

# Common ground?

## An analysis of the Liberal Democrat and Labour programmes

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### Chapter 1 Introduction

The final months of the coalition government have seen an upsurge in interest in the future possibilities offered by the outcome of the next general election.

The prospects for various alternate political alliances in May 2015 dominate our media and the minds of leading politicians across all parties; not least because the outcome of the 2015 general election remains impossible to call.

Publically, as one might expect, both Labour and the Conservatives continue to assert their confidence in achieving a working majority. And a majority for either party remains a possibility; but most neutral observers believe a hung parliament is more likely.

The Liberal Democrats are fresh from their first experience of coalition government for 65 years. They argue that their involvement in another coalition would moderate the policies of either the Labour or the Conservative Party.

Assuming the Liberal Democrats avoid a catastrophic electoral set-back in May, they could have sufficient seats to negotiate a deal with one or both of the big two parties - such is the psephology of our first-past-the-post system. The result might be a second period of coalition, as the Liberal Democrats would like, or some looser political alliance.

If the Conservatives are again returned as the largest single party, but without a working majority, the key policy differences between them and the Liberal Democrats are well established, through five years of coalition government.

But if, in May 2015, the Labour party is returned as the largest single party in a hung parliament, what shape would an alliance between Labour and the Liberal Democrats take?

There are considerations of electoral strategy and personal chemistry. But this report looks at policy. It asks what shape a Labour/Liberal Democrat deal might take, based upon the known policy positions of each party as of January 2015.

#### Methodology

In the absence of any formal dialogue between the two parties over the last parliament, this report considers the contours of a possible Labour/Liberal Democrat partnership through a technical analysis of the parties' policy positions.

Our aim is to discern and understand areas of policy agreement and divergence that currently exist between Labour and the Liberal Democrats.

The analysis is based upon the published public policy positions of the two parties, as this is known at the beginning of 2015 – and draws primarily on the policy documents published at the parties' two conferences in autumn 2014.

It is our intention that this analysis will facilitate a clearer understanding of the potential (or otherwise) for some form of partnership between the two parties - should the result of the general election in 2015 lead toward this outcome.

Chapter 2 outlines the ‘lowest common denominator’ - the policies that our joint analysis indicates already unite the parties. The extent of the overlaps can be expected to affect the ability and enthusiasm of each party to enter into a post-election partnership with the other.

Chapters 3 and 4 analyse the differences between the two parties’ policies. We expose areas where partnership might be hindered, since at present there seems little room for agreement. But we also identify areas of divergence that do not appear to be major impediments to a deal.

## Conclusions

Our analysis indicates that there is significant common ground between Labour and the Liberal Democrats which offers scope for negotiation and potential agreement. If the political will exists amongst the leaders and members of each party, there is the prospect of assembling a broad package of agreed policies that could form a realistic and comprehensive agenda for government.

Highlights include:

1. Fiscal rules which permit the government to borrow for investment
2. A mansion tax for properties over £2m
3. Decarbonising the power sector by 2030
4. Major devolution of power and money within England
5. More free childcare for children under 5
6. Greater control over free schools and academies
7. At least 200,000 new homes a year
8. Restrictions on access to some benefits for EU migrants but support for student migrants
9. A higher Minimum Wage with the Living Wage paid by government departments
10. Withdrawal of the Winter Fuel Payment from the richest pensioners
11. An elected House of Lords, based on PR
12. Votes at 16

There remain a smaller number of areas where there is significant policy divergence:

1. Trident
2. Social care funding
3. Electoral reform for the House of Commons
4. Airport expansion
5. Royal Mail
6. 50p top rate of tax
7. An energy price freeze
8. Repeal of the Health and Social Care Act

There are other areas where a party’s silence or ambiguity means it is not possible to comment with confidence on the degree of agreement. Our judgement is that in many of these cases, policies advocated by only one party may well be acceptable to the other - as part of a positive negotiation, where both sides come in a spirit of give-and-take, seeking to maximise the breadth of a common programme.

Our shared conclusion is that it will be politics, rather than the policies of the two parties, that will decide whether a partnership is possible. We offer no insight or judgement in this analysis as to the nature and spirit of any such negotiation.

## The ideas behind the policies

Each party’s 2015 policies are the transient product of their longer term political and ideological commitments. So we also need to consider whether the worldviews of the parties are sufficiently close for them to sustain a constructive partnership over a whole parliament.

Would there be sufficient ideological congruence, at a level removed from today’s policy programme, for a five year relationship? Or would we see a slow-motion ‘divorce’ once early commitments were fulfilled, as has been the case with the present coalition?

Of course, both Labour and the Liberal Democrats are themselves complex ‘coalitions’ - in terms of political movements, electoral constituencies, and the historical and contemporary ideas that define them.

For the Liberal Democrats the defence and further promotion of ‘liberty’ remains a central tenant to public policy development - but in contemporary, internal Liberal Democrat politics, this can play out in a left-liberal or economically liberal manner.

For Labour the common strand is egalitarianism, but in the contemporary Labour party this is defined by a broad collation of ideas – with strands of left-liberalism and social conservatism finding their place alongside more mainstream social democratic thought.

But our conclusion is that there is sufficient intellectual common ground to sustain a partnership for a number of years, looking across four key political principles:

- **Market reforms** – Labour supports the role of markets, but believes in state activism and regulation; many Liberal Democrats would probably subscribe more toward traditional market mechanisms and economic liberalism to achieve a mixed market outcome. Having said that the state activism that mainstream Labour envisages is likely to be acceptable to most Liberal Democrats. There is more potential for disagreement with respect to the role of markets in public service reform.
- **Social and political liberalism** – The Labour Party is itself a coalition on these questions, but many leading figures are sympathetic to socially liberal and politically pluralist ideas. Others remain sceptical, for example with respect to constitutional reform or a liberal approach to home affairs. Both parties seek to be proactive on positive discrimination and gender equality.
- **Social justice** – Labour has traditionally placed greater emphasis on equality of opportunity and distributional fairness, although this is important for many Liberal Democrats too. Social mobility marks an important public policy starting point for many Liberal Democrat policies.
- **Social conservatism** – This remains an important strand in Labour thinking - today reflected in the

influence of the 'Blue Labour' circle - and reflects the party's representation of traditional working class communities. It is less evident in our analysis of Liberal Democrat policy.

