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Liberal Democrat Autumn Conference 2014

“The Liberal Democrats are remarkably upbeat for a party facing great difficulties come May 2015” a number of people told me at the Liberal Democrat Autumn Conference in Glasgow – as they had said at almost every party conference since 2010.

And it’s true: the atmosphere was friendly, upbeat and determined ahead of the 2015 general election. Indeed, Lib Dem Leader Nick Clegg was so relaxed that one day he found time to change wardrobe four times – leading to an intense discussion among journalists whether he was wearing jeans or chinos during the usual Leader’s Q&A. It was, of course, neither: he was wearing flannel.

The positive mood is largely the result of the democratic nature of the party. When the Lib Dems joined the Coalition in 2010 it was after the MPs, peers, the Federal Executive and a Special Conference of the membership had approved the Coalition Agreement. True, there have been difficult moments for the party and the leadership has had its share of defeats at the hand of the membership since then. But generally, the Lib Dem role in this Government is a shared project and many of the policies voted for by members have been implemented – like the raising of the Personal Allowance, the Pupil Premium, investment in renewable energy and equal marriage.

In Glasgow, the party started putting together the platform for the next general election and in his speech, Clegg set out the party’s achievements and ambitions. There were a lot of policy motions on the agenda as well as a “pre-manifesto”, previewing the 2015 manifesto. Of course, it would not have been Lib Dem conference if there was not something odd on the agenda and this year the Lib Dems adopted a motion that complained that “winning has become the primary motive in sport”.

The election is set to be the most unpredictable yet, with the rise of Ukip and the chances of a good showing of the SNP and even possibly the Green Party. The Lib Dems find themselves in a tricky position: being in Government has damaged the party’s standings with the electorate. They will focus mainly on defending their held seats, turning them into “fortresses”, and focusing on a couple of other seats with good Lib Dem prospects. Privately, party strategists say they would be happy for a seat number with a three in front of it, a four on a good day. In a hung Parliament, that could mean they hold the balance of power once again.

It would go too far to cover all the policy motions that were debated, amended and passed at Conference in this Insight but we have selected the most important announcement for you and analysed them.

This Insight concludes the last of our Insights on the party conferences. Parliament returns on 13 October, with the Autumn Statement planned for 3 December. We will keep you updated on the big developments and you can always contact us with any questions.

Henk van Klaveren
Economy

The Liberal Democrat slogan is “A Stronger Economy in a Fairer Society” and it was the first element that the Lib Dems sought to emphasise in the speeches by Deputy Prime Minister Nick Clegg, Chief Secretary Danny Alexander and Business Secretary Vince Cable. This is part of the fundamental positioning of the party as more economically competent than Labour and more socially fair than the Conservatives.

In his keynote speech to the Conference, Clegg said that Lib Dems are working towards a Britain where everyone has the opportunity to make the best of their lives. He listed some of the Lib Dem achievements on raising the Personal Allowance, the increase in apprenticeships, the expansion of free child care and investment in early years education – all “while fixing our broken public finances – so [people] can be sure we'll finish balancing the books fairly too”. He said that Danny Alexander had set out the detail of how this: “eliminating the deficit in the first three years of the next parliament, and then bringing debt down steadily and sustainably”.

On Sunday, Alexander had claimed that the Lib Dems “wrote the recovery plan”, pointing to some of those measures mentioned by Clegg too, including record investment in renewable energy. On the Personal Allowance, he confirmed that the Lib Dems would raise that threshold from which point Income Tax gets paid to £12,500 after the general election.

He then set out the macro-economic policy of the Lib Dems, in three fiscal rules: first, to get the “nation’s debt as a share of GDP down to sustainable levels by the mid-2020s”; secondly, the Lib Dems would run a “balanced budget, but allow for additional investment in productive economic infrastructure”; and thirdly, that the people who are the best off contribute the biggest share of their income to help pay down the deficit. Examples of investment include re-opening the Oxford to Cambridge Rail Link in full as a “Garden Cities Line”, enabling 50,000 new homes to be built, and implementing the “One North” proposals to transform the North into an economic powerhouse.

