

Policies for the new century

It is clear from our analysis of Britain's balance sheet that Britain needs change. Here are our first steps, the key measures which we believe must be taken straight away if we are to break the cycle of Britain's decline, unlock the full scope of Britain's potential and pave the way to future success.

The First Steps

- Britain's political institutions need thorough-going reform: stable and representative government, elected Parliaments in Scotland and Wales, decentralisation of power to the English regions and to local government, freedom of information and a Bill of Rights. As the essential measure to secure and entrench lasting reform **we will introduce fair votes by proportional representation for Parliamentary elections.**
- In the middle of the recession, the economy needs new impetus not a tax cut. **We will immediately introduce an emergency programme of investment in the infrastructure and in public works in order to get companies and people back to work, thus reducing unemployment by 600,000 over the next two years.**
- Lower inflation and a stable climate for industry to plan and prosper will lead to long-term prosperity. **We will give the Bank of England independent responsibility for monetary policy, with a requirement to promote price stability. We will put the pound into the narrow band of the Exchange Rate Mechanism.**
- Environmental priorities must be built into all economic decision-making, ensuring that economic success goes hand in hand with environmental responsibility. **We will introduce new environmental incentives.**
- The skills and capabilities of the British people must be adequate to meet the challenges of the new century. **We will increase investment in education by £2 billion, funding this by an increase of 1p on income tax.**
- Older people deserve greater security. **We will protect private pensions, and increase the basic state pension, making it payable as of right without means testing.**
- Britain's future must be safeguarded by active membership of a European Community which is united and democratic and in which decisions are taken as close to the people as possible. **We will take decisive steps towards the economic, monetary and political union of a democratic Europe.**

Only when these key steps have been taken will government and individuals alike be able to plan for the long term, instead of focusing on the short term and the next election.

The balance of this manifesto sets out the Liberal Democrat vision of the future: our long-term programme for government. The detailed costing and revenue-raising effects of our proposals are contained in a separate supplement.

[The Liberal Democrat Manifesto Costings Supplement is available from Liberal Democrat Publications, 8 Fordington Green, Dorchester DT1 1GB (tel: 0305 264646) for £1.50 plus 30p P&P]



**1. Britain's
prosperity:
public
investment;
private
enterprise**

Liberal Democrats aim to encourage a competitive and enterprising economy which is environmentally sustainable, founded on partnership and advanced skills and closely integrated with Europe.

What the economy needs is a new impetus. The Government's proposed tax cut will not achieve this. Only new investment will provide the kick-start needed to escape from recession and reduce the waste of talent and energy which results from unemployment.

But Liberal Democrats also recognise Britain's long-term needs. We are committed to the free market, to free trade and to the creation of a competitive and enterprising economy. We do not believe it is government's job to run business – people do that much better. We see government's role as enabling firms and entrepreneurs to have the best possible chance. That means encouraging competition, investing in skills, involving employees in the success of their companies, nurturing small businesses, playing a positive part in the construction of the new European economy and, above all, bringing greater stability to national economic management.

Our long-term aim is to shift the burden of taxation away from the things the country needs more of – income, savings and value added – and on to the things we want less of, such as pollution and resource depletion.

Turning Britain round

The current recession is undermining Britain's competitiveness and future success. Unemployment and business closures lead to a wastage of talent and a loss of resources. At the same time, essential investment in our country's future, in infrastructure, in education and training and in innovation, is being neglected.

Liberal Democrats will introduce an emergency

programme of investment to end the slump. We will immediately put in hand a major programme of public capital investment, funded by reversing the Tory tax cut together with a prudent increase in borrowing. This, combined with a freeze in business rates and new investment in education to increase the nation's skills, will kick-start recovery and create jobs. We will:

