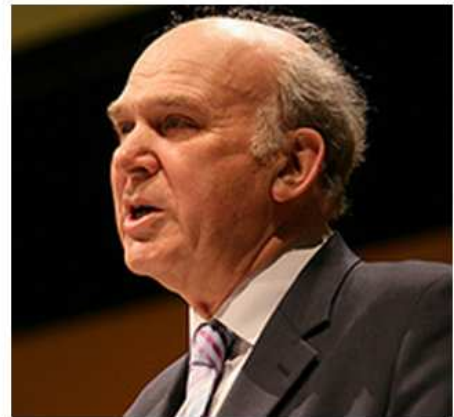




**Liberal Democrat  
Fairer Future Economic Recovery Plan**



**May 2009**



## Summary of the Plan

### 1. Massive investment programme to create jobs and help the environment

Scrap the VAT cut and use the remaining billions to fund a huge 'green jobs' programme that will create (or preserve) tens of thousands of jobs



### 2. Cut taxes for struggling families so they have more money in their pockets

Raise the income tax personal allowance to £10,000, cutting income tax bills by £700 a year. Fund this by closing tax loopholes and tax avoidance schemes used by the wealthy



### 3. Keep people in their homes, so they don't need to fear unfair repossessions

Give courts the power to ensure that repossessions are only ever a last resort. Act to deliver more affordable housing to rent



### 4. Lower energy bills so people can afford to heat their homes

Massive energy efficiency programme to 'fuel poverty proof' existing homes by bringing them up to the standards demanded of new build. National green loans scheme available to all



### 5. Action to help people who lose their jobs or have debt problems



### 6. Ensure government-owned banks are run in the public interest to help keep businesses afloat



### 7. Reform banking and the City so this can never happen again

- \* Return to old-style high street banks so people's savings are protected from the big risks of investment banking
- \* Tackle the damaging bonus culture
- \* Disqualify directors who got banks into this mess
- \* Require banks to hold more capital in periods of boom and less in recession
- \* Stronger financial regulation
- \* Support more diverse, less profit-driven financial institutions



### 8. Action to deliver future economic stability

Take house prices into account when setting interest rates. Independent monitoring of the Government's fiscal rules



### 9. International action to reinvigorate global trade



### 10. New priorities for Government – cut waste and invest in education and families





## 1. Massive investment programme to create jobs and help the environment

*The Labour and Conservative approaches to the recession are both wrong.*

*Labour are wasting £12.5 billion on a VAT cut that is having no significant impact. To the extent it is having any effect it is benefiting the richest households the most. Those with the highest incomes are saving more than three times as much as poorer households. Poor pensioners are gaining even less.*

*The Conservatives would do nothing of any substance and let the recession "run its course". This would make things even worse, crushing the life chances of a generation.*

*Liberal Democrats know that when we borrow money today, we're asking our children to pay it back. That's why we believe we should only borrow for long term investment, and not for short-term tax bribes.*

*Unlike Gordon Brown's temporary VAT cut our programme would create a real lasting legacy for Britain, making our economy more sustainable tomorrow as well as creating jobs today.*

### Liberal Democrat action to create jobs and help the environment

- Scrap the VAT cut and use the remaining billions to fund a huge 'green jobs' fiscal stimulus programme that will create (or preserve) tens of thousands of jobs:
  - building new zero-carbon affordable homes,
  - insulating the existing homes of people in 'fuel poverty', and subsidising energy efficiency improvements in hundreds of thousands of other homes (see point four of the Recovery Plan),
  - insulating schools and hospitals,
  - investing in public transport, including opening old railway lines and stations and opening new ones
  - installing energy saving smart meters in every home
- Immediately bring forward existing capital spending plans, particularly for schools, colleges, social housing, public transport and environmental works, all of which will create assets for the taxpayer and generate future income as well as countering recession in the short run



#### For more information on these proposals see –

Green Road out of Recession, launched 18<sup>th</sup> Dec. 2008

<http://www.libdems.org.uk/home/nick-clegg-launches-the-green-road-out-of-the-recession-98449610:show>