On specific policies, he shifted the party’s policy on a Mansion Tax slightly – as Clegg has also done. Instead of a levy on the value of a house over £2m, Lib Dems “will introduce new bands on top of council tax.” He also focused on tax avoidance, a key priority for Lib Dems. He said that the investment to tackle tax avoidance he announced in 2010 “is now bringing in an extra £7bn”. On corporate tax avoidance, he echoed Osborne that this Government “we will take the first steps with new rules to stop firms lending money across borders”. He also promised action to tackle hybrid mismatches.

Alexander gave a few examples how Lib Dems would reduce spending because the deficit “cannot be removed through taxes on the wealthy”. Suggestions include stopping winter fuel payments to the wealthiest pensioners. With regards to efficiencies, the Government have found an additional £5bn of these every year. Alexander confirmed that he has asked the Cabinet Office “to start work now on plans to deliver a further £10bn of savings in this way (...) ready for the next government”.

Business

One over-arching theme for the Lib Dems has been the positive business case for staying in the European Union and it ran through this Conference too. At the Corporate Day there were a number of sessions on this topic and it was mentioned in the speeches by Deputy Prime Minister Nick Clegg and Business Secretary Vince Cable. Cable combined it with an attack on the Conservatives’ immigration policies, as the “vast majority of migrants coming to the UK from inside or outside the EU have brought tangible benefits to the economy, importing valuable skills”.

Cable also set out a series of business policies, alongside some general comment on the economic strategy of a future Government. Cable has regularly been seen as someone who has not always been comfortable with the Government’s deficit reduction strategy. However, at last year’s Conference the party adopted a motion endorsing that deficit strategy and this was seen as a defeat for Cable. This has not stopped him from adopting a different tone on occasions like this but the party’s strategy is as set out by Clegg and Chief Secretary Danny Alexander during this Conference.

Cable set out the Lib Dem long-term vision for the British economy: “knowledge-based, outward looking and green”. He had two major announcements in his speech. First, he announced a review of employment rights to make it clearer for employees and employers what those rights are and reform of their enforcement. This would see four agencies combined into a Workers’ Rights Agency: the National Minimum Wage enforcement section at HM Revenue and Customs, the working time directive section at the Health and Safety Executive, the Employment Agency Standards inspectorate and the Gangmasters Licensing Authority. This followed a recent review into zero hours contracts, which revealed some workers could be missing out on basic rights such as maternity leave or unfair dismissal. Business department officials expect to present interim findings by the end of the year, and hope to submit recommendations for next steps to ministers by March.

This is aimed at contrasting the Conservative-commissioned reviews, such as the Beecroft Report, into simplifying employment law and the Chancellor’s shares-for-rights scheme. These have been portrayed by Cable as efforts at reducing worker rights and now he is showing that the Lib Dems are the guarantor of those rights, having been a moderating influence in Government.

Secondly, he announced that in June 2014 he asked the Low Pay Commission to consider whether the structure of the apprentice rate could be simplified and that he will be writing to them to propose for a single National Minimum Wage for 16 to 17-year-olds in work or the first year of an apprenticeship. This would see wages rise from £2.73 to £3.79 an hour on current rates. It would also help employers by simplifying pay structures. He also said he wants to see a “big expansion in degree level advanced apprenticeships”.

Employment Relations Minister, Jo Swinson also spoke on Monday. She focused in particular on the need for a flexible culture shift to support the economy and on how Lib Dems have driven policies such as shared parental and the right to request flexible working to support that. She said that the Lib Dems want “to see flexible working become the norm, not the exception”, not least as the lack of it can sometimes force people “out of the labour market”.


Energy and Climate Change

The Green Agenda, always a priority for the Liberal Democrats, was hailed as one of the defining areas of the party’s success in government. Nick Clegg used his speech to emphasise the struggle to ensure the Coalition stuck to its commitments in the face of a Tory party anxious to abandon pledges on renewables and climate action: “I can tell you now that a sustainable environment will remain at the heart of our vision for Britain’s future – it’s not green crap to us”.

Of the main party leaders Clegg made the clearest offer to the electorate on green issues, saying the 2015 manifesto would contain a pledge to introduce five green laws “that will commit to reducing carbon from our electricity sector. Create new, legal targets for clean air and water. Give everyone access to green space. Massively boost energy efficiency and renewable energy. Prioritise the shift to green cars. Bring an end to dirty coal.”

