal employment or trafficking, and ensure the victims get the protection they need. ■



# Fairer Society

## Liberal Democrat Principles and Vision

For the Liberal Democrats, fairness means liberty, opportunity and justice for all, so that everyone has the power to change things for the better, no one is held back by their circumstances, and anyone who struggles receives a helping hand.

Our ambition is to free every citizen from the bonds of poverty, ignorance and conformity. We champion the freedom, dignity and well-being of individuals, we acknowledge and respect their right to freedom of conscience and their right to develop their talents to the full. We aim to disperse power, to foster diversity and to nurture creativity. We believe that the role of the state is to enable all citizens to attain these ideals, to contribute fully to their communities and to take part in the decisions that affect their lives.

We are determined to strengthen the

democratic process and ensure that there is a just and representative system of government at national and local levels. We will at all times defend the right to speak, write, worship, associate and vote freely, and we will protect the right of citizens to enjoy privacy in their own lives and homes.

We seek to make public services responsive to the people they serve, to encourage variety and innovation within them and to make them available on equal terms to all.

Our responsibility to our fellow human beings is not confined by national boundaries; we are committed to fighting poverty and injustice wherever they occur and to promoting the free movement of ideas, people, goods and services.

## A record of delivery

The last Labour government failed to reduce inequality, even in times of plenty.

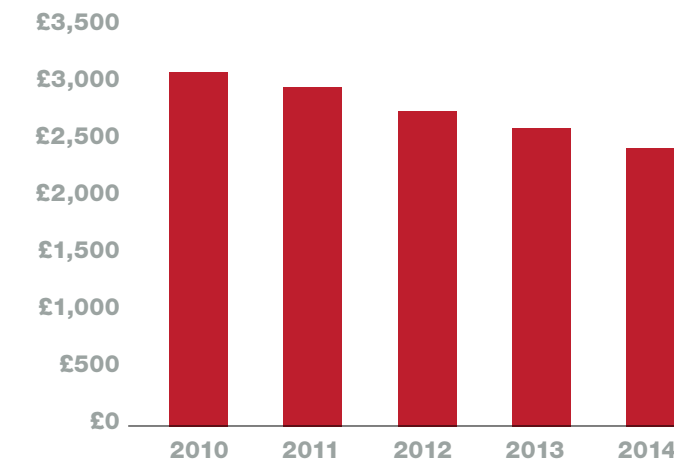
In the good times it is easy for governments to find the money to fund all their priorities. But in times of scarcity the principle of fairness becomes even more crucial. So it is precisely at a time such as this that it is so important for Liberal Democrats to be in government, because we can ensure that decisions can be made more fairly.

If the Liberal Democrats had not been in this Government, it would have been less fair. Conservative tax policy would have prioritised inheritance tax cuts for millionaires. The personal income tax allowance would not have been raised to £10,000. There would not have been a £2.5 billion Pupil Premium, or

free early years education for the poorest two-year-olds in England. The highest earners would not have been targeted to make the biggest contribution to sorting out our public finances. Employees would have been stripped of their protections from irresponsible 'fire at will' employers. And the UK would not have been the first major economy to meet the UN target of providing 0.7 per cent of Gross National Income in international development aid.

In government, Liberal Democrats have laid the foundations for a fairer society, investing in young people, reforming public services, protecting pensioners and restoring freedom and security to people and communities alike.

Good education is



Income tax paid by someone earning an average salary of £25,000

essential for every child. So we have protected the English schools budget and found billions of pounds of extra money through our Pupil Premium to raise standards for the children who struggle the most, giving everyone a fair start in life. This has paid for initiatives such as employing learning support assistants and one-to-one tutors for GCSE English and Maths.

Under this Coalition Government, there are more full-time undergraduates in higher education in England than ever before, including more from disadvantaged backgrounds. No graduate

has to pay a penny back until they are in work. And because we have raised the income level at which graduate repayments start, every new graduate will pay back less each year than would have been the case under Labour. We have also delivered a much better deal for part-time students, abolishing upfront tuition fees.

A fair society needs good public services, accessible to all and responsive to individuals' needs, and welfare protection for those who fall on difficult times or need support to get by.

