



# Scottish Liberal Democrats **Manifesto 2010**

## **fair taxes**

that put money back in your pocket

## **a fair chance**

for every child

## **a fair future**

create jobs by making Britain greener

## **a fair deal**

by cleaning up politics

**change that works for you**  
MAKING A GREENER BRITAIN

change that works **for you**

RAVENSCLIFF A GARDEN DISTRICT

# Scottish Liberal Democrats Manifesto 2010

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We've had 65 years of Labour and the Conservatives: the same parties taking turns and making the same mistakes, letting you down. They have taught people to expect little from politics, and get less.

*Dear Friend,*

Elections that can really make a difference don't come along very often. But this is one of them.

This May, you have an opportunity to shape the future of our country for the better. We've had 65 years of red team, blue team politics: the same parties taking turns and making the same mistakes, letting you down. They have taught people to expect little from politics, and get less.

**It is time for something different. It is time for something better.**

Doesn't it make you angry that after 65 years of red-blue government, a child's chances in life are still more determined by their parents' bank balance than by their own hopes and dreams? Doesn't it make you angry that the banks have been allowed to ride roughshod over our economy, and are still handing out bonuses by the bucketload? That politics is still the plaything of wealthy donors and corrupt MPs? That despite endless warm words from politicians, our climate is in danger? That the poorest are the ones who pay the biggest chunk of their income in tax?

Liberal Democrats believe that the way things are is not the way they have to be. We think that you should fight for what you believe in, and fight for change. So our message for you in this election is simple.

**Don't settle for low politics and broken promises: be more demanding.  
Set your sights on the Britain – and the Scotland – you want for your  
children and your grandchildren, and use your vote to make it happen.**

Only the Liberal Democrats have the big ideas for fundamental, structural changes in the way our country works to make it fair.

Only the Liberal Democrats will shake up the tax system to put £700 back in the pockets of tens of millions of low and middle income families, paid for by ensuring the wealthy pay their fair share.

Only the Liberal Democrats will break up the banks and start Britain building things again to create a sustainable economy.

Only the Liberal Democrats will give schools the investment they need to give every child, no matter their background, a fair start in life.

A strong vote for the Liberal Democrats means the end of red-blue, blue-red politics. It means the end of the stitch-up between the two old parties. It means the opening up of our rotten political system. It means the beginning of real change that works for you.

So don't hope for the best: vote for the best.  
Choose the Liberal Democrats.

*Best wishes,*

*Nick Clegg*

**Nick Clegg**

*Tavish Scott*

**Tavish Scott MSP**



# our first priorities: **4 steps to a fairer Britain**

## fair taxes

that put money back in your pocket

- The first £10,000 you earn tax free: a tax cut of £700 for most people
- Half a million low earners and pensioners in Scotland freed from income tax completely
- Paid for in full by closing loopholes that unfairly benefit the wealthy and polluters

## a fair chance

for every child

- Ensure children get the individual attention they need with more teachers and one-to-one tuition
- Made possible by investing extra money in schools, targeted to help struggling pupils
- Cut student debts and make a degree affordable for all

# a fair future

creating jobs by making Britain greener

- Break up the banks and get them lending again to protect real businesses
- Honesty about the tough choices needed to cut the deficit
- Green growth and jobs that last by investing in infrastructure

# a fair deal

by cleaning up politics

- Put trust back into politics by giving you the right to sack corrupt MPs
- Restore and protect hard-won British civil liberties with a Freedom Bill
- Overhaul Westminster completely: fair votes; an elected House of Lords; all politicians to pay full British taxes

## introduction: our values

This election can be and must be a turning point for Britain. This must be a moment of great change, so that we emerge from the recession as a fairer, greener, stronger and more united society. To do that, we need to be clear and honest about the failures that caused these problems, and set a clear, hopeful course for a different, better future.

Britain is struggling to emerge from a long and difficult recession. Families are finding it hard to make ends meet. Millions are unemployed, and millions more have taken pay cuts or reduced hours to stay in their jobs. And there are deeper problems, too. Britain, for all its many strengths, is still too unequal and unfair, a country where the circumstances of your birth and the income of your parents still profoundly affect your chances in life. Our children's future is threatened by climate change, which we have done far too little to stop. And the political system is in crisis.

**Britain needs a fresh start. We need hope for a different, better future.**

That is what this manifesto is all about. We believe that the future must be built on a different foundation: fairness. We believe there are systemic failures that underlie every one of the major problems we face. And that gives us the chance to reshape our country, fundamentally, for the better.

Fairness is an essential British value. But it has been forgotten. Instead, greed and self-interest have held sway over the government and parts of the economy in recent decades. Concerned only for the moment, those at the top seem to have forgotten that growth must be shared and sustainable if it is to last.

**Our core aim is to hard-wire fairness back into our national life. That way we can build a stronger society with growth that lasts, fairness and opportunity for all.**



## bringing back fairness

At the root of Britain's problems today is the failure to distribute power fairly between people. Political power has been hoarded by politicians and civil servants; economic power has been hoarded by big businesses. Both kinds of power have been stripped from ordinary citizens, leaving us with a fragile society marked by inequality, environmental degradation and boom-bust economics. If government merely tinkers at the edges – the Labour and Conservative approach – Britain's problems will not be solved. We can change this only with radical action.

The Liberal Democrat philosophy is built on a simple ambition: to distribute power fairly among people. From that goal of fairness spring the four priorities which form the backbone of this manifesto. Each will redistribute power of a different kind, be it economic, social, political or financial. **Each will change Britain for the better.**

Those four changes are spelt out in detail in this manifesto. They will make Britain the fair country people want it to be. They are:

- Fair taxes that put money back in your pocket
- A fair chance for every child
- A fair future, creating jobs by making Britain greener
- A fair deal by cleaning up politics

### our tax plan

We propose the most radical tax reform in a generation, cutting taxes for millions paid for by closing loopholes at the top and increasing taxes on polluting aviation. No tax system should try to create total equality of income. But it can and should help redistribute wealth and power, to alleviate the worst excesses of inequality.

### **our schools plan**

We want to give every child the fair start they deserve by providing cash to recruit more teachers, increase one-to-one tuition and improve discipline. This is the best way to ensure, over the long term, that every child has opportunities, no matter their background, their home town or their parents' bank balance.

### **our economic plan**

Our vision is of a very different economy, balanced and sustainable both financially and environmentally. We will reduce the deficit, break up the banks, and ensure that Britain leads in developing the new green economy that the world needs.

### **our plan for cleaning up politics**

The final change is the one that makes the others possible: political reform. The current system exists to block change. We will stamp out corruption and abuse by giving people power to sack corrupt MPs, end big money politics, and make sure those who seek to sit in Parliament pay full UK taxes. We will re-invigorate our democracy by dispersing power, breaking open Westminster and Whitehall and embracing fair votes for every level of election. It will mean more powers for the Scottish Parliament to equip it with the levers and the accountability to build a fairer society and a strong, sustainable economy in Scotland.

**These four changes will transform Britain. They are our core priorities. The stronger we are as a party, the more power and influence we will have to make them happen, to change our country for the better. They are all essential to delivering real change in Britain.**

## change that works for you

This manifesto is not limited to these four structural changes. It is a programme for a Liberal Democrat Government at Westminster, setting out our approach to public services, to fiscal discipline and to Britain's place in the changing world. We explain where extra resources will be provided to the Scottish Parliament and how we want to see them used for the benefit of people in Scotland. Our full programme for the Scottish Parliament will, of course, be published at the time of the 2011 elections.

In formulating our policies we have been driven by our one abiding concern: fairness. We know these are difficult times. But we also know there is a way out, a way to build a fairer, greener and stronger future.

It will take courage and commitment to make Britain truly fair for our children, and for the future. It will take an extraordinary government, different from every one that has come before. That is what the Liberal Democrats offer, which no other party can at this election.

**If you want real change, choose the Liberal Democrats.**

### a green future: protecting the planet

Liberal Democrats believe protecting the environment is one of the greatest challenges this generation faces. We must hand on to our children a planet worth living on. That requires action across government – this is everybody's responsibility, not just one climate change minister's. It is because we believe concern for the environment is important in every part of people's lives that we have identified policies in every chapter of this manifesto to protect the planet. These policies are highlighted with green tabs.

**your money.** Liberal Democrats want to make our tax and benefits system fair, so that everyone, be they young or old, can afford to get by.

## fair taxes and fair benefits to help every family get by

Liberal Democrats want to make the tax and benefits system fair, so that everyone, be they young or old, can afford to get by. We have plans for the most radical, far-reaching tax reforms in a generation.

These changes are desperately needed. Conservative and Labour governments have changed Britain into one of the most unequal societies in the developed world, where ordinary people struggle to make ends meet while the richest benefit from tax breaks. The poorest fifth of the population pay a higher proportion of their income in tax than the richest fifth.

We set out in this manifesto a clear plan **to bring the budget back under control**, being honest about the tough choices we need to take. We will **cut taxes for millions of working people and pensioners**, paid for by making sure that the very wealthy pay their fair share and that polluting air travel is properly taxed. We will boost the state pension **by immediately restoring the link with earnings** growth.

## tax fairness for everyone

Under a Liberal Democrat Government, you will not have to pay any income tax on the first £10,000 you earn. This will free half a million people in Scotland on low incomes from having to pay any income tax at all and put £700 back in the pockets of millions more people on low and middle incomes.

In this way we will help people struggling to make ends meet and provide an incentive to work and save.

### **This change will be paid for by:**

- Giving tax relief on pensions only at the basic rate, so that everyone gets the same tax relief on their pension contributions.