Parliamentary debate where the Lib Dems led the opposition to the temporary and expensive VAT cut, 17<sup>th</sup> Dec. 2008

<http://www.libdems.org.uk/home/liberal-democrats-call-for-annulment-of-wasted-vat-cut-98818927:show>

'Wasteful VAT cut only benefiting the rich, news release, 7<sup>th</sup> Apr. 2009

<http://www.libdems.org.uk/news/browne-wasteful-vat-cut-only-benefiting-the-rich-224714508:show>

Parliamentary debate when the Lib Dems called on the Government to immediately bring forward funding for capital projects, 2<sup>nd</sup> Feb. 2009

<http://www.libdems.org.uk/home/cable-government-letting-the-economy-be-brought-to-its-knees-146760438:show>



## 2. Cut taxes for struggling families so they have more money in their pockets



*Across Britain families and individuals are struggling with rising bills, rising prices, and wages that aren't keeping up.*

*We would deliver substantial tax cuts for households on low and middle incomes to help people make ends meet. This will not only help people to get through these difficult times, it will also help to boost consumer spending. Focusing our tax cuts on these groups will have the strongest economic effect as they are the ones whose spending is dropping most dramatically and who are least likely to lock away the extra money into savings.*

*While millions of people on normal incomes who pay their taxes are struggling to get by, big companies and wealthy individuals continue to cheat the Treasury of billions of pounds a year, using highly paid bankers, accountants and lawyers to devise complex schemes to hide their tax liabilities. Massive loopholes in – and the sheer complexity of – the British tax system help them do this. But it is wrong and it must be ended.*

*We must crack down on tax havens too. It should be a source of national shame that British dependent territories, from the Caymans to the Channel Islands, are at the forefront of the international tax avoidance industry. The Government needs to stop dragging its feet.*

*Overall we are proposing not a net tax cut, but a tax switch, to make the system fairer. Our plans simply switch the burden away from those on low and middle incomes and onto the wealthiest, by closing tax loopholes and clamping down on tax avoidance. We will give money back to the people who really need it at the time when they need it most.*

### **Liberal Democrat action to put more money in people's pockets**

- Raise the income tax personal allowance to £10,000, cutting income tax bills by £700 a year for anyone earning over £10,000, and taking the four million people earning below £10,000 out of income tax altogether
- Pay for this by closing tax loopholes exploited by big businesses and the wealthy, including ending upper rate tax relief on pensions, clamping down on tax avoidance (see below), harmonising income and capital gains taxes (so private equity bosses can no longer pay lower rates of tax than their cleaners) and increasing green taxation.

### **Liberal Democrat action to tackle tax dodging**

- Simplify taxes. Lower headline rates of corporation tax in return for eliminating the complex network of tax allowances which companies currently enjoy would make tax dodging harder
- Legislate for a General Anti Avoidance Rule which would strike out the tax benefit where the avoidance of tax is the main reason for a transaction. This would particularly target stamp duty and corporation tax. A similar system has proved effective in countries like Australia
- UK Government should take the lead in curbing the use of tax havens, especially those in UK dependent territories, for tax avoidance
- Banks under government control should be directed to act responsibly on pay and tax avoidance (see point 6 of this plan)

### **For more information on these proposals see –**

'Liberal Democrats will cut people's income tax bill by £700, news release, 20<sup>th</sup> Apr 2009

<http://www.libdems.org.uk/home/liberal-democrats-will-cut-people%E2%80%99s-income-tax-bill-by-%C2%A3700-235190068:show>

'This crisis must spur us to take on the tax avoiders', Vince Cable, The Guardian, 3<sup>rd</sup> Feb 2009

<http://www.libdems.org.uk/home/cable-this-crisis-must-spur-us-to-take-on-the-tax-avoiders-147908070:show>



### 3. Keep people in their homes, so they don't need to fear unfair repossessions



*House prices are falling. The housing market has virtually ground to a halt. The number of repossessions is rising sharply, and the number of people in serious mortgage arrears more sharply still.*

*Ministers should not try to turn back the tide of a housing market which must be allowed to fall to a more affordable level. But they should concern themselves urgently with the many thousands of families in danger of being cast out on the street.*