The political ideologies of the parties are clearly different. But they are not so different that there is not scope for open dialogue and the potential for forging shared policy positions over years.

Across six domains of policy, our analysis leads us to conclude that a shared programme is achievable:

- **Fiscal policy** – Labour is traditionally associated with a larger and more redistributive state. However within the Liberal Democrats there is a broad spectrum of opinion on the size and scope of government. The two parties broadly agree on fiscal policy for the next parliament. Both accept the need for debt to be falling but seek flexibility in balancing this requirement with further infrastructure investment. Both parties are likely to take a 'bottom up' view on the size of the state, rather than arguing ideologically for shrinking or expanding the state.
- **Health & Social Security** – The current rhetoric is divisive, especially with respect to the recent NHS reforms and social care funding. But underneath this there is significant synergy regarding funding and investment in the NHS, parity of esteem between physical and mental health, the voice of the user, pensions policy and the direction of welfare reform.
- **Education** – Our analysis indicates a strong alignment between the two parties in policy direction and content across most facets of education policy. Both parties want greater local control of academies and an increasing focus upon early intervention to facilitate greater social mobility.
- **Environmentalism** – This is a long established Liberal Democrat cause and became an increasing priority for the last Labour government. Whilst some in Labour are ardent environmentalists, most of the party remains 'light' green. Both parties have made greater commitments than the Conservatives, but a negotiation might result in Labour accepting a 'greener' programme than it is currently envisaging.
- **Localism** – Devolution within England is another established Liberal Democrat position, which now has increasing support in Labour thinking. However there remain many within the Labour party who are suspicious and centralism is almost always the default for political parties once in government. Nevertheless both parties are supportive of the principle of greater local devolution - although neither has a comprehensive, clearly articulated policy roadmap.
- **Internationalism** – There is strong alignment on international development policy. Both parties are committed to an international framework for human rights law and are pro-EU - although Labour is less enthusiastic than the Liberal Democrats and has a small Euro-sceptic wing. Both parties include within their membership, constituencies with deep concerns regarding military interventionism and the retention of nuclear weapons.

## Chapter 2 Common ground

### Andrew Harrop and Stephen Lee

This chapter maps the significant areas of overlap between Labour and Liberal Democrat policy commitments. It is not a definitive or official statement of policy agreement, but our own assessment of where there is a high degree of overlap between the parties, drawing on their published policy programmes.

In some instances we attribute consensus with respect to a broad policy, when the parties have detailed proposals which are slightly different but not contradictory. We have also included policies where one party goes further than the other – on the assumption that the less ambitious commitment of the two offers a common starting point.

### Business

- An active industrial strategy, with government led sectoral partnerships
- A long term funding framework for science and innovation
- A long term national investment plan, spanning at least 10 years
- Extension of the EU single market in digital, energy and services and support in principle for EU negotiation of new international trade agreements

### Climate change and energy

- A binding target for decarbonising the energy sector by 2030, with a commitment to renewables and carbon capture and storage – and a continuing place for nuclear power
- A target of reducing EU greenhouse gas emissions by at least 40 per cent by 2030
- A national energy efficiency programme to succeed the Green Deal
- Action to help new entrants to the energy market challenge the 'big six'
- Support for community energy schemes
- Strengthening the Green Investment Bank to allow it to borrow
- Use of public procurement to stimulate demand for green technologies
- Investment in research on green technologies

### Criminal justice

- The scrapping of police and crime commissioners with the police becoming accountable to existing local politicians
- Rehabilitation to be at the heart of the criminal justice system with prison inmates engaged in work and training
- Increased use of restorative justice
- Improved support for victims of crime
- Action to stop girls becoming victims of female genital mutilation
- Stronger cooperation with EU partners on cross-border crime and security
- Stronger safeguards with respect to police 'stop and search' powers and increased recruitment of black and minority ethnic police officers

## Communications

- Access to high speed broadband for all homes and businesses
- Full implementation of the Leveson Report recommendations on press regulation
- A commitment to adequate funding for the BBC

## Defence

- Improved support and protection for veterans and forces families
- Monitor and review UK exports to overseas governments, with the aim of significantly reducing the flow of arms to repressive regimes and conflict-affected states
- Play a leading role in international efforts towards multilateral nuclear disarmament

## Devolution

- Major devolution of power and money from Whitehall to local authorities and city and county regions – starting with economic budgets and welfare-to-work
- More powers for Scotland, including control of welfare-to-work and more power over income tax
- More powers for Wales, by switching to reserving only specified powers to Westminster
- Full implementation of the Good Friday agreement

## Education and children

- More hours of free childcare for children under 5
- A rounded education, including life skills – ie citizenship, financial literacy and sex and relationship education
- All teachers to be qualified or working towards qualification, and accessing continuing professional development
- Fair admissions policies in all schools
- Decisions on new school places to be based on need
- Ofsted to inspect academy school chains
- The creation of local, democratically accountable offices responsible for improving school standards
- Stronger standards in Further Education and vocational education up to 19

## European Union

- The UK to remain a committed member of the EU
- The championing of reform of the EU so Europe is more responsive to citizens and better value for money
- A guaranteed referendum if more power is ever transferred to the EU