- **Attack unemployment** by creating new employment opportunities. Our emergency programme should reduce unemployment by at least 600,000 over two years. We will increase spending on public transport, housing, hospitals and schools, on energy efficiency and conservation projects and on education and training – all sensible investments for the country's future. We will aim to guarantee everyone out of work for six months or more a place on either a high quality training programme or on a work programme with a strong element of training.
- **Invest in infrastructure.** We will provide support for transport infrastructure, including a dedicated high-speed rail link from the Channel Tunnel to connect with the major routes to the North and West of Britain, and the extension of electrification throughout the country. We will encourage the expansion of airports outside the South East.
- **Freeze business rates** this year, thus effectively reducing them in real terms, a larger reduction than that promised by the Government.
- **Create a training incentive** for firms through the introduction of a levy equal to 2% of payroll, from which they would deduct their expenditure on training. We will require employers to release their employees aged under 19 for a minimum of two days a week further education and/or training for nationally recognised qualifications. We will establish a fully integrated system of skills training, leading to recognised qualifications for a broad range of skills. We will increase 'access' courses for mature students and retraining for women returners and those in mid-career. We will fund crash courses in the main areas of skill shortage, aimed in particular at the long-term unemployed.
- **Invest in local economies.** We will set up and fund new regional development and local enterprise agencies. We will encourage TECs to become strong, locally based, employer-led organisations providing business services,

acting as an effective voice for business at local level, and overseeing training of those in employment. We will encourage decentralisation of banks and other financial institutions. We will end the present Government's policy of clawing back from local authorities amounts equivalent to those they receive from the European Community's regional development fund.

- **Invest in research, innovation and design.** We will increase immediately the government science budget to 0.35% of GDP and raise it steadily thereafter. We will establish regional technology transfer centres to bring together the resources of industry, colleges, and government labs. We will encourage industry to invest in innovation and to improve the provision of seedcorn capital. We will reverse cuts in design consultancy schemes and provide additional funding for the Design Council.

Making Britain competitive

A climate of enterprise and competition is vital if British industry and products are to compete effectively in overseas markets. Yet the current Government has concentrated instead on converting public into private monopolies. We will:

- **Stimulate competition.** We will take tough action against monopolies, mergers and financial raids. The Monopolies and Mergers Commission will be combined with the Office of Fair Trading and made independent of government, increasing its effectiveness. We will introduce a Restrictive Practices Act to penalise anti-competitive behaviour and end price-fixing by cartels. We will encourage greater competition in the banking sector.

- **Break up monopolies.** We will break up the monopoly providers of services such as British Telecom and British Gas. We will permit access by private operators to the British Rail track network. We will liberalise the coal industry by transferring ownership of coal reserves to the Crown (in line with other minerals), and issuing licences to operate pits to other groups, as well as British Coal.

- **Promote consumer rights.** We will take the lead within the EC to ensure that all products come with accurate, full and simple product and service information. We will give

Serving customers

Many financial institutions, and particularly some of the high-street banks, have a poor record of customer service, for individuals and businesses. It is still far too common to see charges applied to accounts, or interest rates changed, without customers being fully informed, and to see new types of accounts opened without existing customers being told that they could benefit from them.

Banks which are responsive to their customers will be good for the economy. We will ensure that commercial borrowers are entitled to a full contract specifying the terms, conditions and duration of the services provided. We will introduce rights for customers of all financial institutions, ensuring they are fully informed when changes are made which do or might affect them.

consumer watchdogs, including the regulators and trading standards departments, greater powers, and improve redress for inadequate goods and services.

- **Encourage decentralised wage bargaining.** Our plans to spread employee ownership and participation will encourage wages to be set according to the profitability of individual firms rather than to some national 'going rate'. In addition, we will encourage moves towards greater decentralisation of wage bargaining at company level and, in the longer term as national and regional government develops, in the public sector.

Promoting enterprise

Government needs to provide an immediate impetus to get the economy moving. But long-term private investment in the production of high-quality tradable goods and services is essential for long-term success. This will only be possible if we encourage a climate of investment, enterprise and partnership. We will:

- **Reform taxation to increase investment.** We will increase investment substantially in schemes such as SMART to encourage innovation in industry, particularly in small and medium-sized enterprises, especially those involved in manufacturing. We will reform corporation tax and the taxation of savings to achieve even treatment for different forms of savings. This will reduce the current tax penalties on investment in industry.

- **Encourage a long-term approach to private investment.** We will reverse the burden of proof for acquisitions away from the target company towards the predator, and require companies to ballot their shareholders on bid plans. We will reform company law to require greater disclosure of information such as expenditure on research and development. We will define the responsibilities of non-executive directors and insist that all publicly quoted companies have them on their boards.