*As far back as 2005 the Liberal Democrats were pressing the Government to put in place adequate safety nets for people who would be faced with repossession when the housing bubble burst. But it was not until autumn 2008 that the Government acted, announcing a flurry of initiatives which they claimed would help people keep their homes. But only a small portion (barely one in five) of the 75,000 houses that are predicted to be repossessed in 2009 are covered by the Government's schemes.*

*Rapid action must be taken to ensure that banks only ever repossess as a last resort, and that there is a greater supply of social housing for people who do lose their homes, as well as for the nearly two million people already on social housing waiting lists.*

#### **Liberal Democrat action to minimise the number of home repossessions**

- Give courts the power to ensure that repossessions are only ever a last resort. (Without this power the Government's guidance is useless.) Before a bank can apply to repossess a house, we will require:
  - free independent financial advice to be offered
  - the bank to prove that all other avenues other than repossession have been fully explored, including renegotiating the terms of the mortgage and offering the chance to enter into a shared equity agreement
- Protect vulnerable homeowners against rogue doorstep companies by regulating the private 'sale and leaseback' market as a financial service through the Financial Services Agency

#### **Liberal Democrat action to deliver more affordable housing for rent**

- Allow housing associations and local authorities to use Homes and Communities Agency funds to improve newly purchased unsold private housing stock
- Introduce a Repair and Renewal loan scheme for owners of empty properties if they agree to lease them for at least five years to housing associations.
- Allow commercial properties temporarily being used for housing to claim commercial property rate relief
- Help lending to return to normal levels by introducing basic 'Safestart' mortgages
- For unavoidable repossessions, the lender will have to consider selling to a social landlord

#### **For more information on these proposals see –**

Launch of Lib Dem housing and construction plans, news release, 19<sup>th</sup> Feb 2009

<http://tinyurl.com/adx44d>

'Cable challenges Government over limitations of mortgage help plans', news release, 14<sup>th</sup> Jan. 2009

<http://www.libdems.org.uk/home/cable-challenges-government-over-limitations-of-mortgage-help-plans-125912476:show>

'A Response to the Housing and Mortgage Crisis', motion passed at Lib Dem conference, 16<sup>th</sup> Sept. 2008

<http://www.libdems.org.uk/home/liberal-democrats-approve-plans-to-tackle-mortgage-and-housing-crisis-551216:show>



## 4. Lower energy bills so people can afford to heat their homes

*Energy bills have increased far above the rate of inflation. Despite small recent cuts from energy suppliers, the typical British household is now paying around £1,250 a year for their energy – up an astonishing 37 per cent since the start of 2008 (source: [www.uswitch.com](http://www.uswitch.com)). Millions of people face a daily struggle to afford to heat their homes. The elderly and the vulnerable are the worst affected.*

*Meanwhile, the energy firms have received a multi-billion-pound windfall thanks to the giveaway of free permits to emit carbon dioxide under the European Union's Emissions Trading Scheme. Previous estimates have put the proceeds of that windfall at £9bn, although a letter to Nick Clegg from Ofgem last year estimated the true figure could be even higher.*

*Between 2003 and 2008 it is estimated that the number of households in fuel poverty across the UK doubled to around 4.5 million (source: Ofgem). Four out of five single pensioners are in 'fuel poverty'.*

*The Government's response to fuel poverty has been totally inadequate. The Liberal Democrats would take action to cut bills and help people heat their homes, as well as cutting harmful greenhouse gas emissions.*



### **Liberal Democrat action to reduce energy bills and fight fuel poverty**

- Introduce a massive energy efficiency programme to 'fuel poverty proof' existing homes by bringing them up to the standards demanded of new build
- Bring in a national green loans scheme, so the cost of improvements can be paid for automatically from savings on fuel bills
- Require energy companies to insulate the most vulnerable households free of charge
- End the scandal of the poorest paying higher rates for gas and electricity, by making energy companies offer them 'social tariffs'
- Provide energy and money saving smart meters for every home within five years
- Energy companies must pass on cuts in the price they pay for fuel to their customers in full

We would fund this by scrapping the ineffective VAT cut (see point one of the Recovery Plan), and by making the energy companies pay, using some of their £9.5bn windfall profits from the European Emissions Trading Scheme.