- Taxing capital gains at the same rates as income, so that all the money you make is taxed in the same way.
- Tackling tax avoidance and evasion, with new powers for HM Revenue and Customs and a law to ensure properties can't avoid stamp duty if they are put into an offshore trust.
- Ensuring pollution is properly taxed by replacing the per passenger Air Passenger Duty with a Per Plane Duty (PPD), ensuring air freight is taxed for the first time. We will also introduce an additional, higher rate of PPD on domestic flights if realistic alternative and less polluting travel is available, continuing to exempt lifeline flights.
- Introducing a Mansion Tax at a rate of 1 per cent on properties worth over £2 million, paid on the value of the property above that level.

In addition we will reform the system of “non-domiciled” status, allowing people to hold such status for up to seven years, after which time they will become subject to tax on all offshore income in the same way as domiciled British citizens.

## dealing with the deficit

The health of the economy depends on the health of the country's finances. Public borrowing has reached unsustainable levels and needs to be brought under control to protect the country's economic future.

A Liberal Democrat Government will be straight with people about the tough choices ahead. Not only must waste be eliminated, but we must also be bold about finding big areas of spending that can be cut completely. That way we

can control borrowing, protect the services people rely on most and still find some money to invest in building a fair future for everyone.

We have already identified over £15 billion of savings in government spending per year, vastly in excess of the £5 billion per year we have set aside for additional spending commitments. All our spending commitments will be funded from this pool of identified savings, with all remaining savings used to reduce the deficit.

We must ensure the timing is right. If spending is cut too soon, it would undermine the much-needed recovery and cost jobs. We will base the timing of cuts on an objective assessment of economic conditions, not political dogma. Our working assumption is that the economy will be in a stable enough condition to bear cuts from the beginning of 2011-12.

Through taking tough choices as well as introducing efficiency changes and reducing bureaucracy across government, **our savings will include:**

- Setting a £400 pay rise cap for all public sector workers, initially for two years, ensuring the lowest paid are eligible for the biggest percentage rise.
- Restricting tax credits.
- Ending government payments into Child Trust Funds.
- Introducing a banking levy so banks pay for the financial support they have received, until such time as they can be split up to insulate retail banking from investment risks.
- Scrapping ID cards and the next generation of biometric passports.

Further details of our savings, including a number of smaller savings items, can be found in the tables annexed to the section on Credible and Responsible Finances on page 76.

In the longer term, as part of a Comprehensive Spending Review involving wide consultation, we will seek to identify additional savings which can be used to pay down the deficit further. **These will include:**

- Saying no to the like-for-like replacement of the Trident nuclear weapons system, which could cost £100 billion. We will hold a full defence review to establish the best alternative for Britain's future security.
- Reforming public sector pensions to ensure they are sustainable and affordable for the long term, with an independent review to agree a settlement that is fair for all taxpayers as well as for public servants.
- Better government IT procurement, investigating the potential of different approaches such as cloud computing and open-source software.
- A wholesale review of value for money in the public sector based on the findings of the National Audit Office and the House of Commons Public Accounts Committee.

We will establish a Council on Financial Stability, involving representatives of all political parties, the Governor of the Bank of England and the Chair of the Financial Services Authority. This group would agree the timeframe and scale of a deficit reduction plan to set the framework, not the detail, for the Comprehensive Spending Review and seek to promote it externally and domestically. Any agreement would be without prejudice to parties retaining and advocating distinctive views on a wide range of issues, such as fair taxes and spending priorities.





## fairness in pensions, savings and benefits

Labour has created a hugely complex and unfair benefits system, and it needs to be reformed. Pensions and savings have been undermined.

### **We will make pensions and benefits fair and reward savers by:**

- Restoring the link between the basic state pension and earnings immediately. We will uprate the state pension annually by whichever is the higher of growth in earnings, growth in prices or 2.5 per cent.
- Increasing the income tax threshold to £10,000.
- Giving people greater flexibility in accessing part of their personal pension fund early, for example to help in times of financial hardship.
- Giving people control over their pension by scrapping the rule that compels you to buy an annuity when you reach age 75.
- Allowing individuals to save through the UK Infrastructure Bank, offering stable long-term returns.
- Meeting the Government's obligations towards Equitable Life policyholders who have suffered loss. We will set up a swift, simple, transparent and fair payment scheme.
- Ending the rollercoaster of tax credit overpayments by fixing payments for six months at a time. We will also target payments towards those who need them most.
- Reforming Winter Fuel Payments to extend them to all severely disabled people, paid for by delaying age-related Winter Fuel Payments until

people reach 65. We will continue to pay Winter Fuel Payments to all current recipients of Pension Credit.

**your job.** Liberal Democrats want to build an economy that is based on innovation and sustainability, where the infrastructure the country needs is in place for individuals and businesses to thrive.

## opportunities for all in a fair, green economy

Liberal Democrats want to build an economy that is based on innovation and sustainability, where the infrastructure the country needs is in place for individuals and businesses to thrive. Our aim is to deliver growth that lasts and is environmentally sustainable.

Decades of Labour and Conservative rule have created an unsustainable economy, preoccupied with the artificial wealth of inflated property prices rather than productive work and invention. They have been obsessed by the “Square Mile” – the City of London – instead of supporting all 100,000 square miles of Britain.

To boost the economy and **create jobs for those who need them**, we will begin our term of office with a one-year economic stimulus and job creation package. To sustain jobs and growth for the long term, we will set up an **Infrastructure Bank** to direct private finance to essential projects such as new rail services and green energy, building the environmentally sustainable economy that is needed for the long term. And to ensure that our economy is never again destabilised by high-risk financial industries, we will **break up the banks** and build up diverse, local and regional sources of business finance.

## sustainable finance for business growth

We have learned an important lesson from the credit crunch and the recession: we cannot build an economy on financial gambling. Radical reform of our financial infrastructure is needed to create and sustain jobs and move towards a sustainable and balanced economy where businesses in every town, city and region can grow.

That starts with banking reform. Banks must be made to behave responsibly. And we need to support and develop new ways of financing growing businesses, with equity rather than debt, and without relying too heavily on the

financial centre of the City of London. More diverse sources of finance will provide the funding needed to develop innovative new products and reverse the decline in the UK's manufacturing base.

**In order to put the economy on a new footing, we will:**

- Break up the banks, to ensure taxpayers are never again expected to underwrite high-risk banking. We will establish a clear separation between low-risk retail banking and high-risk investment banking, and encourage the development of local and regional banks. We want to see the Bank of Scotland re-established in Scotland.
- Get the banks lending responsibly again. There are taxpayers' representatives on the boards of the banks the public own or part-own. They should insist banks lend to viable businesses on fair terms again.
- Ensure that the bonus system can never again encourage banks to behave in a way that puts the financial system at risk or offers rewards for failure.
- Support the establishment of Regional Stock Exchanges. These will be a route for businesses to access equity without the heavy regulatory requirements of a London listing.

## creating jobs that last

The new economy must be very different from the old if it is to be sustainable, not just financially, but environmentally, too. If we start now, Britain can lead the new green economy that the world needs.

Scotland is one of the best parts of Europe to gain the economic benefits from green energy. We have 25 per cent of the wind, 25 per cent of the tidal and 10 per cent of the wave potential of the whole continent around our shores.

We recognise that strong businesses create and sustain jobs and a Liberal Democrat Government will support them in doing so.

Liberal Democrats will begin our term in office with a one-year job creation and green economic stimulus package. We have identified £3.1 billion of public spending that can be used to create a hundred thousand jobs. This programme will be a first step towards our target for a zero carbon Britain by 2050.

**Our green stimulus plan will create thousands of jobs in Scotland. We will provide money, directly from the UK Government or through the Scottish Government, to:**

- Invest up to £400 million in refurbishing shipyards in Scotland and the North of England so they can manufacture offshore wind turbines and other marine renewable equipment. Places such as Leith, the Forth ports, Campbeltown, Nigg, Aberdeen, Dundee, Ardersier, Montrose and Arnish have been identified as places with the potential to benefit.
- Launch an 'Eco Cash Back' scheme, for one year only, which will give you £400 if you install double glazing, replace an old boiler, or install micro-generation. If you choose micro-generation, you will be able to sell the energy back to the National Grid at a profit, with a more attractive feed-in tariff than under current Government plans.
- Set aside extra money for schools who want to improve the energy efficiency of their buildings. They will pay back the loan over time from energy savings, creating a rolling fund to help insulate every public building.

- Bring 25,000 empty homes in Scotland back into use. People who own these homes will get a grant or a cheap loan to renovate them so they can be used: grants if the home is for social housing, loans for private use.
- Invest £140 million in a bus scrappage scheme that helps bus companies across the UK to replace old polluting buses with new low-carbon ones and creates jobs.

We will also create hundreds of thousands of opportunities for young people across the UK affected by the recession. A work placement scheme will ensure young people get the opportunity to gain skills, qualifications and work experience even if they can't find a job. Young people on the scheme would be paid £55 a week for up to three months.

To help the transition to a green economy over the longer term, we will set up a **United Kingdom Infrastructure Bank (UKIB)** to attract private finance – essential to delivering the much needed expansion of our transport and energy infrastructure when public finances are tight.

#### **The UKIB will:**

- Provide a new route to provide capital, guarantees and equity to infrastructure projects. The vast majority of infrastructure funding will still come from the private sector.
- Increase the funding available from the private sector by tapping into the funds of institutional investors, namely annuity funds looking for a home in the UK.
- Reduce the cost of long-term funding as compared with PFI.



- Provide the opportunity for retail investors to save in safe long-term assets.
- Be a stand-alone public entity, independent from government but with a long-term strategic remit. It will have the ability to reject or accept proposals based on whether they are financially viable or within its remit.
- Start with government seed funding which it can use as a capital base to borrow against. This seed funding could be raised from the sell-off of the student loan book or the Tote, as the Government has already proposed. In addition borrowing could be secured against government owned assets such as the Dartford crossing. We will investigate other ways of raising seed capital such as auctioning airport landing slots and radio spectrum.