We have protected the budget of the NHS in England

(even after price inflation), improved choice for patients and given clinicians the power to improve care in their local areas. We are integrating health and social care services, improving choice and quality for patients and carers. And we are implementing the proposals of the Dilnot Commission to cap care costs so that, soon, no one will have to sell their home to pay for care.

We have reformed the benefits system to ensure that work always pays, and improved childcare support, especially for those on the lowest incomes, to support parents who want to find work. We are consulting on ambitious new targets on child poverty, including a stronger emphasis on improving life chances through better education and access to high-quality jobs.

Freedom is fundamental to the liberal understanding of fairness, and we have restored much that was lost under previous governments. We have scrapped ID cards,

restored rights to peaceful protest and freedom of speech, reformed libel laws to protect freedom of expression, given people more power by opening up access to government data and said no to Conservative plans for a ‘Snoopers’ Charter’, which were backed by Labour and which would have monitored everyone’s emails and social networking.

We have driven forward political reform too, with fixed-term parliaments that help deliver political stability and take the power over election timing away from the Prime Minister. Regrettably, though, more fundamental change in areas such as reform of the House of Lords and cleaning up political party funding was blocked by Labour and the Conservatives.

To build fairness for older people, we have put in place the most generous system ever for uprating the state pension. Now, thanks to a Liberal Democrat Pensions Minister, we are

**To build fairness for older people, we have put in place the most generous system ever for uprating the state pension**

fundamentally reforming state pensions, to slash means-testing and create a more solid foundation for saving.

We are legislating for Equal Marriage and tackling homophobic bullying in schools.

We are making workplaces more accessible for people with disabilities, through our ‘Access to Work’ scheme, and banning age discrimination.

A fair society doesn’t leave people living in fear. We have invested time and money to keep the nation, communities and individuals safe. Crime is falling and is lower than it has been since independent records began.

Our national security strategy has protected key areas of defence spending, and we are reviewing alternatives to the like-for-like replacement of the Trident nuclear missile system.

Real progress has been made but our society is still scarred by inequality and lack of opportunity, and vulnerable people still too often fall through the cracks. There is still much more to do.

Our challenge now is to create a society which realises the potential of each and every person, which creates a safe and positive environment in which to live, and which empowers citizens and guarantees their liberties. ■

A promise of more

**Realising the potential of every person**

We want a society that realises the potential of every single person, regardless of home environment, parental income, sex, age, disability, belief, race or sexuality.

We want to support families of all shapes and sizes as they strive to get on in life, provide for themselves and nurture the next generation.

We are proud of the diverse heritage of British society, but we recognise that for some communities – not least ethnic minority communities – the barriers to realising their potential are still great. We will therefore work with these communities to break down barriers and target help to them.

Liberal Democrats believe that every child deserves a great start in life, so we

must continue to protect and invest in children and families. Juggling work and home life can make it hard to do the best for your children. So we must further extend shared parental leave to give both parents the chance to spend time at home with the youngest children.

We need to back every parent who wants to work, with improved childcare, extending the number of free hours to which younger children are entitled and rolling out the plans to give 20 per cent tax back on working families’ childcare costs.

We must improve the quality of early years’ education too, with better trained and qualified staff. We should focus support with a ‘Nursery Premium’ to target



**We need to back every parent who wants to work**

more money at very young children with the greatest need, building on our Pupil Premium.

We must work hard to improve schools, raising standards to match the best in the world. We must ensure that every school is supported and challenged to become a good or outstanding school

– every child has just one chance in their education. That means ensuring that local authorities are empowered and challenged to fulfil that role effectively, because central government cannot effectively oversee around 30,000 schools.

As well as closing the gap, we need to raise the bar – children must leave primary school ready to succeed in secondary education. And at age 16 and 18 the overwhelming majority of our children should succeed in securing qualifications which match the best in the



## A country fit to live in

world. We need to restore the guarantee that every child will be taught by a trained teacher, and ensure that every school teaches our new, streamlined National Curriculum.

We must dramatically raise our ambition for those from disadvantaged backgrounds: every child deserves the support and protection they need to be everything they can be. No one should be held back by low expectations and poor support, so we should maintain our Pupil Premium, which directs extra resources to those who might otherwise fall behind, and ensure that it helps to close the unacceptable gap in performance between children from poor and from

### We must do more to support life-long education

affluent families.