Liberal Democrat MP David Heath has introduced a Fuel Poverty Bill in an effort to get some of these measures into law.

### **For more information on these proposals see –**

Fuel Poverty Bill campaign website

<http://campaigns.libdems.org.uk/warmhomes>

Green Road out of Recession, launched 18<sup>th</sup> Dec 2008

<http://www.libdems.org.uk/home/nick-clegg-launches-the-green-road-out-of-the-recession-98449610;show>

'Tackling Fuel Poverty', launched by Nick Clegg, 28<sup>th</sup> July 2008

[http://www.libdems.org.uk/assets/0000/8904/Tackling\\_Fuel\\_Poverty\\_2008.pdf](http://www.libdems.org.uk/assets/0000/8904/Tackling_Fuel_Poverty_2008.pdf)



## 5. Action to help people who lose their jobs or have debt problems



*Unemployment in the UK is now above two million for the first time since 1997. The number of people claiming Jobseeker's Allowance is rising at a record rate. Many economists predict that unemployment will go above three million in 2010.*

*The Liberal Democrats will provide the support job seekers need to get back into work.*

*Meanwhile levels of personal debt in the UK are continuing to rise. The total is now at an all time high of more than £1,400 billion – more than £50,000 for every household in the country (source: Credit Action). According to Legal and General, the number of people in the UK who spend more than they earn each month has risen to more than five million.*

*With credit card interest rates rising, repossessions increasing and the results of irresponsible lending unravelling, action is vital to stop families sinking further into the red.*

### **Liberal Democrat action to help people into work**

- New 'First Steps' agency as a one-stop shop for all benefits claims and in order to identify the help needed to get people into work
- Personalised help to suit jobseekers' individual needs
- Increase the cost of work permits for foreign workers, and direct the money to fund more training for low skilled and unemployed workers already in Britain
- Allow benefits to run on for two weeks after entering employment to support people back into work
- Ensure that work pays for those on lower incomes by uprating the minimum wage each year in line with the recommendations of the Low Pay Commission, and extending the adult rate of the minimum wage to all those aged 16 and above
- Strengthen Adult Apprenticeships by fully funding the off-the-job training costs of apprenticeships, and developing a national application system for apprenticeships similar to the Universities and Colleges Admissions Service (UCAS)

### **Liberal Democrat action to help people with debt problems**

- Roll out a national network of free independent financial advice centres, using a combination of face-to-face and telephone service, to ensure that individuals with debt problems can seek assistance promptly and professionally. This would be co-funded 50:50 by the Government and the financial services industry
- Expand the social fund, increasing the amount of short term emergency affordable loans, to help low income families pay off high interest debt, and to help families who temporarily cannot afford essential goods

#### **For more information on these proposals see –**

'Freedom from Poverty, Opportunity for All (Poverty and Inequality Policy Paper), passed by Liberal Democrat conference, September 2007

<http://www.libdems.org.uk/policies/freedom-from-poverty-opportunity-for-all-all;show>

'A Generic National Financial Advice Service – A Liberal Democrat Proposal', launched by Vince Cable and Danny Alexander, 2<sup>nd</sup> March 2008

<http://www.libdems.org.uk/assets/0000/8905/LiberalDemocratPlansforGFA.pdf>



## 6. Ensure government-owned banks are run in the public interest to help keep businesses afloat



*The Government had no alternative but to save the leading banks from collapse. If the banks collapse almost every other business goes down with them.*

*But the bail out isn't working. Despite billions being pumped into the banking sector and the Government taking large stakes in some of Britain's biggest banks, viable businesses are continuing to go under as banks pull lending from them.*

*The Government's 'asset protection scheme' is a fraud on the taxpayer. It does nothing to promote new lending. Banks are simply dumping their bad loans on the taxpayer. It leaves us with the worst of all worlds, with the taxpayer taking all the risks and losses and the banks continuing to be run by bankers in their own interests and hoarding capital. The Government is pouring money into 'zombie banks' purely to avoid the political embarrassment of taking them into full public ownership.*