## enabling enterprise that benefits Britain

Liberal Democrats believe in the value of entrepreneurship and enterprise, recognising that thriving businesses are vital to create the wealth our country needs. We need to ensure a strong competitive environment by providing a level playing field for all businesses, encouraging a diverse, sustainable economy for the long term.

### **Liberal Democrats will:**

- Reduce the burden of unnecessary red tape by properly assessing the cost and effectiveness of regulations before and after they are introduced, using 'sunset clauses' to ensure the need for regulations is regularly reviewed, and working towards the principle of 'one in one out' for new rules.

- Put an end to the so-called “gold-plating” of EU rules, so that British businesses are not disadvantaged relative to their European competitors.
- Ensure takeover rules serve the UK economy. We will restore a public interest test so that a broader range of factors than just competition can be considered by regulators when takeovers are proposed and we will ensure that the outcome of takeover bids is determined by the long-term shareholder base. We will re-introduce the Operating and Financial Review, dropped in November 2005, to ensure directors’ social and environmental duties will have to be covered in company reporting.
- Support public investment in the roll-out of superfast broadband, targeted first at those areas which are least likely to be provided for by the market.
- Keep the tax regime and allowances that apply to the oil and gas industry under review to ensure we secure the maximum long-term benefit to the UK economy of the remaining North Sea reserves.
- Use the substantial purchasing power of government to expand the markets for green products and technologies.

## supporting mutuals, co-ops and social enterprises

We believe that mutuals, social enterprises and co-operatives have an important role to play in the creation of a more balanced and mixed economy. Mutuals give people a proper stake in the places they work, in spreading wealth

through society, and in bringing innovative and imaginative business ideas to bear on meeting local needs.

**We will:**

- Give financial regulators a clear objective of maintaining a diversity of providers in the financial services industry.
- Seek to turn Northern Rock into a building society.
- Give both Royal Mail and post offices a long-term future by separating Post Office Ltd from the Royal Mail and retaining Post Office Ltd in full public ownership. 49 per cent of Royal Mail will be sold to create funds for investment. The ownership of the other 51 per cent will be divided between an employee trust and the Government.
- Pass a new Mutuels, Co-operatives and Social Enterprises Bill to bring the law up to date and give responsibility for mutuels to a specific minister.

## creating a dynamic environment for science and innovation

Britain's future depends on a vibrant research base and the ability of our innovators to exploit this country's intellectual capital to generate new home-grown high tech industries.

Despite government rhetoric, overall public funding of science is in real terms no higher than it was two decades ago. Britain's Research and Development spend as a proportion of GDP remains near the bottom of the G8. There is no room for complacency.

In the current economic climate it is not possible to commit to growth in spending, but Liberal Democrats recognise the importance of science investment to the recovery and to the re-shaping of our economy to be less reliant on the City of London and instead the creation of new green industries.

**We will:**

- Respect the convention that the science budget, once allocated through the Comprehensive Spending Review process, is not used for other purposes.
- Ensure that the decisions on the funding of research projects are made on the basis of peer review not Whitehall interference, while recognising the need for government to identify broad strategic priorities in a transparent manner.
- Ensure that all state-funded research, including clinical trials, is publicly accessible and that the results are published and subject to peer review.
- Reform science funding to ensure that genuinely innovative scientific research is identified and supported, instead of basing funding decisions on narrow impact factors.
- Tackle the gender gap at all levels of scientific study and research to help increase the supply of scientists.

It is vital that policy, especially that relating to public health, criminal justice and environmental protection, benefits from being based on the best available evidence. **We will:**

- Safeguard academic freedom and the independence of scientific advisers by amending the ministerial code to prevent government from bullying or mistreating advisers and distorting the evidence or statistics.



## fair treatment at work for everyone

Liberal Democrats want to build a society where everyone has the opportunity to get on in life. Most businesses do a great job of supporting their employees, but there is more to do to tackle discrimination in gender, sexuality, age, race, religion and disability. We want to give employees fair opportunities to make the best use of their talents, and greater control over their working lives and conditions.

Women are still paid less than men. It can be hard to juggle work and family life. People from ethnic minorities are still more likely to suffer discrimination. And there are far too many barriers to work for people with disabilities.

### **We will change this by:**

- Extending the right to request flexible working to all employees.
- Requiring name-blind job application forms to reduce sex and race discrimination in employment, initially for every company with over 100 employees.
- Introducing fair pay audits for every company with over 100 employees to combat discrimination in pay, for example against women. We will also require all public companies to declare in full all remuneration of £200,000 per year or more.
- Giving disabled job seekers better practical help to get to work, using voluntary and private sector providers as well as JobCentre Plus services. We will also reform Access to Work so disabled people can apply for jobs with funding already in place for the equipment and adaptation they need.



**your life.** Liberal Democrats believe in investing in and improving the quality of our public services. They are the cornerstone of a fair society, opening up opportunities and providing support and help when needed.



## a fair deal and the help you need from public services

Liberal Democrats believe in investing in and improving the quality of our public services. They are the cornerstone of a fair society, opening up opportunities and providing support and help when needed.

Despite increased investment, there are still problems. Too many children leave school without the knowledge and skills to be successful. The NHS often feels too remote and complex for patients to handle. Local services are often under threat of centralisation. And inequality is rife: in Britain today your chances in life are more determined by your parents' income than anywhere else in the developed world.

We want to provide **a fair start for all children** to give all children the best possible education. We will **scrap unfair university tuition fees** that still hit Scottish students who study in England so everyone has the chance to get a degree, regardless of their parents' income. We will help the NHS work better with the money it has and put **a priority on frontline services** instead of the costly bonuses given to the highest paid staff in health boards.

## the best chance for every child

Liberal Democrats want every child to receive an excellent education, to unlock their potential and to ensure they can succeed in life.

Too many children are still leaving school without the knowledge and skills to be successful. And your family background still has a huge effect: a typical child from a poor family will fall behind a richer classmate by the age of 7 and never catch up. We will seek to ensure that all pupils leaving primary and secondary education have the skills they need.



Liberal Democrats want an education system where pupils are treated as individuals and given the opportunities to choose an education that inspires and engages them. We want schools and teachers to have greater flexibility and autonomy and for parents to support their children and their school as partners.

At the core of our plan is a Pupil Premium. We propose to increase the funding of Scottish schools to ensure that every child gets the individual attention they need at school. We want to start to move the school funding for the most disadvantaged children up to private school levels and improve schools for everyone. The extra money could be used by schools to recruit more teachers, pay for more one-to-one tuition or introduce catch up classes for children who are struggling. Our plans give the Scottish Parliament the money to make this happen.

## opportunities at college and university

There should be a wide range of opportunities for everyone at the age of 16. Liberal Democrats believe education is important for all young people and adults wanting to return to education. Our work in the Scottish Parliament has secured funding for additional college places to address the extra demands placed on Scottish colleges during the recession.

We will scrap the unfair university tuition fees that still hit Scottish students taking their first degrees in England, including those studying part-time, saving them over £10,000 each. This will benefit more than 5,000 Scottish students. We have a financially responsible plan to phase those fees out over six years so that the change is affordable even in these difficult economic times, and without cutting university income. We will immediately scrap fees for final year students studying in England.

## protecting and improving our NHS

We are proud of the NHS – it's built on the basic British principle of fairness. Liberal Democrats believe we can improve the NHS. In fact, we believe it's our duty to do so at a time like this when budgets are tight.

So our first priority is to help the NHS work better with the money it has. We have identified savings that can be made in management costs and the pay bill of the highest paid staff. We want that money reinvested back into the health care you need.

Because of rising costs of treatments and an ageing population, there will be particular pressure on services like cancer treatment, mental health care, maternity services, and dementia care. Only by going through this process of finding savings elsewhere can we defend these services in the coming years. The NHS is a huge system, and we will make changes to ensure it works as effectively as possible.

## **We will, through a UK-wide approach, and reform of health contracts:**

- Give priority to preventing people getting ill by linking payments to GPs more directly to prevention measures.
- Give every patient the right to choose the GP they want and the right to access their GP through e mail.
- Ensure that local GPs provide out of hours care.
- Reform payments to GPs so that those who accept patients from areas with the worst health and deprivation scores receive an extra payment for each person they take.
- Make it illegal for a doctor to work in the UK for the first time without passing robust language and competence tests.

We will reduce the ill health and crime caused by excessive drinking. We support a ban on below-cost selling. Scottish alcohol laws have been comprehensively changed in the last few years and Liberal Democrats want these new laws strongly enforced. We will also review the complex, ill-thought-through system of taxation for alcohol to ensure it effectively tackles binge drinking without unfairly penalising responsible drinkers and important local industries.

We will save lives and reduce pressure on NHS budgets by cutting air pollution. We will restrict aviation growth and reduce pollution from vehicle exhausts through tighter regulation. We will aim to meet fully European air quality targets by 2012.

## **access to culture and sport**

Liberal Democrats believe that the arts are a central part of civic and community life. They contribute to innovation, education, diversity, social inclusion, and the

creative industries are one of the fastest growing sectors of the economy. We will foster an environment in which all forms of creativity are able to flourish.

We are proud that Britain is hosting the Olympic and Paralympic Games in 2012 and Glasgow the Commonwealth Games in 2014 – but we believe that grassroots sport is just as important. We wish to give people from all backgrounds and generations the opportunity to participate in sports.

**That is why Liberal Democrats will:**

- Reform the National Lottery. We will change the way the National Lottery is taxed from a ticket tax to a gross profits tax, which is forecast to deliver more for more for good causes, prizes and the Exchequer.
- Use cash in dormant betting accounts to set up a capital fund for improving local sports facilities and supporting sports clubs.