## Environment, food and rural affairs

- Support for locally-sourced produce through public sector purchasing policies
- Improved animal welfare, for example in the slaughter of farm animals, with an evidence-based approach to tackling bovine tuberculosis
- Protection from flooding to be a higher priority
- Reform of Common Agriculture Policy farming subsidies

## Financial services

- Action to boost competition and choice in the retail banking sector
- A public investment bank for British businesses

## Health and care

- The NHS to remain free at the point of need, with spending rising in real terms
- The integration of health and social care with a focus on prevention and wellbeing, including by pooling budgets and reforming NHS payments
- Parity of care between mental and physical ill health
- Improved access to GPs
- Investment in health research

## Housing

- At least 200,000 homes a year to be built by the end of the parliament
- Support for councils and housing associations to build more homes to rent
- Support for mutual and cooperative housing models
- A new generation of garden cities
- Improve protections against rogue landlords
- Support new longer tenancies to give families security in their homes

## Human Rights

- A guarantee that the UK will remain a member of the European Convention on Human Rights

## Immigration

- Exit checks on borders to identify people illegally over-staying in the UK
- Support for migration by legitimate foreign students
- Restrictions on the ability of migrants to claim some benefits, including seeking reform of EU rules on paying benefits for children living outside the UK
- Action to tackle exploitation of vulnerable workers

## International development

- A guarantee in law that the UK will continue to spend 0.7% of GNI on international development
- A promise of global action to force international companies to pay more tax in low income countries
- The championing of strong post-2015 global development goals, with equality and sustainability at their heart
- The championing of global action to confront discrimination against women, LGBT groups and other minorities

## Pay and employment rights

- All government departments to pay the Living Wage and listed companies to report on whether or not they are Living Wage employers
- An increase in reporting requirements on the gender pay gap
- A requirement for large companies to publish information on the gap between top and middle pay and to consult their employees on executive pay

- Increases to the National Minimum Wage, in a way that does not harm employment opportunities and on the advice of the Low Pay Commission – alongside expanded enforcement action
- An end to the abuse of zero hours contracts
- Support for worker participation in business decisions and for employee ownership

### Pensions

- A guarantee to maintain the ‘triple lock’ on pensions so that annual increases are the higher of inflation, earnings or 2.5%
- The introduction of a simple single-tier pension above the current income guarantee
- The withdrawal of Winter Fuel Payment from the richest pensioners

### Political reform

- An elected House of Lords, based on proportional representation
- Reform of political party funding to stop large donations
- Votes for 16 and 17 year-olds, with schools and colleges involved in electoral registration

### Public finances

- New fiscal rules that commit the government to eradicate the deficit on day-to-day spending as soon as possible and to start to reduce the national debt
- A fair deficit reduction plan, with the richest paying more tax

### Skills and higher education

- A major expansion in the number of high quality, advanced level apprenticeships
- Action by all universities to improve admissions from under-represented groups
- A review of student and higher education finance

### Social security

- A commitment to work towards ending child poverty
- The bedroom tax to be scrapped in its current form – by ensuring as a minimum that no one’s housing benefit is cut unless they have a reasonable offer of alternative accommodation
- All jobseekers to be assessed for English skills and required to participate in training if they do not meet a minimum standard
- Back to work support like the Work Programme to be devolved to nations and to local or regional level in England
- The introduction of fair, accurate and timely assessments for Employment Support Allowance and Personal Independence Payment
- The reform of benefit sanctions to make the system fairer and clearer

### Taxation

- The preservation of a competitive business tax regime, with small and medium sized businesses the priority for any tax cuts, starting with business rates

- Tough action against companies engaged in abusive tax avoidance, by closing tax loopholes and tackling tax havens
- Low and middle earners to be the first priority for personal tax cuts, with possibilities including higher income tax or national insurance thresholds or the reintroduction of a 10p tax rate
- A mansion tax for properties worth more than £2 million
- A reduction in pension tax relief for very high earners

### Transport

- Support for the HS2 north-south railway
- The devolution of transport powers and resources to local and regional government
- Action to promote and develop cycling

## Chapter 3

### Labour on the Liberal Democrats

#### Andrew Harrop

This chapter presents a Fabian Society assessment of how Labour might react to Liberal Democrat policy positions.

The starting point has been to compare the parties' official policy announcements. However in many cases Labour does not have a formal position on areas covered by Liberal Democrat policy. In these instances the assessment is based on a broader range of evidence and insight regarding Labour's take on the issue.

#### 1. 'Reject' – areas of significant disagreement

There are a small number of issues where there is significant disagreement between the parties. Labour would be likely to reject these policies.

##### Criminal justice

- End the use of imprisonment for possession of drugs for personal use and move the drugs and alcohol policy lead from the Home Office to the Department of Health. A Commission to assess the effectiveness of current drugs law and alternative approaches, including further work on diverting users into treatment or into civil penalties that do not attract a criminal record.

##### Defence

- End the UK's continuous at sea nuclear deterrent

##### Health and social care

- Implementation of the Dilnot Report proposals for a cap on the cost of social care (unless accompanied by further reform)

##### Political reform

- Introduce the Single Transferable Vote for electing MPs across the UK
- Allow trade union members to choose which political party they support through their union subscription

##### Transport

- No net increase in runway numbers across the UK. Opposition to any expansion of Heathrow, Stansted or Gatwick and any new airport in the Thames Estuary

#### 2. 'Accept' – close to Labour policy or uncontroversial

Labour would have little problem accepting a wide range of Liberal Democrat policies – where the policy is in keeping with Labour's analysis of an issue and complementary to its own stated policy.

##### Civil liberties

- Ensure proper oversight of the security services.