- **Encourage small businesses and the self-employed,** and ensure a 'level playing field' for them in competing with their larger counterparts. This will include relieving the administrative burden on small businesses, legislating to make interest payable on overdue debt, and encouraging TECs, chambers of commerce and local enterprise

agencies to reorganise to form a network of business-led 'one-stop shops'. We will encourage, and if necessary legislate for, banks to treat small businesses fairly by agreeing contracts for services.

- **Encourage flexibility in working patterns**, including part-time and flexi-time work, job-sharing and homeworking, adequate backup for carers of the young or old, and access to appropriate training. We will encourage a new system of tax-free child-care vouchers for parents of children under five, given by employers and usable in workplace, local authority and private nurseries and for individual qualified carers.

- **Share success in industry**. We will legislate to establish the right of every private sector employee in a substantial company to have access to a share in ownership and/or in the profits they help to create. We will encourage profit-related pay, employee share-ownership schemes and employee buy-outs. We will relaunch the Cooperative Development Agency.

- **Build partnership in industry**. We will ensure that every employee has a right to participate in decision-making in their enterprise. We will set up a new Industrial Partnership Agency to help companies and their employees find the precise forms of partnership which best suit them.

Creating long-term prosperity

We will change the ways in which economic policy is made and implemented, to bring greater stability and a sensible framework to economic management – ending the present 'boom, bust' approach. This requires fuller integration with the European Community. Our key changes are:

- **Establishing an operationally independent Bank of England** to become the Central Bank of the UK, to ensure disciplined economic management, to end political manipulation of the economy and to form the rock upon which a long-term anti-inflationary strategy can be built. This will also help progress towards an independent European Central Bank.

- **Moving sterling** to the narrow band of the European Exchange Rate Mechanism as soon as possible, helping stable progress towards lower interest rates.

- **Taxes and public spending** to be set to reach a 'savings

target' for the nation over a period of years. We will set a target as a total of private- and public-sector savings, and adjust fiscal policy to achieve the target over the medium term. If the country does not save enough to achieve the target, we will alter taxes and public spending accordingly, to ensure adequate long-term investment and keep the economy developing in a non-inflationary way. We will encourage individual savings by giving tax relief on all income paid into new Registered Savings Accounts.

- **Reform of the annual Budget**. We will publish a draft Budget four months before the final version, to promote open discussion of economic and taxation policy. This will facilitate the integration of spending and revenue-raising, a measure we have long advocated. This will also make it easier to measure the impact of economic policy on the environment. We will establish an independent National Statistical Commission to collect and publish statistics and improve their quality.

- **Working towards European economic and monetary union**, including the establishment of an independent European Central Bank and a single European currency. We will renounce the Conservatives' Maastricht 'opt-out' clause, accept the timetabled approach to EMU, and renegotiate the Social Chapter with a positive British input.

Changing the economy for good

Liberal Democrats recognise that if we are to improve Britain's disappointing economic performance we have to *change the governmental system* which produces it. Our proposals for electoral and constitutional reform are a prerequisite for better economic performance.

Proportional representation will produce greater stability in government, ending the economic disruption caused by sudden sharp swings in government policies before and after elections. *Home rule and decentralisation* will ensure that economic power and prosperity is spread throughout Britain. *Integration within Europe* will create the framework for long-term economic strength. *Freedom of information* legislation and open government will improve competition and encourage informed debate. *A written constitution* will ensure that politicians can no longer ignore long-term priorities for short-term expediency and political advantage.

Child care vouchers
Britain seriously lags behind its continental neighbours in provision for child care for working parents. This not only unfairly impedes opportunity for the people concerned. It holds back the contribution to the economy of many highly skilled workers.

We will encourage the introduction of a system of child care vouchers, provided by employers to parents with children under school age. They will be usable to pay for child care in a range of places – workplace, local authority or private nurseries, play groups or by individual qualified carers. The parent will choose, topping up the value if they wish. Child care vouchers will be deductible expenses for the employers and tax free for the parents. Self-employed people will be able to purchase vouchers and receive similar tax advantages. In due course the principle could be extended to cover child care for older children.

The background of the slide is a photograph of a sky filled with soft, white, and grey clouds. A vertical light streak or lens flare runs down the center of the image. The overall tone is somewhat muted and atmospheric.