Pathways from school can be confusing and difficult to navigate, especially for those who do not have access to good advice. Children should receive face-to-face advice about all their choices at ages 14, 16 and 18, with help to make applications for college, sixth form, university, apprenticeships and more.

We want to help young people to stay in education, so we should provide more help with transport costs, and we should make students in sixth

form and FE colleges eligible for free school meals on the same basis as students in schools up to age 18.

University education must remain accessible to all. By 2020 more people than ever before are likely to be attending university, and we should ensure that that more children from low-income families are able to obtain a degree and study the top courses.

We need to ensure high-quality education and training to help people into employment, and to support them in changes of career and direction. With the pace of economic change, people cannot expect to stay in the same job for their entire life – certainly not without learning new skills.

We must do more to support life-long education. Learning is not something that stops at age 21, and with increasing life expectancy many people will want to engage in education well past their retirement. We also need to create more flexibility around employment, giving people opportunities to work flexibly, and to mix leisure and work – particularly important as life expectancy increases. ■

We all want the same opportunities in life, regardless of our background or heritage. People want a decent society to live in. They want a clean and safe environment. They want access to high-quality health care based on need, not on ability to pay. They want affordable housing. And they want a welfare system that is there in time of need.

Public services are more than just a safety net: they

are an essential part of a fair society, providing help, protection and support when they are needed. We want to reform public services to make them more responsive to individuals and to ensure that people are offered real choices and good access.

From introducing the pension to designing the NHS, throughout history Liberals have championed the cause of open, accessible public services. But as the financial pressures of the current fiscal crisis and demographic change combine to put strain on public services, we must do more than champion them; we should take a lead in crafting new ideas to deliver better services for less.

The NHS is Britain's most treasured public service,



and rightly so. We will never change the founding principle of our health service: that treatment is available to all, free at the point of need. We should work closely with GPs and care providers to improve access to care out of normal office hours and closer to home; this will help working people get treatment, relieve pressure on emergency services and hospitals and help save money.

We must build a better healthcare service by joining up health, social care and public health services: improving collaboration

between professionals and breaking down financial silos, while improving choice for patients and giving them and their carers more control of their treatment.

We will also champion the greater use of technology, smarter procurement of drugs and devices, and evidence-based preventive measures to drive down healthcare costs.

Mental health must be given parity of esteem with physical health throughout the NHS, with 'talking therapies' increasingly available to all adults and

children who need them.

The high cost of housing is a major problem for many people. We need to take action to increase significantly house building in both the private and social sectors. We also need to give tenants more influence and security.

Pensions need reforming too. That means completing the roll-out of the new Single Tier Pension and automatic opt-in for workplace saving. Pensioners will continue to benefit from the generous protections we have put in place to ensure their incomes do not fall behind the working population.

We should protect benefits for older people on low and middle incomes. But it cannot make sense to pay the Winter Fuel Payment to very rich pensioners, including people who are in employment

### **We must continue to work with our European neighbours to target the most serious and organised crime**

earning hundreds of thousands of pounds per year; we should review benefits, including the Winter Fuel Payment, for very rich households. In tough times, people expect public money to be focused where the needs are greatest.

People want to be free from crime and the fear of crime. A fair, free and economically successful society helps to reduce crime. We want to build on the successes of the Coalition

Government in cutting crime, treating drug addiction and preventing reoffending. We will ensure that criminal justice policy is based on evidence and not populism. We believe in reforming prisons so they are focused on setting offenders back on the straight and narrow, equipping them for working life. We should extend restorative and community justice and promote more innovative, problem-solving courts. Drug addiction should be treated as an illness, with treatment for drug users, and strong action against dealers.

We must continue to work with our European neighbours to target the most serious and organised crime, from internet fraud to international terrorism.

We celebrate the diversity of our local communities, and aim to build on the work

of the Coalition Government in supporting them all to prosper and in enabling everyone to play a strong part in every level of civic society.

Hate crime is a sign of an intolerant society where individuals are held back or persecuted because of who they are. We should do more to prevent these crimes, and the everyday prejudice in society that allows hatred to ferment. We must challenge those who would use ideology or religion to promote hatred, violence or terrorism, and work hard to tackle the underlying causes of radicalisation and terrorism.