Essential to a free and democratic society is a strong and diverse media, free from government interference and pressure. **We will:**

- Ensure that the BBC remains strong, free from interference and securely funded, not least to provide impartial news, independent of political and commercial pressures. We will also ensure that the BBC does not undermine the viability of other media providers through unfair competition based on its public funding and dominant position.
- Support diverse regional and local media, maintaining independent local sources of news and information by enabling partnerships between TV, radio and newspaper companies to reduce costs.
- Ensure that all licence payers benefit from digital switchover with access to the full range of broadcasting.

**your family.** In Britain today families come in all shapes and sizes. Liberal Democrats believe every family should get the support it needs to thrive.

## a fair deal for families of every shape and size

In Britain today families come in all shapes and sizes. Liberal Democrats believe every family should get the support it needs to thrive, from help with childcare through to better support for carers and elderly parents.

Liberal Democrats will improve life for your family. On top of our tax cuts to put £700 in the pockets of millions of low and middle income earners, we will allow **mums and dads to share parental leave between them** so they can arrange family life in the way that suits them best. We will provide **better support for children** and young adults at risk to help them thrive. We will **restore the earnings link** for pensions and **extend the Winter Fuel Payment to people with severe disabilities**. And we will **protect families from unfair bills**.

## help for families, right from the start

The first weeks, months and years after a child is born are enormously important, but the systems at the moment are simply too inflexible. When a baby is born, the mother gets a year's leave and the father gets just two weeks, meaning the mother has to take the lion's share, even if their partner would rather share things more equally.

### **Liberal Democrats will:**

- Give fathers the right to time off for ante-natal appointments.
- Allow parents to share the full allocation of maternity and paternity leave between them in whatever way suits them best.
- Protect existing childcare support arrangements until the nation's finances can support a longer term solution: a move to 20 hours free childcare for every child, from the age of 18 months.

- Seek to extend the period of shared parental leave up to 18 months when resources and economic circumstances allow.
- Support efforts by childcare providers to encourage more men to work in this hugely important and undervalued profession.
- Extend the right to request flexible working to all employees, making it easier for grandparents, for example, to take a caring role.

## helping families stay strong

Every child deserves a happy life free from poverty and free from fear. Children face too many difficulties in today's Britain. The Government is going to fall far short of its target to cut child poverty, and young people have been demonised by a generation of politicians more interested in sounding tough than in offering help. Children are also the main victims of family breakdown.

### **Liberal Democrats will:**

- Maintain the commitment to end child poverty in the UK by 2020.
- Enact the UN Convention on the Rights of the Child into UK law, ending the detention of children for immigration purposes.
- Support the objective of at least a 70 per cent reduction in child maltreatment by 2030, promoted by the WAVE trust.
- Help protect children and young people from developing negative body images by regulating airbrushing in adverts.





- Tackle online bullying by backing quick-report buttons on social networking sites, enabling offensive postings to be speedily removed.
- Set the minimum wage at the same level for all workers over 16, except for those on apprenticeships.

## dignity and security in later life

The way we treat older people is the mark of a fair society. Older people have worked hard and contributed to society for decades: they deserve a fair deal. Liberal Democrats will increase the inadequate basic state pension and ensure fair treatment for everyone from government, public services and business alike.

### **That is why Liberal Democrats will:**

- Immediately restore the link between the basic state pension and earnings. We will uprate the state pension annually by whichever is the higher of growth of earnings, growth of prices or 2.5 per cent.

- Increase the income tax threshold to £10,000, saving pensioners £100 a year.
- Scrap compulsory retirement ages, allowing those who wish to continue in work to do so.
- Give you control over your own pension by scrapping the rules that compel you to buy an annuity when you reach 75.
- In the long term, aim to bring in a Citizen's Pension that will be paid to all UK citizens who are long-term residents, set at the level of the Pension Credit, but this can only be done when resources allow.
- Begin a national programme to insulate more homes, paid for by the savings from lower energy bills.

We are committed to free personal care for the elderly in Scotland.

## a fair deal for consumers

While open markets usually deliver opportunity and prosperity, sometimes markets fail and consumers are badly treated by big business. The banks have exploited their position of power to impose unfair charges. Energy bills are far too expensive for many people, and suppliers have not done enough to protect those who cannot afford to keep warm.

### **We will:**

- Change the tariffs used by energy supply companies so the first, essential, energy you use is the cheapest. We'll ensure that effective energy efficiency measures are introduced to keep bills low and that

'social tariffs' are available to guarantee the best price for all those in most need.

- Legislate to end to unfair bank and financial transaction charges, so you cannot be charged more than the costs incurred.
- Improve access to banking for all with a PostBank, revenues from which will also help to secure the future of the Post Office.
- Impose maximum interest rates for credit cards and store cards, following consultation with the financial industry and consumer groups.
- Introduce a Universal Service Code to secure high quality customer service in the private and public sectors, for example by requiring that the customer service phone number is free from mobiles and landlines.
- Establish a local competition office within the OFT to investigate anti-competitive practices at a local and regional level, enabling a local competition test for planning applications for new retail developments.
- Require airlines to be honest and upfront about pricing, ending the practice of adding hidden charges.
- Make Network Rail refund a third of your ticket price if you have to take a rail replacement bus service.
- Improve resource efficiency and reduce waste through requiring better design and durability product standards and reducing excess packaging.
- End testing of household products on animals.

**your world.** We believe in freedom, justice, prosperity and human rights for all and will do all we can to work towards a world where these hopes become reality. Above all, climate change is the greatest challenge facing this generation.

## securing Britain's future with global action

Liberal Democrats believe that Britain must work together with its partners abroad if we are to have the best hope of meeting the challenges the world faces. We believe in freedom, justice, prosperity and human rights for all and will do all we can to work towards a world where these hopes become reality.

Never has there been such a need for global action. There are only a few years to take action to stop runaway climate change. The global recession proved the need for better international regulation of the financial markets. New security threats are emerging, for which Britain's armed forces are not yet fully equipped, while terrorists and organised criminals exploit international networks. The challenge of tackling global poverty remains, with the Millennium Development Goals still far from being achieved. And the battle for human rights remains to be fought in many countries.

Liberal Democrats will work through the European Union to deliver **a global deal on climate change**. We will transform our armed forces, meeting our obligations through the **military covenant** and conducting a **full defence review** to ensure they are equipped for modern threats. We will push for **better global financial regulation**. We will push for global nuclear disarmament, showing leadership by **committing not to replace the Trident nuclear weapons system** on a like-for-like basis. We will meet our obligations to the developing world by committing to spending **0.7 per cent of GDP on aid**. And we will put **Britain at the heart of Europe**, to ensure we use our influence to achieve prosperity, security and opportunity for Britain.

## tackling climate change

Climate change is the greatest challenge facing this generation. Liberal Democrats are unwavering in our commitment: runaway climate change must be stopped and politicians must follow the science in order to make that happen.

We will set a target for a zero carbon Britain that doesn't contribute at all to global warming – making the British economy carbon-neutral overall by 2050, reducing carbon emissions in the UK by over 40 per cent of 1990 levels by 2020 as a step on the way.

Our response to climate change will give the British people more secure energy supplies, reduce air pollution and related health costs – and create thousands of new jobs.

**Liberal Democrats will:**

- Begin a ten year programme of home insulation, offering a home energy improvement package of up to £10,000 per home, paid for by the savings from lower energy bills.
- Set a target for 40 per cent of UK electricity to come from clean, non-carbon-emitting sources by 2020, rising to 100 per cent by 2050, underpinned by guaranteed price support, ensuring that at least three quarters of this new renewable energy comes from marine and offshore sources.
- Set out a clear renewables routemap to 2050, covering grid access and investment in electricity networks, and develop new incentives to promote renewable heat.
- Transform the electricity networks into a dynamic electricity grid that can better connect and integrate new, clean energy technologies, particularly through better use of sub-sea connections, leading to the development of a European supergrid.

- Invest up to £400 million in refurbishing shipyards in Scotland and the North of England so they can manufacture and support offshore wind turbines and other marine renewable equipment.
- Launch an 'Eco Cash Back' scheme, for one year only, which will give you £400 if you install double glazing, replace an old boiler, or install micro-generation. If you choose micro-generation, you will be able to sell the energy back to the National Grid at a profit, with a more attractive feed-in tariff than under current Government plans.
- Set aside extra money for schools to improve the energy efficiency of their buildings. They will pay back the loan over time from energy savings, creating a rolling fund to help insulate every public building.
- Invest £140 million in a bus scrappage scheme that helps bus companies to replace old polluting buses with new low-carbon ones and creates jobs.
- Block any new coal-fired power stations – the most polluting form of power generation – unless they are accompanied by the highest level of carbon capture and storage facilities.
- Reject a new generation of nuclear power stations, based on the evidence that nuclear is a far more expensive way of reducing carbon emissions than promoting energy conservation and renewable energy.
- Improve energy efficiency in the commercial and public sectors by strengthening the Carbon Reduction Commitment Energy Efficiency

Scheme and requiring companies and government departments to report on their energy use and set targets for reducing it. We will set a 30 per cent energy efficiency improvement target for 2020 and will commit government to the goals of the 10:10 campaign as a first step.

## leading the fight against climate change

Liberal Democrats are committed to securing a legally binding global agreement on limiting the increase in global temperatures to below 1.7 degrees Celsius. We believe that such an agreement must be based on reducing emissions overall while equalising emissions between the developed and developing worlds – the principle of contraction and convergence.