### **Liberal Democrat action to get banks lending and help business**

- Banks which have failed and been rescued, such as HBOS and RBS, must be actively run in the public interest by the Government. This is the only way to bring certainty, including full guarantees for all depositors, to the system while the complex process of straightening out the banks' balance sheets is completed.
- Banks under government control would be directed to –
  - maintain lending, to stop jobs haemorrhaging as sound companies run out of cash
  - to identify and manage their 'bad debt'
  - act responsibly on pay and tax avoidance

### **For more information on these proposals see –**

Getting Banks Lending, 19<sup>th</sup> Nov. 2008

<http://www.libdems.org.uk/home/lib-dems-getting-banks-lending-64218695:show>

Vince Cable's speech to the Liberal Democrat spring conference, 7<sup>th</sup> Mar. 2009

<http://tinyurl.com/d6rhvv>

Vince Cable's speech in parliamentary debate on the economy, 31<sup>st</sup> Mar. 2009

<http://www.publications.parliament.uk/pa/cm200809/cmhansrd/cm090331/debtext/90331-0008.htm#09033132000681>



## 7. Reform banking and the City so this can never happen again



*Over recent decades, banks and other financial institutions have become increasingly engaged in highly risky practices, such as excessive lending to individuals, and creating and trading in complex and poorly-understood financial instruments. The financial sector has lost sight of its basic functions like providing investment funds to businesses, and become mesmerised by the lure of apparently easy money through speculation. The Liberal Democrats warned of the risks attached to this, and the need for more robust regulation of the sector, but the Government did not listen.*

*The events of the last year show how 'light touch' regulation failed. The Government must now act to make sure that there is no repeat of the economic crisis and credit crunch in future.*

### **Liberal Democrat action to limit the excesses of the City**

#### **a) Return to old-style high street banks so people's savings are protected from the big risks of investment banking**

*During the deregulation of international financial markets during the 1980s and 1990s, Britain's formerly conservative high street banks got sucked into a great game of complex financial services, taking risks their predecessors would never have considered, venturing into new instruments as quickly as they could be created. They went too far.*

*British taxpayers cannot be expected to guarantee gambling by our banks. Institutions that consumers and small businesses depend on for savings and loans should not be put at risk by the casino culture of investment banking.*

- We would give banks a choice: do ordinary consumer business like current accounts, mortgages, business loans and savings, be tightly regulated and protected by the Government; or take the high risk route, playing the markets to get big returns, but not allowed to get involved in high street services, and be allowed to fail

#### **b) Tackle the damaging bonus culture**

*Reckless bonus policies are partly to blame for the economic crisis. Massive bonuses provided perverse incentives for bankers to secure deals, regardless of their intrinsic merit and riskiness, because there is no such thing as a negative bonus. Short-termism was promoted over stability.*

- Reform financial regulation to curb the destabilising bonus culture and discourage excessive short-term risk taking, for example through remuneration policies which reward only long-term success and which ensure that those whose actions are harmful or cause loss bear the consequences of their actions

#### **c) Disqualify directors who got banks into this mess**

*If anyone's ever going to trust Britain's banks again, those responsible for this crisis need to be brought to account. When Barings Bank went bust in 1995, the Government banned 10 directors from working in any other boardroom. This time, when the whole banking system has been torn to pieces, and some of Britain's biggest banks have had to crawl to the taxpayer for a multi-billion pound bailout, not one person has been disqualified.*

- Disqualify the directors who got banks into this mess

**d) Require banks to hold more capital in periods of boom and less in recession**

*This would make cheap credit more available in a downturn and less available during a boom period, helping to smooth the boom and bust cycle characterised by extremes of irresponsible lending. We first called for it back in January 2003. It has now appeared in the G20 Communiqué (April 2009).*

- Require banks to hold more capital in periods of boom and less in recession

**e) Stronger financial regulation**

*The credit crunch has exposed confusion and weaknesses in the regulatory system for handling emergencies, in particular between the Bank of England and the Financial Services Authority.*