The quality of life in Britain is not just about public services and public safety. The UK has a fantastic cultural heritage which must be preserved and which we should ensure is accessible to all our citizens.

The natural landscape is vital to the quality of life and health of those who live here and to visitors. Green spaces and wildlife should be better protected and access to the countryside guaranteed. Environmental limits and protections must be built into local planning policies, resource recovery maximised and waste minimised. We should develop a National Food Strategy to secure the production and consumption of sustainable and healthy food.

Local communities are best placed to manage their local environment. Community-owned renewable energy schemes, where local people benefit from the power produced, should be promoted. ■





# Free Citizens in a safe world

Liberal Democrats believe in a free and open society, where every person has real choices and opportunities in their lives. That is only possible in a country where individual rights are protected and where politics is responsive to people's hopes, needs and fears.

As well as seeing opportunity widely spread, we want to see power widely spread too. We want to promote a society of powerful citizens, backed by an enabling state.

We will continue to work for political reform, bringing democracy to the House of Lords, campaigning for a change in electoral systems at national and local levels, spreading power much more widely across the nations, regions and local communities of Britain, and sorting out party funding once and for all – so that politics can be once again a competition of ideas, not of bank balances. We will

ensure that our media is free but also acts responsibly.

We believe that decisions are best taken as close as possible to the people they affect. So we should agree with local authorities a new settlement for local government, with more power – including over financial matters – devolved from Westminster. Alongside fair voting for local elections, this would help restore interest in local democracy.

We will use technology to work to empower people, give people more access to information, and protect people's own rights of privacy.

**We want to secure our commitment to civil liberties by enshrining the Human Rights Act in a written constitution**



We will press ahead with open data reforms, consider adding a public interest defence to the Computer Misuse Act, fully review the legal powers of surveillance for a digital age, and permit intercept evidence in court while requiring judicial warrants for interception.

Having a stake in society is not just about political citizenship. Our commitment to democracy also extends to the workplace. We would encourage mutuals, cooperatives and social enterprises, which help to give people a proper stake in their workplaces, spreading wealth through society and bringing innovative and imaginative business ideas to bear on meeting local needs.

We want to secure our commitment to civil liberties

by enshrining the Human Rights Act in a written constitution, which also protects our hard-won rights to jury trial, free speech, free movement and privacy, and which rules out Identity Cards for good.

We will find practical alternatives to the use of closed material proceedings within the justice system, including the provisions of the Justice and Security Act 2013, with the aim of restoring the principle of open justice.

Our aspiration to free all people from the chains of poverty, conflict, ignorance, and conformity goes beyond our own shores and citizens. And many of today's challenges – terrorism and cross-border crime, poverty, climate change, resource



shortages – are global in scope and can only be tackled effectively by nations working together. The UK has a proud record of playing a leading role in the EU and international institutions such as the UN, G8, and G20, and should continue to do so, promoting wherever possible our values of freedom and opportunity for all.

A fair global deal on climate change is an urgent priority, and the best chance of achieving this is by working through the EU. In turn this requires ambitious action at home: the EU should adopt a target of a 50 per cent cut in greenhouse gas emissions by 2030, and ensure that its budget priorities promote low-carbon and resource-efficient industry,

**We will crack down on tax havens which allow individuals and corporations to avoid paying taxes to developing countries**

agriculture, infrastructure and technology.

We will continue to meet the UK's obligations to the developing world by maintaining spending of at least 0.7 per cent of GNI on development assistance, and adopt a 'whole-of-government' approach, recognising that a whole raft of policies (trade, agriculture, defence, etc.) impact on

developing countries. We will argue for global development goals to focus increasingly on the rights of the poorest and most disadvantaged members of society (including women and girls), on transparency and accountability, and on environmentally sustainable development. We will target UK assistance on these priorities, including continuing the International Climate Fund and helping poor countries follow a low-carbon development path and adapt to the increasing pressures of climate change. The UK and EU should take a lead in pressing for an end to net global deforestation by 2020.

We will push for better global financial regulation, including banning banks from facilitating the transfer of funds obtained by corruption. We will crack down on tax havens which allow individuals and corporations to avoid paying taxes to developing countries.