##### Climate change and energy

- Help people to form new energy co-operatives so they can benefit from group discounts and cut their bills
- Help people cut their energy tariffs by forcing energy companies to allow customers to change to any cheaper supplier in just 24 hours
- Guarantee that anyone on a prepayment meter can choose a smart meter instead by 2017
- Promote the 'double price tag' approach – where the customer sees both the purchase price and the annual running costs – for all cars and domestic appliances

##### Culture

- Maintain free access to national museums and galleries, while giving these institutions greater autonomy

##### Defence

- Implement a policy of 'presumption of denial' for arms exports to countries listed as countries of concern in the Foreign Office's annual human rights report

##### Education and children

- A clear ambition that all children should master the basics of Maths and English, with an aim to eradicate illiteracy and innumeracy
- Rapid support and intervention to help guarantee that all schools become good or outstanding schools.
- Expansion of the Talented Head Teachers programme and help move top leaders to the areas where they are most needed. Encourage local head teachers with a strong record to play a key role in school improvement through a local 'Head Teacher Board'
- Increase the number of Teaching Schools – centres of teaching excellence and support to other schools
- Help establish a new profession-led Royal College of Teachers, to eventually oversee Qualified Teacher Status and professional development
- Encourage schools with high numbers of children with English as a second language to host English lessons for parents
- Introduce a minimum curriculum entitlement – a slimmed-down core national curriculum, which will be taught in all state-funded schools
- Ensure that school food standards apply to all schools, including academies

##### Environment, food and rural affairs

- Place the Natural Capital Committee on the same statutory footing as the Committee on Climate Change
- Implement comprehensive planning for the impacts of climate change, including ensuring proper support for flood defences
- Ensure farming support is concentrated on sustainable food production, conservation, the environment and tackling climate change, and work to restore habitats for bees and other flying insects

### Financial services

- Oblige insurance companies to publish the increase in their insurance costs when they send out their annual renewal notices

### Health and care

- Incentivise GPs and other community clinicians to work in more disadvantaged areas
- Act to improve the mental health of children and young people – promoting wellbeing throughout schools and ensuring that children and young people can access the services they need as soon as a mental health problem develops

### Housing

- Bring forward development on unwanted public sector sites
- Require local authorities in England to allocate land to meet 15 years' housing need in their local plans, and work with local authorities to pilot techniques for capturing the increase in land value from the granting of planning permission

### Immigration

- Continue to allow high skill immigration to support key sectors of the economy, and ensure that work, tourist and family visit visas are processed quickly and efficiently

### Pay and employment rights

- Protect the rights of trade union members to have their subscriptions, including political levies, deducted automatically from their pay check

### Social security

- Withdraw eligibility for free TV Licence from pensioners on the higher rate of income tax

### Taxation

- Refocus the Entrepreneurs Relief to ensure it only helps genuine entrepreneurs and isn't used as a tax loophole for the super-rich; and scrap the ill-conceived 'Shares for Rights' tax loophole. Restrict access to non-domiciled status
- Abolish marriage tax allowance

## 3. Possible...but a spending commitment

There are a range of Liberal Democrat policies to which Labour would not object in principle. However they imply a spending commitment, so would need to be considered on a case-by-case basis alongside Labour proposals.

### Climate change and energy

- Make saving energy a top infrastructure priority, stimulating private sector demand with the Electricity Demand Reduction market, new market-shaping energy efficiency standards and a programme of tax incentives and public investment

### Criminal justice

- Provide experts on hand in courts and in police stations to identify where mental health or a drug problem is one of the main drivers behind an offender's behaviour so they can be dealt with in a way that is appropriate

### Education and children

- Protect the education budget in real terms right through from the early years to age 19
- 20 hours free childcare from 9 months to 4 years for working parents; and from 2 years to 4 years for non-working parents
- Extend free school meals to all children in primary education, as resources allow and after a full evaluation of free meals for infants
- Protect the schools' Pupil Premium in real terms and consider carefully the case for any extension of the Premium

### Health and care

- Improve access and waiting time standards for mental health services and establishing a world-leading mental health research fund to improve understanding of mental illness and treatments
- Introduce a new 'Right to Respite' package for carers, including an annual 'Carer's Respite Bonus' worth £250 for those carers looking after someone for 35 hours or more each week over a 12 month period. Raise the amount you can earn before losing carer's allowance to £150 a week

### International development

- Invest to eliminate within a generation preventable diseases such as TB, HIV and malaria
- Provide greater resources for international environmental cooperation

### Public finances

- Aim to balance the structural current budget by 2017/18
- Set new fiscal rules to balance the budget while allowing for productive investment
- Increase public spending again in line with growth in the economy once the budget is balanced

### Social security

- Improve provision of independent careers information, advice and guidance for all, including through job centres for people seeking new options later in life. Give people on low earnings help and advice to move up to higher paid jobs
- Introduce a new Young Person's Discount Card, for all young people aged 16-21, giving an automatic 2/3rds discount on bus travel. Enable government departments, local councils and private businesses to add discount offers to the Young Person's Discount Card

## Taxation

- Raise the tax free personal allowance to at least £12,500 by the end of the next parliament
- Consider raising the employee national insurance threshold to the income tax threshold

## Transport

- Invest in major transport improvements and infrastructure to create a 'Northern Economic Corridor'; a focus for growth, innovation and prosperity across northern England
- Develop a comprehensive plan to electrify all suburban and major rail routes, reopen many smaller stations, restore twin track lines to major routes. A new generation of light rail and ultra-light rail schemes in towns and cities where local people want them. Support the expansion of smart card ticketing systems

## 4. Possible...with no spending implication

These are Liberal Democrat policies it is possible to imagine Labour accepting as part of a negotiated package. They do not closely overlap with the party's existing policy, but they would not be rejected out of hand

## Business

- Establish a new Regulation Advisory Board to reduce regulatory uncertainty and remove unnecessary business regulation