*It is also increasingly clear that, in our globalised world, financial power does not respect national boundaries. So regulatory institutions must operate at the same level: internationally.*

- Reform the domestic regulatory system to create a clearer line of responsibility in crisis situations. The Bank of England should have primary responsibility, ultimately accountable to Treasury ministers, with the Financial Services Authority as a freestanding agency within and subordinate to the governance structure of the Bank
- 'Intermediate' financial institutions, such as hedge funds and private equity vehicles, should be brought into the regulatory framework and be required to be transparent
- Set up a new global financial regulator, able to operate with the force of law, like the World Trade Organisation. It must have the power to bring into line, and enforce sanctions on, any organisations or countries who fail to meet their obligations

**f) Support more diverse, less profit-driven financial institutions**

*Incentives within the financial sector need to be better aligned with the broader goal of building a better society.*

*We need to reduce the dominance of 'the City' and promote the mutual building societies and credit unions that used to be the bedrock of British families' access to financial services. We need a revolution in our financial services to create an effective local banking infrastructure that can nurture local enterprise and keep our local economies vital and independent.*

- Encourage and support credit unions and other kinds of mutual financial organisations
- Work for more decentralised banking institutions and a localised financial infrastructure
- Improved access to financial services through the Post Office network
- Break up the large government-owned banks before they are privatised

**For more information on these proposals see –**

Nick Clegg's speech to Liberal Democrat spring conference, 8<sup>th</sup> Mar. 2009

<http://tinyurl.com/cgtz5d>

Vince Cable's speech to the Liberal Democrat spring conference, 7<sup>th</sup> Mar. 2009

<http://tinyurl.com/d6rhvv>

Petition to disqualify the bankers who caused the banking crisis

<http://www.disqualifythem.org>

Nick Clegg's speech to the IPPR on economic recovery, 12<sup>th</sup> Feb. 2009

<http://www.libdems.org.uk/news/nick-cleggs-speech-to-ippr-on-economic-recovery-158308242;show>

Policy motion on Reforming the Financial Sector, adopted at Liberal Democrat spring conference, 7<sup>th</sup> Mar. 2009

<http://www.libdems.org.uk/policies/lib-dems-set-out-plans-to-bring-the-city-to-heel-183572443;show>

'A New Deal for the City: Liberal Democrat Proposals', launched by Nick Clegg, 12<sup>th</sup> May 2008

<http://www.libdems.org.uk/home/liberal-democrats-launch-new-deal-for-the-city-18414;show>



## 8. Action to deliver future economic stability



*During Gordon Brown's 10 years as Chancellor Britain enjoyed a relatively stable economy. This was in large part thanks to the Government's adoption of the Liberal Democrat policy of making the Bank of England independent.*

*However this stability led to complacency. Gordon Brown believed his own rhetoric about ending 'boom and bust', and failed to heed the signs of oncoming problems. In particular, levels of personal debt which have grown to unsustainable heights, on the back of spiralling, and over-inflated, house prices. An economy based so heavily on debt was never going to be in a fit state to deal with global shocks like the credit crunch. Gordon Brown is now facing the consequences of his years of inaction.*

*The Liberal Democrats would act now to put in place the building blocks for Britain's future economic stability.*

### **Liberal Democrat action to deliver future economic stability**

- Asset prices, and house prices in particular, should be included in the considerations of the Bank of England when setting interest rates to manage inflation. Without this, interest rates are often too low in a housing boom and too high in a period of decline
- Independent monitoring of the Government's fiscal rules. We would give to the independent National Audit Office the role of deciding whether the government's 'rules' have been met and whether corrective action is necessary
- Make the Financial Services Authority use its powers to warn and reprimand businesses that enter into risky business practices, particularly those which pose a risk to the wider economy

### **For more information on these proposals see –**

'A New Deal for the City: Liberal Democrat Proposals', launched by Nick Clegg, 12<sup>th</sup> May 2008  
<http://www.libdems.org.uk/home/liberal-democrats-launch-new-deal-for-the-city-18414:show>