Strong and credible EU ambitions, with effective UK leadership, are essential for achieving a global agreement, so that total greenhouse gas emissions peak no later than 2015. Liberal Democrats will work within Europe and internationally to give renewed urgency to global efforts to combat climate change.

### **We will press the EU to:**

- Promote the transition to a low-carbon economy in Europe, by moving unilaterally and immediately to an EU emissions reduction target of 30 per cent by 2020, adopting new long term targets and policies for clean energy and energy efficiency, and expanding investment in energy technology innovation, within Europe and internationally.
- Boost investment in clean energy by reforming the EU Emissions Trading Scheme – bringing in a tighter cap on emissions, auctioning as many allowances as possible and encouraging other European countries to increase the use of reserve prices in allowance auctions.



- Engage with major emitters and deepen diplomatic co-operation between the EU and emerging economies and developing countries, provide enhanced financial support for low carbon solutions and lead international efforts to promote the transfer of technologies that will help to tackle climate change.

- Work for the adoption of 'quick win' measures that could be initiated within the next few years, such as reducing use of hydrofluorocarbons.

At the UN level we will support the provision of UN Adaptation Funds for developing countries, financed from international emissions markets, such as a cap and trade system for international emissions from aviation and shipping.

## protecting the global environment

Humans are living beyond the ability of the planet to support life; more than 60 per cent of the basic ecosystems that support life on Earth are being degraded or used unsustainably. Co-ordinated international action and effective global institutions are necessary to help create a sustainable future and improve the quality of life for all the world's citizens.

### **Liberal Democrats will:**

- Work through the EU to make sure that the environment is fully integrated into the objectives of international institutions such as the World Bank, the International Monetary Fund and the World Trade Organisation.
- Work to increase the resourcing of the UN Environment Programme and improve the enforcement of international environmental treaties.

- Protect the world's forests, to reduce carbon emissions and also to preserve this reservoir of biodiversity. We will argue for an international target of zero net deforestation by 2020, support a new system of payments to developing countries to enable them to reduce deforestation, and adopt at EU – or, if necessary, at UK level – a new law making it illegal to import or possess timber produced illegally in foreign countries.

- Work with other countries to develop an international labelling system for the environmental impact of products, helping consumers choose those with the least impact on resource use and pollution.

## meeting Britain's obligations to the developing world

Liberal Democrats are committed to working towards a world free from poverty, inequality and injustice, and meeting the Millennium Development Goals is a vital first step. But beyond this we will also ensure that action is taken to allow developing nations to grow and not to suffer unfairly the effects of climate change inflicted by the developed countries.

### **Liberal Democrats will:**

- Increase the UK's aid budget to reach the UN target of 0.7 per cent of GNI by 2013 and enshrine that target in law. We will hold the G8 to its Gleneagles pledges on aid, including on the 0.7 per cent target.
- Work with other countries to establish new sources of development financing, including bringing forward urgent proposals for a financial transaction tax and a cap and trade system for carbon emissions from aviation and shipping.

- Support reform of the global finance institutions such as the World Bank and the IMF.
- Ban 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.
- Ensure the developing world is prepared to deal with the consequences of a changing climate. We will ensure that adaptation and mitigation measures are financed by industrialised nations on top of existing aid commitments.
- Prioritise health and education programmes which aim to promote gender equality, reduce maternal and infant mortality and restrict the spread of major diseases like HIV/AIDS, TB and malaria. We will focus effort on supplying basic needs like clean water.
- Support a global fund for social protection to help developing countries build viable welfare systems.
- Push for a renewed international effort on debt and support 100 per cent cancellation of the unpayable debts of the world's poorest countries. We will also take measures against 'vulture funds' and lobby for similar action at international level.

## equipping our armed forces for the 21<sup>st</sup> century

Modern armed forces face a series of complex challenges. Alongside fighting conventional wars, they seek to protect us from the threats of terrorism,

maintain the peace, undertake conflict prevention and help facilitate development in poorer nations.

The world has changed enormously since the end of the Cold War. New threats are emerging and yet Britain's armed forces remain largely equipped to fight the old ones. The Iraq war, and allegations over British complicity in torture and in secret 'rendition' flights of terrorist suspects, highlight the dangers of a subservient relationship with the United States that neglects Britain's core values and interests.

The threats of tomorrow are likely to be driven by failed states, mass migration, climate change and regional instability. So we will ensure that taxpayers' money is spent more effectively on equipping the forces for the tasks of the future, not old Cold War threats. **We will:**

- Hold an immediate Strategic Security and Defence Review (SSDR) to ensure that Britain deploys its resources to face the most serious threats to its citizens' security and well-being, including non-military challenges such as climate change.
- With strong Treasury involvement, review all major defence procurement projects through the SSDR to ensure money is being spent effectively. We will not purchase tranche 3B of the Eurofighter.
- Rule out the like-for-like replacement of the Trident nuclear weapons system. At a cost of £100 billion over a lifetime, it is unaffordable, and our security would be better served by alternatives. We support multilateral nuclear disarmament and will ensure the UK plays a proactive role in the arms reduction talks starting later this year.
- Reinvigorate Franco-British and wider European defence co-operation to ensure procurement costs are kept low.



## a fair deal for our service personnel

The brave men and women of Britain's armed forces are the most precious military asset we have. They must be treated fairly, with pay and conditions that reflect their outstanding commitment to this country, and properly valued and supported after they leave the services.

Liberal Democrats will put the forces' welfare first. **We will:**

- Give a pay rise to the lower ranks so that their pay is brought into line with the starting salary of their emergency services counterparts.

- Double the rate of modernisation of forces' family homes to ensure they are fit for heroes.

While it is necessary to find resources to support the troops properly, at the same time fairness requires that we make savings where possible within the defence budget as a whole. We will reduce the number of civilian staff in the Ministry of Defence and reduce numbers of top brass officers.

## putting Britain at the heart of Europe

Liberal Democrats believe that European co-operation is the best way for Britain to be strong and safe and powerful in future. We will ensure Britain maximises its influence through a strong and positive commitment.

But just because Europe is essential, that doesn't mean the European Union is perfect. We will continue to campaign for improved accountability, efficiency and effectiveness. Working together, the member states of the EU have a better chance of managing the negative impacts of globalisation, such as cross-border crime and environmental pollution.

### **Liberal Democrats will:**

- Work with Britain's European neighbours to create thousands of new jobs by breaking down trade barriers and boosting support for green jobs.
- Work through the European Union for stricter international regulation of financial services and banking.
- Keep Britain part of international crime-fighting measures such as the European Arrest Warrant, European Police Office (Europol), Eurojust, and the European Criminal Records Information System, while ensuring high standards of justice.

- Keep pressure for reform of agricultural subsidies so that consumers, farmers and taxpayers get a fair deal and the environment is protected.
- Fight to stop MEPs having to travel to the Strasbourg Parliament every month, wasting €200 million a year.
- Campaign for continuing reform of the EU budget so that money is spent only on the things the EU really needs to do.
- Make fisheries management the responsibility of regional management arrangements, involving stakeholders, better able to sustain and support fleets and fish stocks.
- Work for the proper enforcement of regulations for the transportation of live animals across all EU member states.

The European Union has evolved significantly since the last public vote on membership over thirty years ago. Liberal Democrats therefore remain committed to an in/out referendum the next time a British Government signs up for fundamental change in the relationship between the UK and the EU.

We believe that it is in Britain's long-term interest to be part of the euro. But Britain should join only when the economic conditions are right, and in the present economic situation, they are not at the moment. Britain should join the euro only if that decision were supported by the people of Britain in a referendum.

## standing up for Liberal values around the world

Liberal Democrats will put British values of fairness and the rule of law back at the heart of our foreign policy. British people used to be proud of what our country stood for. But Britain's reputation has been damaged by unscrupulous

arms deals with dictators, allegations of involvement in torture, and of course the disastrous and illegal invasion of Iraq.

We will also give greater support to conflict prevention – which saves money and saves lives.

**We will:**

- Make the EU use its collective weight effectively in other areas of foreign policy. Britain can have a far stronger voice on relations with Russia, China, Iran and the Middle East peace process when it joins with the rest of Europe.
- Be critical supporters of the Afghanistan mission. The military surge must be accompanied by a strategy to ensure a more legitimate government, tackle corruption and win over moderate elements in the insurgency. We will continue to demand a strategy that involves other players in the region. We believe that a successful strategy will stabilise Afghanistan enough to allow British troops to come home during the next Parliament.
- Support the establishment of an International Arms Trade Treaty to limit the sale of arms to dangerous regimes and work for a full international ban on cluster munitions. We will ensure British arms are not sold to states that would use them for internal repression. We will require arms brokers to register under a code of conduct and revoke the licences of those who break the code.
- Support action by the international community to stop Iran obtaining nuclear weapons. We would follow a diplomatic route of active engagement, and are ready to back targeted sanctions, but we oppose military action against Iran and believe those calling for such action undermine the growing reform movement in Iran.



- Hold a full judicial inquiry into allegations of British complicity in torture and state kidnapping as part of a process to restore Britain's reputation for decency and fairness.
- Remain committed to the search for a peaceful resolution of the Israeli-Palestinian conflict. A sustainable solution can be reached in the context of two separate Israeli and Palestinian states, mutually recognised and internationally accepted within borders which are secure and based on the situation before the 1967 conflict. We condemn disproportionate force used by all sides. We believe Britain and the EU must put pressure on Israel and Egypt to end the blockade of Gaza.

**your community.** Liberal Democrats believe in strong communities, where local people can come together to meet local needs, enjoy a pleasant local environment and feel free from the threat of crime.

## rebuilding security, opportunity, homes and hope

Liberal Democrats believe in strong communities, where local people can come together to meet local needs, enjoy a pleasant local environment, and feel free from the threat of crime. We want every community to be safe and fair, and offer opportunities to people of every background.