## Climate change and energy

- Argue for a 50% reduction in EU greenhouse gas emissions by 2030
- Argue for EU and global commitments to zero net deforestation, globally, by 2020
- Regulate to end the use of unabated coal in electricity generation by 2025 because of its high carbon emissions and impact on local air quality, and require any new gas stations built after 2030 to be fitted with Carbon Capture and Storage (CCS) technology
- Introduce incentives for businesses to improve resource efficiency
- Support ambitious EU vehicle emission standards and encourage the market for electric vehicles. Set a target of 2040 for the date after which only ultra-low-carbon vehicles will be permitted on UK roads for non-freight purposes

## Civil liberties

- Introduce a new Freedoms Bill, to protect citizens from excessive state powers and improve rights of access to information

## Criminal justice

- Create a National Institute for Crime Prevention, to provide evidence and guidance of what works in fighting and preventing crime
- Encourage police forces and other emergency services to work together to reduce back office costs and exploit opportunities for efficiency savings

## Culture

- Any libraries under threat of closure to be offered first for transfer to the local community
- Require the Sports Ground Safety Authority to prepare guidance under which domestic football clubs, working with their supporters, may introduce safe standing areas
- Protect community assets such as pubs through the planning system and by bringing forward a Community Right to Buy

## Devolution

- Reduce the powers of the Department of Communities and Local Government to interfere in democratically elected local government in England
- Establish a commission to explore the scope for greater devolution of financial responsibility to English local authorities, and new devolved bodies in England
- Aim to increase the numbers of neighbourhood, community and parish councils

## Education and children

- Expand shared parental leave with a 'use-it-or-lose-it' month for fathers to encourage them to take time off with young children
- Allow local authorities to select the sponsor of new schools, where this is not the local authority itself

## Environment, food and rural affairs

- Reduce the use of animals in scientific research, including by funding research into alternatives

## Health and care

- Commission a Fundamental Review of NHS and social care finances in 2015, before the next Spending Review, in order to assess the pressures on NHS budgets and the scope for efficiencies
- Develop a 'Carers' Passport' scheme to inform carers of their rights in the NHS, assert their role as 'expert partners in care' and gain access to support like free hospital parking

## Housing

- Require minimum Energy Performance Certificates in rented accommodation

## Pay and employment rights

- Encourage the spread of 'name blank' recruitment in both the public and private sector so that people are judged on their true abilities to do a job

## Political reform

- Make Parliament more family friendly, and establish a review to pave the way for MP job-sharing arrangements

## Skills and higher education

- Introduce more flexibility with a credit accumulation and transfer framework to encourage more part-time study and help students transfer between and within institutions



- Develop National Colleges as national centres of expertise where there is demand and an identified need

### Social security

- Simplify and streamline the system of back to work support provided for people with disabilities. The goal would be one assessment and one budget for disabled and sick people to give them more choice and control over their support

### Taxation

- A review of business rates to cover the option of moving to Site Value Rating within five years, and in the longer term the possibility of Land Value Taxation more broadly

## 5. Unclear

There are some Liberal Democrat policies where the Labour Party position is unknown or difficult to predict. Labour has either said little on the topic or there is evidence of disagreement within the party.

### Business

- Develop the Business Growth Fund to meet Britain's shortage of equity capital for growing firms

### Civil liberties

- Pass a Digital Bill of Rights, to define and enshrine the digital rights of the citizen, protect people from unacceptable intrusion by the state and by other organisations, and giving people more control over their own data
- Identify practical alternatives to the use of closed material proceedings within the justice system, including the provisions of the Justice and Security Act 2013, with the aim of restoring the principle of open justice
- Back the principle of net neutrality and safeguard the essential freedom of the internet while ensuring the reasonable protection of individuals and businesses

### Climate change and energy

- A new target for Zero Carbon Britain by 2050
- All new homes will be Zero Carbon by 2016
- An indicative target of 60% of electricity generation from renewable sources by 2030.

### Criminal justice

- Explore the case for transferring responsibility for more serious national crime to the National Crime Agency
- Do more to keep young people and women out of prison
- Pilot US-style drug and alcohol courts and promote the use of Community Justice Panels

### Devolution

- Remove the requirement to hold local referenda for Council Tax changes in England

### Education and children

- Complete the introduction of tax-free childcare which will provide support to parents of up to £2,000 for each child and include childcare support in Universal Credit, refunding 85% of childcare costs to make sure work pays for low earners
- Raise the bar for entry to the teaching profession by requiring a B grade minimum in GCSE Maths and English
- Establish an independent Educational Standards Authority (ESA) entirely removed from ministerial interference. The ESA will be charged with responsibility for curriculum content and examination standards

### Environment, food and rural affairs

- Pass a Nature Bill to set natural capital, biodiversity, clean air and water targets, and empower the Natural Capital Committee to recommend actions to meet these targets
- Massively increase the amount of accessible green space for people to enjoy. Complete the coastal path and introduce a fuller 'Right to Roam'
- Place the management of public forests on a sustainable footing, in line with the recommendations of the Independent Panel on Forestry, and plant a tree for every child born – about 750,000 every year
- Launch an ambitious waste strategy to end the use of landfill, including through targeted landfill bans, and complete the roll out of charging for plastic bags

### Equality

- Give legal rights and obligations to cohabiting couples in the event of relationship breakdown or a partner dying without making a will
- Permit humanist weddings

### European Union

- Hold an in/out referendum when there is next any Treaty change involving a material transfer of sovereignty from the UK to the EU

### Health and care

- More use of NHS personal budgets for people who want them and better access to technology and services to help people get care closer to home

### Housing

- New models of affordable housing, to sit alongside the traditional social rented sector, including models that offer a path to ownership for lower income working families

### Pensions

- Press ahead with plans to allow people more freedom in the use of their pension pots
- Establish a review to consider the case for, and practical implications of, introducing a single rate of tax relief for pensions, which would be designed to be simpler and fairer and which would be set more generously than the current 20% basic rate relief

### Political reform

- Introduce the Single Transferable Vote for local government elections in England
- Strengthen the role of MPs in amending the budget and scrutinising government spending proposals

### Public services

- Spread mutual structures and employee participation through the public sector
- Strengthen community rights to run local public services

### Skills and higher education

- Introduce lifelong learning accounts to give learners more control over public investment in their learning and establish a cross-party commission to secure a long-term settlement for the public funding of re-skilling and lifelong learning

### Taxation

- Reform capital gains tax

## Chapter 4

### The Liberal Democrats on Labour

#### Stephen Lee

This chapter presents CentreForum's assessment of how the Liberal Democrats may view Labour's policy positions, as broadly set out by Labour's National Policy Forum.