Britain's armed forces are vital to our security and Liberal Democrats are committed to implementing the military covenant. At a time of austerity we recognise that difficult choices on defence spending have to be made. Therefore, our relations with NATO and EU partners are vital to our shared security. We will look at longer-term defence planning and seek ways of reducing procurement costs, including pooling and sharing procurement with our European and NATO allies. We should modernise Britain's armed forces and ensure we can meet new threats, for example of cyber-attack. We will strive for global nuclear disarmament, showing leadership by committing not to replace the Trident nuclear weapons system on a like-for-like basis. ■

# Conclusion: A Liberal Democrat 2020 Vision

What, then, will a Liberal Democrat Britain look like in 2020?

The economy will be growing again, and in a balanced and sustainable way, right across the UK. Real incomes will be rising for all groups. The public finances will be back in good order. Unemployment, particularly youth unemployment, will be much lower. The UK economy will be competing on the basis of high skills, high pay, and proper infrastructure investment, not just within the EU but globally.

The UK will be rapidly decarbonising its economy, while ensuring secure and clean supplies of energy and ending the waste of energy through poorly insulated homes and buildings. British industries, supported by a dynamic Green Investment Bank, will be competing successfully in expanding global markets for low-carbon and resource-efficient goods

and services.

Britain will be a fairer place. Inequalities of income, wealth and opportunity will be sharply reduced and set to fall further. The overwhelming majority of young people will leave school with high-quality academic and vocational qualifications. And the performance gap between young people from advantaged and disadvantaged backgrounds will be falling fast.

Taxes will be fairer, with no one on the minimum wage paying any income tax. Tax avoidance will be sharply reduced as we move to a simpler tax system with fewer 'breaks'. Those on higher incomes will be paying a fair share, including through a Mansion Tax on very-high-value properties.

There will be more support for those who want to work or train. There will be additional help with transport costs for 16–21 year olds, more support

for childcare costs, and action to encourage more employers to pay a 'living wage'.

People's quality of life will be higher. Public services will be more responsive to all citizens. There will be improved access to the NHS and higher quality care. There will be far fewer weak schools. Housing will be more affordable. Crime will be

**Liberal Democrats are working for a stronger economy in a fairer society, enabling every person to get on in life**

down – with a big emphasis on rehabilitation. And the natural environment will be better protected.

Confidence in the fairness and efficiency of our immigration system will be restored, with effective entry and exit checks, and action against those who seek to

break the rules. This will dramatically reduce public concerns and allow Britain to go on welcoming those from abroad who can make a huge contribution to our society, while offering security to those fleeing persecution.

The United Kingdom will remain united. But power will be much more widely spread across the nations, regions and local communities, rather than hoarded in Westminster. Civil liberties will be better protected, party funding will be reformed, and fair voting will be introduced for all levels of government.

The UK will be an influential and committed member of a reformed European Union, playing a responsible global role as a champion of an open, liberal, world. Our nation will be leading the world in helping to eradicate global poverty and preventable diseases, tackling climate change, and championing the cause of multilateral disarmament to create a safer world based on mutual security. ■

This paper has been approved for debate by the Federal Conference by the Federal Policy Committee under the terms of Article 5.4 of the Federal Constitution. Within the policy-making procedure of the Liberal Democrats, the Federal Party determines the policy of the Party in those areas which might reasonably be expected to fall within the remit of the federal institutions in the context of a federal United Kingdom. The Party in England, the Scottish Liberal Democrats, the Welsh Liberal Democrats and the Northern Ireland Local Party determine the policy of the Party on all other issues, except that any or all of them may confer this power upon the Federal Party in any specified area or areas. The Party in England has chosen to pass up policy-making to the Federal level. If approved by Conference, this paper will therefore form the policy of the Federal Party on federal issues and the Party in England on English issues. In appropriate policy areas, Scottish, Welsh and Northern Ireland party policy would take precedence.

Many of the policy papers published by the Liberal Democrats imply modifications to existing government public expenditure priorities. We recognise that it may not be possible to achieve all these proposals in the lifetime of one Parliament. We intend to publish a costings programme, setting out our priorities across all policy areas, with our manifesto for the next general election.

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