Liberal Democrats in the Scottish Parliament and at this Westminster election are committed to **providing more affordable homes** and protecting people from unfair repossessions. We will protect the identity of local high streets and **keep post offices open**, as well as investing in public transport and **cutting rail fares**. We value Britain's open, welcoming character, and will protect it by **changing the immigration system to make it firm and fair** so people can once again put their faith in it. We will pay for **thousands more police on the beat** across the UK, including 300 more in Scotland. We will **protect and restore our natural environment**.

## cutting crime with practical steps

We will focus on what works to cut crime. We support more positive activities for young people, particularly those at risk of offending. Targeted initiatives like this have been shown to cut crime by up to a third in the areas concerned and divert young people from getting into a life of crime. Labour and the Conservatives posture on penalties, which do not deter criminals. What does deter them is increasing the chances of being caught. That is why we need more police on the streets – to provide a longer arm for the law.

Liberal Democrats will pay for 3,000 more police on the beat across the UK, affordable because we are cutting other spending, such as scrapping pointless ID cards. This money will be enough to increase Scottish police numbers by 300 above existing plans.

Liberal Democrats believe that once a criminal has been caught, it is vital that the punishment they are given helps to turn them away from crime, and sets

them back on the straight and narrow. We support rigorously enforced community sentences and restorative justice programmes that make offenders confront their behaviour.

Too many politicians have talked tough, meting out ever-longer prison sentences, but prisons are often, in effect, colleges of crime. As a result, we are spending more and more on prison but those released are even more likely to continue a life of crime.

We will ensure financial resources, police and court time are not wasted on the unnecessary prosecution and imprisonment of drug users and addicts: the focus instead should be on getting addicts the treatment they need. Police should concentrate their efforts on organised drug pushers and gangs.

And we will always base drugs policy on independent scientific advice, which would include making the Advisory Council on the Misuse of Drugs completely independent of government.

We support action to tackle human trafficking, especially in the run-up to the 2014 Commonwealth Games. There have been big increases in human trafficking in the run-up to previous Olympic Games. We support action now to identify and support people being trafficked into Scotland for exploitation, especially women trafficked for sex.



## firm and fair immigration system

Britain has always been an open, welcoming country, and thousands of businesses, schools and hospitals in many parts of the country rely on people who've come to live here from overseas. It would be wrong to try and end immigration completely but we have to manage migration so it benefits Britain and is fair for everyone.

The immigration system is in chaos after decades of incompetent management. The Government has failed to plan properly for new migrants, making it harder for people to integrate. We have no idea how many people are here illegally, and we don't even have exit checks at all our ports and airports to ensure people here on temporary visas go home on time.

### **We will create a fair system that works and promotes integration. We will:**

- Immediately reintroduce exit checks at all ports and airports.
- Secure Britain's borders by giving a National Border Force police powers.
- Introduce a regional points-based system to ensure migrants can work only where they are needed. We need to enforce any immigration system through rigorous checks on businesses and a crackdown on rogue employers who profit from illegal labour.
- Focus deportation efforts on criminals by letting law-abiding families earn citizenship. We will allow people who have been in Britain without the correct papers for 10 years, but speak English, have a clean record and want to live here long-term, to earn their citizenship. This route to citizenship will not apply to people arriving after 2010. Deportation targets will be re-focused on criminals and people-traffickers.

## a safe haven for those fleeing persecution

Britain has a responsibility to welcome refugees fleeing wars and persecution around the world. Liberal Democrats will abide by Britain's international obligations and restore confidence in the asylum system by making it firm and fair.

### **We will:**

- End the detention of children in immigration detention centres such as the Dungavel centre in Lanarkshire. Alternative systems such as electronic tagging, stringent reporting requirements and residence restrictions can be used for adults in families considered high flight risks.
- Take responsibility for asylum away from the Home Office and give it to a wholly independent agency, as has been successful in Canada.
- Push for a co-ordinated EU-wide asylum system to ensure that the responsibility is fairly shared between member states.
- Allow asylum seekers to work, allowing them the dignity of earning their living instead of having to depend on handouts, and saving taxpayers' money
- End deportations of refugees to countries where they face persecution, imprisonment, torture or execution and end the detention of individuals for whom removal is not possible or imminent, except where there is a significant risk of absconding.

## better and more affordable homes

In a fair society, everyone should have the right to a decent home, but this is not the reality of Britain today. There should be quality social and private rented housing available for those who need or choose it. And it should be easy to keep your home warm without harming the environment; British houses are frequently poorly insulated, wasting money and contributing to global warming.

Liberal Democrats will bring 25,000 empty homes back into use in Scotland with cheap loans and grants as part of our job creation plan. If owners take a grant then the home will become available for rent through a housing association.

We will begin a national programme to insulate more homes paid for by the savings from lower energy bills and make it easier to understand the different help available.

We will protect greenfield land and our built heritage by reducing the cost of repairs. We will equalise VAT on new build and repair on an overall revenue neutral basis. It will also help to reduce the costs of repairs to historic buildings.

## rail transport you can rely on

Britain needs a well-run, efficient transport system. Public transport is an important part of a fair society and the best way to cut carbon emissions from transport without trying to limit people's opportunities to travel.

We want to improve the experience for the rail traveller and cut carbon emissions. **We will:**

- Cut rail fares, changing contracts with Train Operating Companies in England so that regulated fares fall behind inflation by 1 per cent each year. This will mean a real-terms cut, bringing benefits to Scottish passengers on long distance journeys across the UK.



- Make Network Rail refund a third of your ticket price if you have to take a rail replacement bus service.
- Overhaul Network Rail to put the interests of passengers first and bring it under the UK Freedom of Information Act to make it more open.
- Set up a UK Infrastructure Bank to invest in public transport like High Speed Rail.
- Support High Speed Rail from London to Scotland, with links to the whole of Scotland.

## restricting aviation growth

The emissions from rising aviation are a serious problem in the fight against climate change. But in some more remote parts of the country, flights are a vital lifeline, and aviation is important for the economy as a whole. Liberal Democrats



believe we should do all we can to ensure people use alternatives where that makes sense.

**We will:**

- Replace the per passenger Air Passenger Duty with a Per Plane Duty (PPD), so capturing freight movements by air for the first time.
- Introduce an additional, higher rate of PPD on domestic flights for which alternative, less polluting travel is readily available, maintaining the exemption for lifeline routes.
- Cancel plans for a 3rd runway at Heathrow and any expansion of other airports in the South East of England.

## a fair deal for motorists

Our planned expansion of public transport will provide much-needed alternatives to private cars and cut carbon emissions. However, in many places there will always be a need for car travel, so we need to ensure that it is as environmentally friendly as possible. **We will:**

- Work through the EU for a zero emissions target for all new cars by 2040 and extend targets to other vehicles.
- Undertake the preparations for the introduction of a system of road pricing in a second parliament for motorways and dual carriageways. Any such system would be revenue-neutral for motorists, with revenue from cars used to abolish Vehicle Excise Duty and reduce fuel duty, helping those in rural areas who have no alternatives to road travel. Some of the revenue from lorries would be used to fund the extension of High Speed

Rail to Scotland through the UK Infrastructure Bank.

- Introduce a rural fuel discount scheme which would allow a reduced rate of fuel duty to be paid in remote rural areas, as is allowed under EU law.

## a fair deal for the countryside

Liberal Democrats are proud that we represent a large part of rural Britain. We believe a fair society is one where people can afford to work and live in the countryside with accessible public services.

Through our policy on Capital Gains Tax we would ensure that those who use second homes as speculative investments would pay tax on enhanced capital value at the same rate as on earned income, not 18 per cent as at present.

We will end the post office closure programme to keep post offices open in rural areas where they're the lynchpin of community life. Our plans for a PostBank will improve access to banking and help secure the future of the Post Office. The work of Liberal Democrats in the Scottish Parliament has secured a new government fund to help post offices diversify and stay in business.

We will refund VAT to mountain rescue services.

## a fair deal for farmers

Farming is an important part of Britain's economy, and it is important to Britain's future that we have the capacity to grow the food we need. We will build on that strength and ensure farmers get the fair deal they deserve, able to earn a living wage and also help protect our natural environment and heritage.

Liberal Democrats will create a legal Supermarket Code and a powerful independent regulator of Britain's food market.

We will work within Europe for further reform of the Common Agricultural Policy, while continuing direct support for farmers, especially in upland and less favoured areas. We believe that a greater proportion of that support should be targeted at conservation, the environment and tackling climate change as well as providing food security for a rapidly growing world population. Organic and reduced-input foodstuffs should be encouraged.

Consumers should be helped to choose foods with the least environmental impact, through clearer labelling, and we will work with the EU to make sure country-of-origin labels identify the source of the products, not where they are packaged.

We will use government procurement policy to expand the market for sustainable, fair-traded and locally grown products.

## supporting the voluntary sector

As Liberal Democrats we are committed to handing power back to local communities. We believe that society is strengthened by communities coming together and engaging in voluntary activity, which sets people and neighbourhoods free to tackle local problems.

### **Liberal Democrats will support the voluntary sector by:**

- Introducing “easy giving accounts” at publicly-owned banks to allow people to operate charitable giving accounts alongside current accounts.
- Reforming Gift Aid to operate at a single rate of 23 per cent – giving more money to charity while closing a loophole for higher rate taxpayers.

**your say.** Liberal Democrats are the only party that believes in radical political reform to reinvent the way our country is run and put power back where it belongs: into the hands of people.

## fair and local politics, protecting your freedom

Liberal Democrats are the only party that believes in radical political reform to reinvent the way our country is run and put power back where it belongs: into the hands of people. We want to see a fair and open political system, with power devolved to all the nations, communities and peoples of Britain.