Energy and Climate Change Secretary Ed Davey argued that Lib Dems were an insurgent force leading the debate, taking on the vested interests and delivering a greener economy. He had sharp words for the Conservatives, hitting out at Communities Secretary Eric Pickles and former Environment Secretary Owen Paterson for being obstacles to the dramatic change Britain needed.

Emphasising the Lib Dem’s disruptive impact, he spoke of the radical change in electricity generation thanks to a doubling of renewables. Pickles, he claimed, wanted to block onshore wind farms, warning that “Voting blue will never get you green (…) if the Tories win, the dramatic rise in renewable electricity would be stopped dead in its tracks”. Instead, Lib Dems would go further, boosting investment in renewables and, in a major new announcement, would “legislate to ban the generation of coal from 2025”. Despite this pledge Davey found some common ground with the Conservatives, noting the need for shale gas extraction “as a bridge to a zero fossil fuel future”.

Davey then turned his fire on the Big Six energy companies. He blamed Labour for failing to ensure adequate competition in the energy market, something the Lib Dems had addressed by supporting new competitors and encouraging over 2m people to switch their providers, he said. The target to halve the time taken to switch company was being kept, he said, and promised to continue “backing the disruptive insurgents” with the aim of securing them a 30% market share by 2020.

There was some relief for the energy efficiency sector, which has been hit recently by changes to the Green Deal and Energy Company Obligation. Davey announced an extra £100m for the Green Deal Home Improvements Fund, which would fund, among other things, installations of new boilers, insulation and double glazing. The pre-manifesto offers a further £100p.a. Council Tax rebate for people improving their homes’ energy efficiency.

He finished by urging action on climate change, saying the “Liberal Democrats had led the climate debate in Britain, so Britain could lead in Europe and then the world”. Next year’s global climate deal “is now within our grasp”, he said: “we cannot let it slip. We just cannot”.
Health

After both the Conservatives and Labour had committed themselves to significant extra NHS funding, the Lib Dem leadership tabled an amendment to one of the motions on the agenda to do so as well, promising an extra £1bn paid for by an increase in dividend tax on additional rate taxpayers, a further tightening of the cap on pension tax relief and by scrapping the ‘shares for rights’ scheme introduced by the Conservatives. Chief Secretary Danny Alexander said the funding would be delivered annually until 2018. All of this money would be in addition to a Lib Dem commitment to protect NHS spending over the lifetime of the next Parliament.

The most eye catching policy announcement was yet to come and was saved for Nick Clegg’s keynote speech. The Deputy Prime Minister proposed for the first time ever the introduction of waiting time targets for mental health treatments, just as there is with physical health. Mental health has been a priority for the Lib Dems in this Government and this proposal would take that commitment further. It would ensure mental health sufferers receive talking therapies within six weeks or 18 weeks at an absolute maximum. Clegg lauded the impact the changes could have saying “these are big, big changes. And in Government again the Liberal Democrats will commit to completing this overhaul of our mental health services – ending the discrimination against mental health for good”. It was giving enthusiastic support from medical groups with Mark Winstanley, chief executive of Rethink Mental Illness, going as far to say “this is a watershed moment for everyone affected by mental illness and has the potential to improve the lives of millions.”

This announcement is partly a Lib Dem proposal and partly Government policy. A funding package of £120m will be given to services from April 2015 so they can match up to the mental health targets. Looking at the politics of this announcement it appears to be clever move on two counts. Firstly improving mental health provision is something no other party will disagree with and it could therefore be delivered in a coalition with either Labour or the Conservatives, with the Lib Dems taking the plaudits. Secondly this pledge works very well with the group of voters that the party is trying to win over at the next election, as shown by focus groups of Lib Dem voters and potential voters. That is why Clegg called for this policy to be “on the front page of the manifesto”.

Elsewhere on health, there were some interesting policy motions which will shape the party's future thinking on health. The policy paper ‘Protecting public services and making them work for you’ set out plans to bring private companies under FOI legislation and for public authorities responsible for different public services in a local area to come together to form a local Better Outcomes Board. This which be supported by financial incentives from central government.