The starting point has been to compare the parties' official policy announcements. Where necessary, other evidence has been used to form our assessment of Liberal Democrat positions.

#### 1. 'Reject'- areas of significant disagreement

There are a small number of issues where there is significant disagreement between the parties. The Liberal Democrats would be likely to reject these policies.

##### Business

- Ensure there is a price control over a privatised Royal Mail upon entering office
- Keep the remaining 30% of Royal Mail in public ownership
- Establish an inquiry into the sale of Royal Mail within 12 months
- Cap cost of credit and give local communities new powers to limit payday lenders on their high street

##### Climate change and energy

- Freeze energy prices until 2017

##### Health and care

- Repeal the Health and Social Care Act 2012 (England)

##### Home affairs

- Apply full and strengthened transitional controls to restrict the movement of workers to the UK from future countries joining the EU

##### Social security, jobs, and skills

- A full review of the Universal Credit led by the National Audit Office

##### Taxation

- Restore the 50p top rate of tax for those earning over £150,000

#### 2. 'Accept'- close to Liberal Democrat policy or uncontroversial

The Liberal Democrats would have little problem accepting a wide range of Labour policies – where the policy is in keeping with the Liberal Democrat analysis of an issue and complementary to its own stated policy

##### Business

- Banking reform to ensure that banks are able to provide financial assistance to promote small and medium sized businesses, which in turn will provide new, secure, and higher paying jobs

- Establishment of a British Investment Bank (to work alongside the Green Investment Fund) to help small and medium size businesses access funding
- Protecting consumers with an Annual Competition Health Check (led by consumers and competition authorities)
- Cut red tape for the self employed

### Climate change and energy

- Regulate the energy market to enhance transparency and competition
- Invest in low carbon energy
- Introduce new, simpler tariff structures, making it easier for customers to compare prices
- Create a new, tougher regulator to protect the interests of consumers
- Roll out an advanced programme of smart metering to ensure that customers can switch suppliers easily

### Criminal justice

- Devolve policing power to communities and give police the tools they need to take action against anti-social behaviour
- Return to Neighbourhood Policing so that communities know and trust their officers. Get officers back on the beat; give communities a greater say in local policing priorities
- Overhaul the justice system to ensure victims have a voice
- Extension of legal protection for victims of hate crime (based on trans-identity, sexual orientation, disability etc.)
- Provide specialist services related to sexual violence and women's safety
- Support EU-wide campaigns against domestic violence and combat the trafficking of women and children for sexual exploitation
- Establishing a commission on domestic and sexual violence
- Introduce national standards for the training of police and criminal justice professionals

### Education and children

- Teachers to undertake regular professional development, with revalidation on a regular basis
- Provide teachers with opportunities for professional development by building their expertise in a subject or teaching practice
- Ensure that young people continue English and Maths to 19
- Strengthen independent careers advice in schools and give young people the opportunity to access face-to-face guidance
- Ensuring a well-rounded education, with sex and relationship Education to be compulsory in all publicly funded schools. School policies to promote the physical, emotional, and social wellbeing of students.
- Extend free childcare for three and four year olds from 15 to 25 hours per week for working parents (paid for by increasing bank levy)
- Providing access to 'wraparound' childcare from 8am to 6pm

- Bring forward changes to the Schools Admission Code to allow all schools to prioritise disadvantaged children who are eligible for the Pupil Premium (which currently only exists for academies)
- Transform colleges with top quality teaching, strong employer links, and high standards in English and Maths into specialist Institutes of Technical Education
- Ensure that every young person has the opportunity to participate in youth services

### Environment, food and rural affairs

- Require water companies to publish annual information (corporate structure, investment, ownership, taxation, and dividends)
- Require all water companies to support a national affordability scheme and include more information about billing

### Finance

- Support a regional banking system - working alongside the British Investment Bank- which reaches out to small and medium sized businesses

### Health and care

- More effective regulation of public and private health care providers
- Introduce initiatives and measures to reduce smoking and excessive alcohol consumption, excessive sugar, salt, and fat in food, food fraud, and air pollution
- Ensure all health and social care providers are compliant with the Equalities Act
- Strengthen existing safeguards against 'conversion or cure' therapies for LGBT people
- Create additional powers for Health and Wellbeing Boards, which will be responsible for creating a local collective commissioning plan for people with long-term conditions
- Give communities and patients ownership of consultations on proposals for service change
- Health and Wellbeing Boards to be informed by Mental Health and Wellbeing strategies ensuring preventative and curative services/interventions

### Housing

- Reform Help to Buy so that it supports first time buyers
- Reform the Housing Revenue Account to enable councils to build new homes
- Introduce tougher sanctions for rogue landlords
- Introduction of legislation to provide tenants with rights to longer term lets with predictable rents
- Regulate letting agents and end extortionate charges and fees
- Set up a self-funded national mandatory register of private landlords
- Establish clear attainable targets for net new build of homes across the period of the next Parliament

### Immigration

- Remove legitimate international university students from the government's net migration targets.