As the expenses scandal showed, the political system is rotten. Hundreds of MPs have safe seats where they can ignore their constituents. Party funding rules mean big donors have huge influence. Power has been concentrated in Westminster and Whitehall by a succession of governments. And Britain's hard-won civil liberties have been eaten away.

Liberal Democrats will do things differently because we believe power should be in the hands of people, not politicians. We will give people a real say in who governs the country by **introducing fair votes**. We will **stop big donations** and **give people the power to sack corrupt MPs**. We will **increase the powers of the Scottish Parliament**. And we will introduce a **Freedom Bill** to restore the civil liberties that are so precious to the British character.

## fairer politics

Liberal Democrats will transform politics. We want people to be empowered, knowing the chance to change things in their neighbourhood or in the country as a whole is in their hands.

### Liberal Democrats will:

- Change politics and abolish safe seats by introducing a fair, more proportional voting system for MPs. Our preferred Single Transferable Vote system gives people the choice between candidates as well as parties. Under the new system, we will be able to reduce the number of MPs by 150.

- Give the right to vote from age 16.
- Introduce fixed-term parliaments to ensure that the Prime Minister of the day cannot change the date of an election to suit themselves.
- Strengthen the House of Commons to increase accountability. We will increase parliamentary scrutiny of the budget and of government appointments and give Parliament control over its own agenda so that all bills leaving the Commons have been fully debated.
- Replace the House of Lords with a fully-elected second chamber with considerably fewer members than the current House.
- Get better politics for less. Liberal Democrats would save this country nearly £2 billion by reforms that cut back waste in central government and the Houses of Parliament.
- Introduce a written constitution. We would give people the power to determine this constitution in a citizens' convention, subject to final approval in a referendum.
- Strengthen the Data Protection Act and the Office of the Information Commissioner, extending UK Freedom of Information legislation to private companies delivering monopoly public services such as Network Rail.

## cleaner politics

There has been much talk of political reform from the other two parties, but nothing has happened. They have worked together to block reform, even voting against a proposal to give people the right to sack corrupt MPs. Dependent on money from the unions and big business, they have blocked changes to party

funding. And determined to protect the secrecy of the House of Commons, they had to be pushed into revealing the details of MPs' expenses in the first place. Only Liberal Democrats are able to break open this system and deliver real change.

### **We will:**

- Give you the right to sack MPs who have broken the rules. We would introduce a 'recall' system so that constituents could force a by-election for any MP found responsible for serious wrongdoing. We are campaigning for this right of recall to be introduced to the European Parliament too.
- Get big money out of politics by capping donations at £10,000 and limiting spending throughout the electoral cycle.
- Require all MPs, Lords and parliamentary candidates to be resident, ordinarily resident and domiciled in Britain for tax.
- Curb improper influence of lobbyists by introducing a statutory register of lobbyists, changing the ministerial code so that ministers and officials are forbidden from meeting MPs on issues where the MP is paid to lobby, requiring companies to declare how much they spend on lobbying in their annual reports, and introducing a statutory register of interests for parliamentary candidates based on the current Register of Members' Interests.

## **a federal Britain**

Liberal Democrats have always led arguments for decentralisation of political power within a federal Britain. While we welcome the progress that has been made, the job is still far from finished.



Devolution of power to Scotland – and Wales – has brought benefits to public services and politics across the whole of the UK, but we can go further. We believe there is an appetite for more transfer of powers and responsibilities to the Scottish Parliament, increasing accountability and bringing power closer to the people of Scotland.

The debate on strengthening the powers of the Scottish Parliament has been led by the Liberal Democrats' Steel Commission.

We are calling for a new, permanent Home Rule settlement, within a federal Britain, that will equip Scotland with the powers to build a fairer Scotland and a strong, sustainable economy. We want to see a radical transfer of fiscal and



policy powers to the Scottish Parliament within a strong UK framework.

**We will:**

- At the earliest opportunity, implement the recommendations of the Calman Commission to give significant new powers and responsibilities to the Scottish Parliament.
- Take up the Calman Commission's conclusion that the powers and responsibilities of the Parliament can be extended further still at a later stage.
- Bring forward a renewed and refreshed set of relations for the whole of the UK, introducing a proper federal system of shared governance and competence to manage relations between governments and ensure constructive partnership working.

Liberal Democrats believe the United Kingdom should be governed on federal principles. **In addition to the extended powers described for the Scottish Parliament we will:**

- Give the National Assembly for Wales primary legislative powers so that it becomes a true Welsh Parliament. We also support passing on a greater number of responsibilities to the National Assembly.
- Replace the current Barnett formula for allocating funds to the Scottish, Welsh and Northern Irish governments with a new needs-based formula, to be agreed by a Finance Commission of the Nations.
- Address the status of England within a federal Britain through a Constitutional Convention set up to draft a written constitution for the UK as a whole.

Tensions between Labour and the SNP have undermined the devolved settlement. This has led to unjustified and unnecessary financial disputes which have locked up money due to Scotland. We would restore control to Scotland of the reserves of Registers of Scotland. We will release the Scottish money paid to OFGEM under the Fossil Fuel Levy as a one-off payment in the 2011 budget and give control of future revenues to the Scottish Government. This will likely lead to an increase in resources for Scotland of around £250 million in 2011-12.

## restoring your freedoms

Liberal Democrats believe it is an individual's right to live their life as they see fit, without discrimination, with personal privacy, with equal rights in front of the law.

Decades of Labour and Conservative rule have overthrown some of the basic principles of British justice and turned Britain into a surveillance state.

### **Liberal Democrats will protect and restore your freedom. We will:**

- Introduce a Freedom Bill. We will regulate CCTV and stop unfair extradition to the US. We do not support children being fingerprinted at school without their parents' permission.
- Restore the right to protest near Parliament, reform the Public Order Act to safeguard non-violent protests and restrict the scope of injunctions and interdicts issued by vested interests.
- Protect free speech, investigative journalism and academic peer-reviewed publishing, including by requiring corporations to show damage and prove malice or recklessness in libel cases, and by providing a robust responsible journalism defence.

- Scrap intrusive Identity Cards and have more police instead, and also scrap plans for expensive, unnecessary new passports with additional biometric data.

- Halt the increase in unnecessary new offences with the creation of a 'stop unit' in the Cabinet Office. Every UK department in Whitehall would have to convince this small legal unit of the need for a new offence.

- End plans to store your email and internet records without good cause.

- Ensure everyone has the same protections under the law by protecting the Human Rights Act.

We believe the best way to combat terrorism is to prosecute terrorists, not give away hard-won British freedoms. **That is why we will:**

- Reach out to the communities most at risk of radicalisation to improve the relationships between them and the police and increase the flow of intelligence.

- Scrap control orders, which can use secret evidence to place people under house arrest.

- Reduce the maximum period of pre-charge detention to 14 days.

- Make it easier to prosecute terrorists by allowing intercept evidence in court and making greater use of post-charge questioning.



If we are to be able to deliver the radical changes proposed in this manifesto as well as restoring the health of the public finances, we must be honest with people about how these policies will be paid for.

## credible and responsible finances

### **stabilising Britain's finances to deliver our promises**

If we are to be able to deliver the radical changes proposed in this manifesto as well as restoring the health of the public finances, we must be honest about how these policies will be paid for. That is why here we have set out how our tax package will be funded, where we intend to increase spending and where we intend to make savings.

The savings we have identified far outweigh the amount of spending we are proposing, and it is these savings which will be used to start to reduce the deficit. All the savings we have identified are either instead of or additional to proposals the Government has already made. It is our working assumption that we will start to reduce the deficit from 2011-12 onwards.

The savings identified below are only the start of a program to tackle the deficit and in government we will go further, holding a comprehensive review of all government spending, on which we will consult fully with the public. This will identify the remaining savings which will need to be made to balance the Government's books. The comprehensive review will not reverse or undermine any of the spending commitments we make in this manifesto.

Over and above our planned new levy on the profits of banks, we will seek to eliminate the deficit through spending cuts. If, in order to protect fairness, sufficient cuts could not be found, tax rises would be a last resort. While it will be impossible to remove the Government's tax rises while the deficit is so huge, the increase in National Insurance Contributions is a damaging tax on jobs and an unfair tax on employees, so when resources allow we will seek to reverse it.

## restoring honesty and transparency

Following the election of a Liberal Democrat Government an emergency budget and interim spending review will be held no later than the end of June 2010.

### **This budget and spending review will have four purposes:**

- To put in place the necessary tax changes in order to raise the personal allowance to £10,000 for the start of financial year 2011-12.
- To put in place cuts which could be realised within the financial year, such as scrapping the Child Trust Fund or restricting tax credits, to release money for our job and infrastructure package.
- Subject to our five economic tests being met, to put into place cuts for 2011-12 identified in our manifesto.
- To confirm the departmental spending shifts necessary to deliver our core manifesto commitments.

We will establish a Council on Financial Stability, involving representatives of all political parties, the Governor of the Bank of England and the Chair of the Financial Services Authority. This group will agree the timeframe and scale of a deficit reduction plan to set the framework, though not the detail, for the Comprehensive Spending Review and seek to promote it externally and domestically. Any agreement will be without prejudice to parties retaining and advocating distinctive views on a wide range of issues, such as fair taxes and spending priorities.

Throughout the summer and early autumn a Comprehensive Spending Review of all departments will be conducted with the objective of identifying the remaining cuts needed to, at a minimum, halve the deficit by 2013-14. A Strategic Security and Defence Review will form part of this spending review, working within the same financial and time constraints.

This review will focus particularly on savings that can be made across government – such as on pay, public sector pensions, IT provision – and on low priority spending. It will not reverse or undermine any of the spending commitments that we make in the manifesto.