While discussing this policy paper, the party adopted amendments committing the party to ending the role of the Competition and Markets Authority in health, making clear that patient needs will always come ahead of competition, and that services need not be put out to tender if local people are happy with them. They also committed the party to repealing any parts of the Health and Social Care Act making the NHS vulnerable to privatisation through the proposed EU/US free trade deal.
Welfare

Pensions Minister Steve Webb, who has been in his role longer than any of his predecessors, focused on pension reform in particular, as well as welfare more broadly. Webb said the Lib Dems remain committed to the triple lock on pensions increases and that he intends to remodel “the state pension, taking it back to the model devised by that great Liberal, William Beveridge – a decent pension, paid at a flat rate, without the need for means-testing, based on a record of contributions”. He also stated that all contributions will be valued equally, so that “a year spent in caring role earning you just as much state pension as a year running a FTSE 100 company”.

He pointed out the successful and continuing roll-out of automatic enrolment in workplace pensions. 4.5m people have benefited from this so far and Webb promised that by 2018 the number would surpass 10m. The Coalition Government will be imposing a charge cap of 0.75% on these pensions from next April and Webb also highlighted the increased rights and freedoms for people on how they can spend their pension pot, combined with impartial guidance on the options.

Webb also discussed wider welfare issues. Webb focused on a Lib Dem vision for welfare, aimed at supporting people when they need it to fulfil their potential. To that end the welfare system needs to be more accessible and more successful at getting people into employment. For example, he said that “we should be looking to see whether the needs of disabled people could be assessed in one go for their different disability benefits and social care needs”. The party agreed with him when they adopted a motion calling for such a single assessment prior to his speech.

He said that he and Nick Clegg are proud of their support for Universal Credit, the slow roll out of which would improve soon. The party’s motion on welfare reform also called for this, alongside reform to welfare sanctions so they are a measure of last resort. Webb concurred in his speech and put forward the idea of a “yellow card” system in which people who are at risk of having their benefits revoked are provided with a warning. The party also called for reforms to the Work Programme in their motion, with a stronger role for local government, and more tailored pathways for people on Employment Support Allowance and the Welfare to Work scheme.

He wrapped up by saying that the Lib Dems had to stop the Conservatives from imposing policies that would “put the most deprived at the front of the queue when it comes to making savings”. As a result, the Tories now had to put such policies in their manifesto. Policies like the freezing of benefits, cutting the welfare cap and raising the higher Income Tax rate threshold are not “the Liberal Democrat way”: “those with the broadest shoulders [should] bear the biggest burden”.

In contrast to Webb’s speech, Business Secretary Vince Cable was much more pointed in his criticism of the Conservatives, and stating that they have cut social services to the bone and that they are “destroying the welfare state” and that he would not go along with Conservative proposals to take “£25bn or more out of welfare and unprotected government departments”.
Home affairs and justice

As the Liberal Democrats gathered in Glasgow, they were keen to tout their law and order credentials, proposing a number of new measures which could form part of their 2015 election manifesto. The motions all sought to establish a Liberal voice on things like cutting crime, in order to differentiate with the more heavy-handed approaches of the other two parties.

On Sunday, Baroness Walmsley moved a motion calling for further, tougher action against child abuse. The motion called for further protections for child abuse whistleblowers, allowing them to report abuse without fear of impact on their own position. It went on to propose a legal duty on those working with a responsibility of care towards children to report suspected abuses and said council officers, politicians and the police should be held to account for the failures to protect children from abuse in Rotherham. Baroness Walmsley concluded her speech by saying “children can’t stop abuse, adults can”.

The Lib Dems also adopted a policy paper on “doing what works to cut crime”, calling for an evidence-based approach to cutting crime and urging a greater focus on restorative justice to prevent reoffending. The motion welcomed the fall in crime under the Coalition Government but criticised Labour and the Tories for ‘wasting money and ignoring civil liberties’. It included a section a topic more regularly discussed at Lib Dem gatherings than at the other party conferences: drugs policy. It called for the lead on drug and alcohol-related crime to be taken by the Department of Health, with law enforcement remaining with the Home Office. At the same time, the Lib Dems reiterated their position in favour of decriminalisation of drug use and treating addiction as a health problem.

The topic was raised again in a question and answer session with Nick Clegg, who called for radical and sweeping changes to Britain’s “idiotic” policy on drugs. It was wrong, Mr Clegg said, to imprison people for the personal possession of drugs as they often emerge as criminals or fall into the hands of criminal gangs. He endorsed the policy of giving responsibility for drug addiction to the Department of Health. He went on to aim attacks at his Conservative coalition partners, accusing them of “dragging their feet” over a Royal Commission on drugs policy.