- Strengthen regulation in the private rented sector to prevent rogue landlords from cramming migrants into sub-standard housing
- Ensure people coming to the UK are able to contribute taxes after arrival rather than being able to claim benefits straight away
- Introduce more powers for border staff to act quickly when they detect incidences of illegal immigration

#### Pay and employment rights

- Respect the views of independent Pay Review Bodies.
- Increased fines for non-enforcement of national minimum wage
- Require listed companies to report on whether or not they pay the Living Wage
- Increase transparency on pay with companies publishing the ratio of their top earners compared to the average employee
- Close loopholes which allow pregnancy discrimination
- Increase transparency on equal pay

#### Pensions

- All workplace pension scheme will be required to have a fiduciary duty enforced by trustees

#### Political reform

- Encourage more diversity in representation at all levels of governance, including school governors, councillors, and in Parliament
- Extend the locations at which voter registration can take place (including schools and colleges)
- Appoint an International LGBT Rights Envoy to promote respect for the human rights of LGBT people
- Increase developing country involvement in efforts to tackle tax avoidance
- Ensure equality is at the heart of new global goals for development
- Armed Forces Bill: legislating to outlaw discrimination and abuse of members of the Armed Forces

#### Public services

- Ensure that Freedom of Information requirements apply to all providers of public services
- Legislate for a new settlement devolving power and freedom to local government

#### Skills and higher education

- Build a new post-18 apprenticeship and vocational education system

#### Social security

- Provide quality work experience for young people with training, mentoring, and help with job search
- Repeal the Bedroom Tax

#### Taxation

- Closing loopholes such as the 'Quoted Eurobond Exception' (used by some companies to shift money out of the UK); tackling dormant companies, which can be used to avoid filing Corporate Tax Returns
- Action to tackle tax havens

- Balance the books and deliver a surplus on the current budget and falling national debt
- Legislate on fiscal rules within 12 months of the General Election, which will be independently audited by the Office for Budget Responsibility
- Any changes to 2015/16 spending plans to be fully funded

#### Transport

- Increasing accessibility to public transport for disabled people
- Extend Active Travel (Wales) Act (2013) to England
- Develop a National Cycling Action Plan

### 3. Possible...but a spending commitment

#### Business

- Development of a 20-30 year national infrastructure strategy
- Secure the Royal Mail universal service obligation beyond 2015
- Cut business rates on properties with an annual rental value of less than £50,000 in 2015 and freeze them in 2016

#### Climate change and energy

- Implementation of a long term and sustained energy infrastructure investment programme
- Bestowing the Green Investment Bank with borrowing powers

#### Education and children

- Provision of literacy and numeracy classes for people of all ages who lack basic skills

#### Employee protection

- Establish 'make work pay' contracts - giving tax rebate to companies that sign up to becoming living wage employers
- Scrap the current Government's additional corporation tax cut for multinationals and large businesses (due 2015-16) and use the money to cut/freeze rates for small and medium sized businesses
- Cutting small business rates in 2015 and freeze them in 2016

#### Home affairs

- Halt the axing of 1,100 police officer jobs in 2015/16
- Set up a national refuge fund to help victims of domestic violence

#### Social security

- Introduce a fully funded compulsory jobs guarantee for young people out of work for a year. Funded for 25 hours per week on minimum wage. Businesses would be required to provide 10 hours training per week
- Every jobseeker to be assessed for basic English, Maths, and IT skills
- Payments for benefits to be made available for the primary carer, not just the primary earner

## Transport

- Legislate to give local authorities more powers to develop better bus networks
- Bus funding to be devolved to communities

## 4. Possible...with no spending implication

### Business

- Abolishing quarterly reporting rules
- Place employee representatives on remuneration committees in order to strengthen corporate governance
- Reform Sector Skills Councils and Local Enterprise Partnerships so that employee representatives are equally involved in apprenticeships
- Create an independent National Infrastructure Commission assessing the UK's infrastructure needs in consultation with stakeholders
- Reform Local Enterprise Partnerships so that stakeholders have a direct say over growth strategy

### Climate change and energy

- Implementation of planned carbon budgets
- Reduction of greenhouse gas emissions by 32% in 2025 on 2012 levels (50% on 1990 levels)
- Creation of an Energy Security Board to plan for and deliver low carbon energy needs

### Criminal justice

- Sanctions to be made available to deal with those who cause problems for their neighbours by taking part in anti-social behaviour
- Increase charges for gun licenses
- Introduce a Victim's Law which will give victims of crime new entitlements to minimum standards of service as well as the ability to hold those services to account when standards are not met

### Education and children

- Establish an overarching national baccalaureate framework for all post-16 students
- Introduce locally appointed and locally accountable Directors of School Standards with oversight from local authorities and external inspection by Ofsted
- Extend to all schools the freedoms academies can use to innovate and raise standards, e.g. freedom over the curriculum and trusting teachers to get on with their jobs
- To attain an 'outstanding' rating by Ofsted, all schools must partner with a weaker school
- Ensure that the school inspection process is more collaborative
- Individual education plans for disabled learners

### Europe

- Argue for the EU to establish an equivalent of the UK's Office for Budget Responsibility with a mandate for auditing EU spending decisions

## Health and care

- Scrap section 75 regulations that force services to be put out to tender
- Establish a ten year plan for sport and recreational activities encouraging people at a local level to become involved in shaping sport provision in their communities

### Housing

- Create a Whitehall position for a ministerial champion for construction/ infrastructure
- Address empty home loopholes and give councils powers to tackle 'buy-to-leave' (where investors buy homes and leave them empty)
- Promote the Lifetime Home Standards to support the building of accessible housing
- Empower councils (within the prudential code) to build homes and provide support to acquire neglected homes

### Immigration

- All public sector workers in public facing jobs to reach a basic level of English proficiency
- Encourage local authorities to prioritise English language learning rather than written translation materials
- Provide training to border staff to help victims of trafficking

### Pay and employment rights

- The National Minimum Wage to rise in real terms so that it is closer to national average earnings, with a five year target
- Implement the recommendations of the Buckle Review on Low Pay and introduce a new framework for the Low Pay Commission
- Review the implementation and operation of Information and Consultation regulations to improve employees' ability to communicate about working rights

### Political reform

- Encouraging local authorities to adopt a youth council or youth mayor programme

### Public services

- Strengthening procurement policy by ensuring wider social contributions from those receiving major government contracts (e.g. quality apprenticeships, spreading the living wage etc.)