In education, that means that additional funding for schools through the Pupil Premium will continue to be delivered throughout the next Parliament. Instead of ring-fencing education, we are doing better than that by bringing in new money to fund the Pupil Premium.

Similarly, in health, our first priority will continue to be to increase spending in some parts of the NHS by cutting waste in others.

The cross-government economies needed to reduce the deficit such as on pay, pensions and IT procurement will affect all departments, so it would simply be dishonest to say that entire departmental budgets can be ring-fenced from cuts. For example, it is only because we refuse to ring-fence departments from the search for savings that we have been able to identify the funds for the Pupil Premium.

The results of this spending review will be widely consulted on with the public sector and general public throughout the end of 2010 and beginning of 2011. Based on this consultation a full spending review up to 2013-14 would be published alongside the 2011 budget.

# tax proposals

| £m in projected 2011-12 prices   |               |
|--|---------------|
| <b>Costs of proposals</b>  |               |
| 1 Raise the Personal Allowance to £10,000 per person                         | 16,795        |
| <b>Total</b>   | <b>16,795</b> |
| <b>Revenue generated from proposals</b>                                      |               |
| <b>Closing tax loopholes and cutting reliefs that benefit the wealthiest</b> |               |
| 2 Reform capital gains tax   | 1,920         |
| 3 Restrict pension tax relief to the basic rate                              | 5,455         |
| 4 A 1% levy on the value of properties over £2m                              | 1,710         |
| <b>Green taxation</b>  |               |
| 5 Switching from Air Passenger Duty to a Per Plane Duty                      | 3,060         |
| 6 A higher per mile duty charge for non lifeline domestic flights            | 255           |
| <b>Anti avoidance measures</b>   |               |
| 7 Income tax and National Insurance Contributions                            | 2,415         |
| 8 Corporation tax  | 1,460         |
| 9 Stamp duty   | 750           |
| <b>Total</b>   | <b>17,025</b> |
| <b>Contingency fund</b>  | <b>230</b>    |

Figures have been rounded to the nearest £5m



# spending proposals

|   | £m (in predicted nominal terms) <sup>1</sup> |              |              |              |              |
|---|--|--------------|--------------|--------------|--------------|
|   | 2010-11                                      | 2011-12      | 2012-13      | 2013-14      | 2014-15      |
| <b>Spending proposals</b>   |  |              |              |              |              |
| 1 Jobs and infrastructure package <i>including</i> : <sup>2</sup> |  |              |              |              |              |
| 1a <i>Eco cash back scheme</i>                                    | 335  | 0            | 0            | 0            | 0            |
| 1b <i>Investing in wind energy and other renewables</i>           | 420  | 0            | 0            | 0            | 0            |
| 1c <i>Insulating public buildings</i>                             | 400  | 0            | 0            | 0            | 0            |
| 1d <i>Bringing empty homes back into use</i>                      | 1,165  | 0            | 0            | 0            | 0            |
| 1e <i>Tackling youth unemployment</i>                             | 660  | 95           | 0            | 0            | 0            |
| 1d <i>Bus scrappage scheme</i>                                    | 140  | 0            | 0            | 0            | 0            |
| 2 Introducing a pupil premium <sup>3</sup>                        | 0  | 2,500        | 2,540        | 2,590        | 2,640        |
| 3 Scrapping UK Tuition Fees <sup>3</sup>                          | 600  | 685          | 740          | 1,570        | 1,765        |
| 4 Restore the Pension earningslink                                | 0  | 0            | 320          | 325          | 330          |
| 5 Recruit 3,000 more police officers <sup>4</sup>                 | 5  | 50           | 95           | 140          | 185          |
| 6 A pay rise and better homes for our troops                      | 0  | 420          | 425          | 430          | 440          |
| <b>Total spending</b>   | <b>3,730</b>                                 | <b>3,745</b> | <b>4,115</b> | <b>5,050</b> | <b>5,360</b> |

# savings proposals

|   |  | £m (in predicted nominal terms) <sup>1</sup> |         |         |         |         |
|---|--|--|---------|---------|---------|---------|
|   |  | 2010-11                                      | 2011-12 | 2012-13 | 2013-14 | 2014-15 |
| <b>Helping people fairly</b>                    |  |  |         |         |         |         |
| 7   | Reform Tax Credits   | 640  | 1,305   | 1,300   | 1,310   | 1,315   |
| 8   | Reform Winter Fuel Payments  | 300  | 145     | 60      | -15     | -70     |
| 9   | Scale back the Homebuy programme in England <sup>3</sup>               | 250  | 255     | 260     | 265     | 270     |
| 10  | Refocus Train to Gain project in England <sup>3</sup>                  | 325  | 335     | 340     | 345     | 350     |
| 11  | End Gov't contributions to the Child Trust Fund                        | 395  | 545     | 555     | 565     | 580     |
| 12  | Introduce a levy on bank profits                                       | 2,005  | 2,205   | 2,430   | 2,670   | 2,940   |
| 13  | Cut Ministry of Defence admin and top brass                            | 0  | 205     | 420     | 440     | 460     |
| 14  | Cutting the economic costs of mental health problems <sup>3</sup>      | 0  | 425     | 500     | 575     | 605     |
| 15  | Cash limit on public sector pay rises of £400 for 2 years <sup>5</sup> | 0  | 1,705   | 3,460   | 3,525   | 3,600   |
| <b>Decentralising UK Government<sup>3</sup></b> |  |  |         |         |         |         |
| 16  | Abolish the UK Government office for the regions                       | 0  | 90      | 90      | 90      | 95      |
| 17  | Reform English Regional Development Agencies                           | 0  | 600     | 610     | 620     | 635     |
| 18  | Cut bureaucracy of UK Local Government inspection                      | 0  | 860     | 870     | 890     | 905     |
| 19  | End top down UK Education/Families initiatives                         | 0  | 335     | 340     | 350     | 355     |
| <b>Creating a freer society</b>                 |  |  |         |         |         |         |
| 20  | Scrap ID cards   | 50   | 80      | 110     | 155     | 155     |
| 21  | Scrap Biometric Passports  | 220  | 405     | 425     | 400     | 380     |
| 22  | Scrap Intercept Modernisation Programme                                | 0  | 200     | 200     | 200     | 200     |
| 23  | Abolish UK Contact Point <sup>4</sup>                                  | 0  | 45      | 45      | 50      | 50      |
| 24  | Maintain the current school leaving age in England <sup>3</sup>        | 0  | 0       | 35      | 35      | 70      |

|   | £m (in predicted nominal terms) <sup>1</sup> |               |                |                |                |
|---|--|---------------|----------------|----------------|----------------|
|   | 2010-11                                      | 2011-12       | 2012-13        | 2013-14        | 2014-15        |
| <b>Creating a more cost effective Government</b>                  |  |               |                |                |                |
| 25 Commercialise UKT&I  | 0  | 135           | 135            | 140            | 140            |
| 26 Scrap Eurofighter tranche 3B                                   | 0  | 0             | 510            | 510            | 510            |
| 27 Cut UK Education quangos and administration                    | 0  | 415           | 410            | 420            | 430            |
| 28 Prison reform in England and Wales <sup>4</sup>                | 0  | 795           | 735            | 675            | 845            |
| 29 Scrap civil service bonuses                                    | 0  | 155           | 155            | 160            | 160            |
| 30 Cut use of consultants in the public sector                    | 0  | 180           | 180            | 185            | 190            |
| 31 Cut Quangos across government                                  | 0  | 225           | 225            | 230            | 235            |
| 32 Cut the costs of politics                                      | 0  | 610           | 620            | 635            | 645            |
| <b>Net change in devolved administrations budgets<sup>6</sup></b> |  |               |                |                |                |
| 33 The Scottish Parliament <sup>7</sup>                           | 240  | -120          | -120           | -30            | -25            |
| 34 The National Assembly for Wales                                | 140  | -15           | -15            | 30             | 40             |
| 35 The Northern Ireland Assembly                                  | 80   | -50           | -45            | -15            | -15            |
| <b>Total savings</b>  | <b>3,730</b>                                 | <b>12,430</b> | <b>15,205</b>  | <b>15,435</b>  | <b>16,050</b>  |
| <b>Net increase to public sector spending</b>                     | <b>0</b>                                     | <b>-8,680</b> | <b>-11,090</b> | <b>-10,385</b> | <b>-10,685</b> |

Note: Totals may not sum due to rounding

Note: the policy details of the England-only savings and spending are covered in the UK Liberal Democrat manifesto

<sup>1</sup> All numbers are rounded to the nearest £5m

<sup>2</sup> The job package with the exception of part of 1e are for England only Barnett consequences for the remainder are accounted for in line 33 to 35

<sup>3</sup> Costs and savings are for England, Barnett consequences for the devolved administrations are accounted for in line 33 to 35

<sup>4</sup> Costs and savings are for England and Wales only, Barnett consequences are accounted for in line 33 and 35

<sup>5</sup> This proposal is an alternative to the Government's proposal to cap public sector pay at 1%

<sup>6</sup> Scottish and Welsh Liberal Democrats have set out their own budget plans for Scotland and Wales

<sup>7</sup> As set out in the manifesto a Liberal Democrats Government would resolve the disputes and anomalies between the UK and Scottish Government over the Registers of Scotland and the Scottish element of the Fossil Fuel Levy, with the consequence of adding up to £250m to the resources controlled by the Scottish Government in 2011-12

Liberal Democrats have championed the devolution of powers to Scotland and Wales, and many decisions made in Westminster now apply to England only. That means that policies in these nations are increasingly different from those in England – reflecting different choices, priorities and circumstances. The Scottish and Welsh Liberal Democrats make their own policy on those issues. This document sets out our priorities for a Liberal Democrat Government in Westminster.

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