The third motion on the agenda in this area was a motion calling for measure to make sex work safer. It noted that while prostitution itself was legal, many of the activities around it, such as soliciting and brothel-keeping were not, and confirmed existing party policy in favour of decriminalisation of sex work and adopting the 'Merseyside model', in which crimes against sex workers are treated as hate crimes, across the UK.

Lastly, while Clegg’s keynote speech did not focus majorly on law and order, indicating it will not be a headline issue for the party in 2015, the Deputy Prime Minister did take aim at Tory Home Secretary Theresa May: “Your Communications Data Bill was disproportionate, disempowering – we blocked it once and we’d do it again".
Constitutional Reform

No Liberal Democrat Conference is complete without a discussion about constitutional issues but meeting as they were in Glasgow after the referendum on Scottish independence, it had to be on the agenda. Scottish Secretary Alistair Carmichael set out that in addition to a debate on what powers a Scottish Parliament should have, it is now time to use the powers it does already have to shape the future of Scotland for the better.

For the Liberal Democrats, Carmichael said that “the vision of Jo Grimond or Russell Johnston was home rule for Scotland within a federal United Kingdom - a stable and sustainable constitutional settlement” and that “the referendum result takes us closer to that than we have ever been before”. Lib Dems will support further powers so that the Scottish Parliament raises the majority of its own revenues through taxation and borrowing powers. Sir Menzies Campbell has already set this out in the party’s Home Rule Commission and the Lib Dems will put that to Lord Smith’s Commission.

Carmichael went on to say that “we shall deliver those promises [on further powers made during the referendum], we shall deliver them on the timetable [that was promised] and nothing but nothing will stop us”. Chief Secretary and Highland MP, Danny Alexander said that “we must use this opportunity not just decentralise power in the rest of the UK, but to reverse the flood tide of centralisation that the SNP have imposed on Scotland over the last 7 years”. The party endorsed this in a motion on moving towards a federal UK, as well as calling for further powers for areas in England and votes for 16- and 17-year olds

On the contentious subject of English votes for English laws, Carmichael said it was constitutional recklessness to make further Scottish powers contingent on them. Lib Dem Leader Nick Clegg said that while the party supported devolution across the UK, including in England, but said that the Conservatives were only interested in “Tory votes for English laws”, following Prime Minister David Cameron’s proposal.

The Leader of the Welsh Liberal Democrats, Kirsty Williams also spoke and challenged the other parties to sign up to the Silk Commission’s recommendations for further powers for Wales, just like the Lib Dems had done. She said that “Wales must have a proper parliament” that has the powers to make a difference, because while “Scotland must gain Home Rule”, “we cannot meet Scotland’s ambitions without meeting those of Wales, Northern Ireland and England”.

At the same time as the debate over powers for the devolved nations was raised, the Conservatives’ proposed British Bill of Rights and the scrapping of the Human Rights Act were discussed. Carmichael pointed out that Justice Secretary Chris Grayling’s proposal for repeal of the Act was a “thoroughly stupid idea” as it did not address the fact that the Human Rights Act is an integral part of the Scotland Act 1998 that set up the Scottish Parliament. He said this was grist for the mill of the SNP, who seek to portray Scotland as having different values from the rest of the UK in their argument for separation.
About the author

Henk van Klaveren, Senior Consultant

Henk started his professional career in the Liberal Democrat Leader's Office in 2009 and was there for the lead up to the 2010 General Election. During the election he worked as part of the three-man strong team coordinating Nick Clegg's election tour across the country. After the Coalition Government was formed, he joined the party's Press Office and supported Ministers, MPs and peers with national and local press and policy issues.

In the Press Office, he continued to be involved in the Deputy Prime Minister's party political visits and led on the party's local election media strategy. He also managed the Lib Dem Press Office Twitter account and set out the strategy for Nick Clegg’s Twitter engagement.

Prior to joining Maitland, Henk worked for the Whitehouse Consultancy. He has an MA in the history of international relations from the London School of Economics and he did his undergraduate history studies at the University of Glasgow, spending a year at the Johannes Gutenberg University in Mainz as part of his degree.
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