### Taxation

- Strengthening powers of the National Audit Office to scrutinise tax reliefs (and where they are used to avoid tax)

### Social security

- Every jobseeker to be assessed for basic English, Maths, and IT skills
- Review the role of Jobcentre Plus in providing emergency financial support

### Skills and higher education

- Give businesses more control over the funding and design of apprenticeships in exchange for an increase in quantity/quality of training
- Review Local Government Pension Schemes

### Transport

- Devolve decisions over the running of regional and local rail services, bringing buses, ferries, and trams into a single network

## 5. Unclear

### Business

- Place a levy on payday lenders, which will be used to increase public funds available for low-cost alternatives such as credit unions

### Climate change and energy

- Force energy companies to separate their generation and supply businesses
- Reform the Energy Company Obligation and the Green Deal, using area-based programmes led by local authorities and businesses

### Criminal justice

- Implement recommendations of the Macpherson Report on racial stereotyping
- Increase charges for gun licenses
- Reverse the worst of the Transforming Rehabilitation Programme and abandon any uncompleted sell-off of the Community Rehabilitation Companies

### Education and children

- Reinstate the School Staff Negotiating Body to develop consistency in pay, conditions, and job roles for school support staff
- Introduction of new 'Technical Baccalaureate' in schools and colleges as a stepping stone to apprenticeships
- To attain an 'outstanding rating' by Ofsted, all schools must partner with a weaker school
- Provide school nurses for all publically funded schools

### Financial services

- Break up the banks to separate retail from investment banking, unless a tough ring-fence between the two is in place by 2015
- Reintroduce the bank bonus tax
- Establish a legal threshold for the market share of personal accounts

### Foreign affairs

- UN reforms offering permanent seats for Brazil, India, Germany, and Japan, together with a permanent African representative
- Insist on a G20 agreement so that developing countries can automatically access tax information from rich countries

### Health and care

- Ensure that the Secretary of State is able to give directions to the NHS
- Remove competition law from the NHS by ending Monitor's role as an economic competition regulator
- Strengthen support for collective bargaining in the NHS
- Give all NHS patients the right to a same-day consultation from their GP surgery and the right to a GP appointment within 48 hours
- Develop consensus on the funding of social care, but reject the current government's reforms as they stand
- Compensation for individuals suffering from asbestos-related diseases

### Housing

- Give councils the power to negotiate on behalf of tenants receiving housing benefits to get lower rents.
- Protect social housing stocks by requiring an additional home for social rent to be built for any sold under Right to Buy in the same area
- Give local authorities powers to charge developers who refuse to build, despite having planning permission
- Give councils the power to double council tax for homes left empty for long periods

### Immigration

- Ban recruitment agencies from hiring exclusively from abroad and excluding local workers from their books
- Require large firms to offer apprenticeships in return for hiring migrant workers from outside the EU
- A cap on migrant workers from outside the EU

### Pay and employment rights

- Ensuring that zero hour contract workers who have their shifts cancelled at short notice receive compensation from their employer
- Reinstate the Tower Crane Register and the Regulations on Construction (Head protection). Implementing the Agency Workers Directive- increasing protection for agency workers
- Repeal the Swedish Derogation provisions in the Agency Workers Regulations (regulation 10) so that all agency workers are entitled to regulated protection
- Extend the remit of the Gangmasters Licensing Authority to cover different sectors of the economy (construction, hospitality, social care)
- Act on the EAT court ruling on collective redundancy regulations

### Pensions

- Impose legal requirement that all pension scheme providers must prioritise interest of savers above those of shareholders
- Lift restrictions on state pension provider NEST

### Political reform

- Pilot elections on alternative days to see if this raises turnout
- Pilot secure systems for electronic voting (e.g. online)
- Introduce a goal of 50% for ministerial appointments to public boards to ensure that women are fairly represented
- Legislate to introduce a specific criminal charge against disability hate crime

### Public services

- Adopt a public interest test for outsourcing, with case-by-case evidence-based decisions, including bringing services in-house where it offers better value for money
- Implement a fairer funding system to ensure that communities who need most support are not subject to funding cuts
- Implement legally-enshrined general power of competence, ensuring the freedom of local authorities to do what they think is in the best interests of their communities

### Skills and higher education

- Government to only award contracts to large firms if they commit to providing apprenticeships and training to young people for high-skilled jobs
- Courses for Trade Union representatives
- Support Union Learn and Trades Unions to put in place long-term projects to bring 1 million people with low skills into training

### Social security

- Introduce a fully funded compulsory jobs guarantee for young people out of work for a year. Funded for 25 hours per week on minimum wage. Businesses would be required to provide 10 hours training per week
- End the contract with ATOS and reform the Work Capability Assessment so that people who are assessed receive a personal statement of how their disability impacts on their ability to work
- Penalties for Work Capability Assessment assessors for making inaccurate assessments

### Taxation

- Tackle false self-employment in the construction industry and preventing harm to construction workers through loss of employment rights by confronting problems with the Construction Industry Scheme. Also by abolishing the use of umbrella and payroll companies

### Transport

- Review the rail franchising process
- Legislate to allow a public sector operator to be able to take on lines and challenge rail operators on a level playing field

- Give Network Rail greater responsibility for procurement plans
- Remove the flex mechanism on rail fare rises and introduce a strict cap on annual fare increases
- Encourage local authorities to introduce 20 mph limits in urban areas

## About the authors

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