## 9. International action to reinvigorate global trade



*Growing demands across the world for protectionism and the collapse of the Doha round of trade talks have put the continuing growth of global trade in jeopardy. This will contribute to higher prices for food, energy and commodities worldwide.*

### **Liberal Democrat action to reinvigorate global trade**

- Help kick start the aborted trade talks by working in the European Union to unlock the stalemate on agricultural trade between the rich and the developing world
- Seek to make world trade rules more friendly to the twin goals of development and the environment, including:
  - developed countries to proceed with the reductions in agricultural subsidies they had offered during the Doha trade negotiations, and
  - much greater investment in 'aid for trade' assistance to the poorest developing countries, helping them to open up their economies to international trade without suffering excessive disruption

### **For more information on these proposals see –**

International Trade emergency motion, passed by Liberal Democrat conference, September 2008  
<http://www.libdems.org.uk/conference/international-trade-conference-demands-action-2023292:show>



## 10. New priorities for Government – cut waste and invest in education and families



*In tough economic times government needs to tighten its belt, to ensure it does not take any more money in tax than is absolutely necessary, and to ensure that the maximum amount of the money it does spend goes on measures which will help people through the recession and then strengthen our economic performance in the long-term.*

*We will get tough on unnecessary and wasteful government spending, to identify £20 billion of savings and reallocate it to our priority areas.*

*Investing in the future of all our children is even more important as we seek to shape a sustainable recovery from recession. We know that young people will be hit hardest by the recession. We need to equip today's and tomorrow's young people with the skills and education to prosper in future, not leave them unable to escape from the circumstances of their birth or from debts acquired as students*

### **Liberal Democrat action to invest in Britain's future**

- Provide additional help for parents with childcare costs, and paid parental leave
- Provide schools with the resources to cut infant class sizes to 15
- £2.5 billion extra funding for pupils from the most disadvantaged backgrounds
- Abolish tuition fees for higher education (full-time and part-time) and further education, and make maintenance grants available to FE students on the same level as HE students
- Boost adult training through new apprenticeships and college courses

We would pay for this by cutting areas of government spending that we believe are wasteful, wrong, or of low priority. These include taking people on higher incomes out of tax credits, abolishing the Child Trust Fund, scrapping quangos and reducing spending on government advertising and IT.

### **For more information on these proposals see –**

The Best Start for Children, the Best Deal for Families (Childcare paper), adopted 8<sup>th</sup> Mar. 2009

<http://www.libdems.org.uk/policies/liberal-democrats-back-plans-for-20-hours-of-free-childcare-184720888:show>

Equity and Excellence (Schools paper), adopted 7<sup>th</sup> Mar. 2009

<http://www.libdems.org.uk/policies/liberal-democrats-back-plans-to-cut-primary-class-sizes-to-15-183808150:show>

Investing in Talent, Building the Economy (Adult Further and Higher Education paper), adopted 7<sup>th</sup> Mar. 2009

<http://www.libdems.org.uk/policies/liberal-democrats-back-plans-to-scrap-university-tuition-fees-183517006:show>

Costings for the papers, published 9<sup>th</sup> Feb. 2009

[http://www.libdems.org.uk/media\\_centre/our-childrens-future-paying-for-our-priorities-154737540:show](http://www.libdems.org.uk/media_centre/our-childrens-future-paying-for-our-priorities-154737540:show)

## **Local action to help people cope in the recession**



As well as our national policy prescriptions, Liberal Democrat run councils are already taking the lead in providing practical help and advice to the people and businesses in their areas during the recession. For example Sutton has started a council apprenticeship scheme to train or retrain people who are out of work, and Newcastle is one of several cities buying up empty property from developers for use as council housing.

Having a Lib Dem council will not stop a recession. But if we do the right things then we can shelter those that need shelter more than others and provide communities with the chance to come out fighting when the worst of the recession is past.

Find out more in 'Smart government for hard times: A local Liberal Democrat response to the recession'

<http://libdemgroup.lga.gov.uk/lga/core/page.do?pageId=1666779>