2. Britain's environment: environmental protection and conservation

Liberal Democrats are determined to ensure that Britain changes its ways so that it become a leader, not a laggard, in facing the environmental challenge. Polluters will pay and conservers will be rewarded. Taxation will be gradually shifted from the things we want more of – income, savings and value added – to the things we want less of: pollution and resource depletion.

The accelerating destruction of the environment is one of the most serious challenges we face today. Its symptoms are becoming clearer with every year, from global warming and holes in the ozone layer to poisoned rivers and polluted air at home. They threaten not just our ability to enjoy our towns and countryside but our health and our children's future. Liberal Democrats aim to cut pollution and clean up the local environment.

We aim to build a society that does not create wealth at the expense of the environment. Our economy currently functions unsustainably, producing unacceptable levels of pollution and rates of resource depletion. We will create new incentives to follow environmentally sensitive strategies and behaviour.

Protecting our heritage

Conserving and enhancing the physical environment, countryside and townscape alike, is of crucial importance to everyone's quality of life. Liberal Democrats will:

- **Improve countryside protection policies** for National Parks, heritage coasts, areas of outstanding natural beauty, and sites of special scientific interest. We will

tighten controls against exploitation, we will create more National Parks and we will improve access to the countryside.

- **Introduce Countryside Management Agreements** for farmers and landowners who wish to take them up. These will be drawn up in conjunction with local planning authorities with the aim of managing the countryside to develop sustainable agriculture, safeguard plant and animal wildlife, and preserve traditional landscape features, such as woods, hedgerows and dry-stone walls.

- **Reform land use planning** so that the protection of the natural environment becomes a major feature of the planning system. We will decentralise planning decisions as much as possible, giving a key role to the local plan drawn up by the local authority.

- **Clean up the cities.** We will improve public transport, reduce traffic congestion, and encourage pedestrianisation and cycling schemes. We will encourage more parks, gardens and green spaces. We will provide more resources for councils to deal with noise complaints and make compensation for excessive commercial noise more widely available.

- **Promote better waste management.** We will provide grants for recycling schemes, introduce regulations on the use of packaging materials, and encourage local authorities to clean up litter. We will clean up beaches and coastlines by ensuring full treatment of sewage.

- **Improve standards of animal protection.** We will set up an Animal Protection Commission to enforce and recommend changes to legislation. We will phase out battery cages and unacceptable systems of factory farming, tighten controls on the export of live animals for slaughter, and establish a dog registration scheme. We will prohibit experiments involving pain or distress for non-medical and non-veterinary purposes, promote alternatives to the use of animals in research and education, and ensure that laws against badger-baiting and dog-fighting are enforced. On hunting with hounds, Liberal Democrats as a party have declared their opposition, but recognise, like the Conservative and Labour parties, that legislation is a matter of conscience for each individual MP.

Controlling Pollution

We will use market mechanisms, where feasible, to reduce pollution by ensuring that environmental costs and benefits are fed into the economy. Direct controls will still be needed in some cases. We will:

- **Set targets for cutting pollution.** These include a 30% reduction in carbon dioxide emissions from the UK by the year 2005; our energy policy is geared to this target. We will ban the use of CFCs and halons by 1994.
- **Introduce a system of tradable emission licences.** We will issue factories and power stations with licences setting a ceiling on permitted emissions of pollutants such as sulphur dioxide. These will be tradable: those who are most efficient at reducing pollution would have surplus licences which they could then sell either to those less efficient, or back to government. The targets for emissions – and therefore number of licences available – will be reduced year by year, leading to a steady fall in pollution.
- **Create a new Department of Natural Resources** with sole responsibility for environmental protection, leaving the Department of the Environment to cover local government and housing. We will set up an independent and powerful Environmental Protection Agency to work with the new European Environment Agency.
- **Put forward plans for a powerful United Nations Environment Programme** to lead global efforts to protect the environment, operating within the framework of an 'Earth Charter'. We wish to see a world market in tradable emission licences for carbon dioxide and other pollutants. This would not only provide incentives to cut pollution but also act as a channel for transferring resources to developing countries.

Conserving energy

Without an effective energy policy, government cannot have an effective environment policy. Britain's national energy strategy must be set within an overall European framework, with the aim of reducing pollution, improving energy efficiency and boosting the use of renewables. We will:

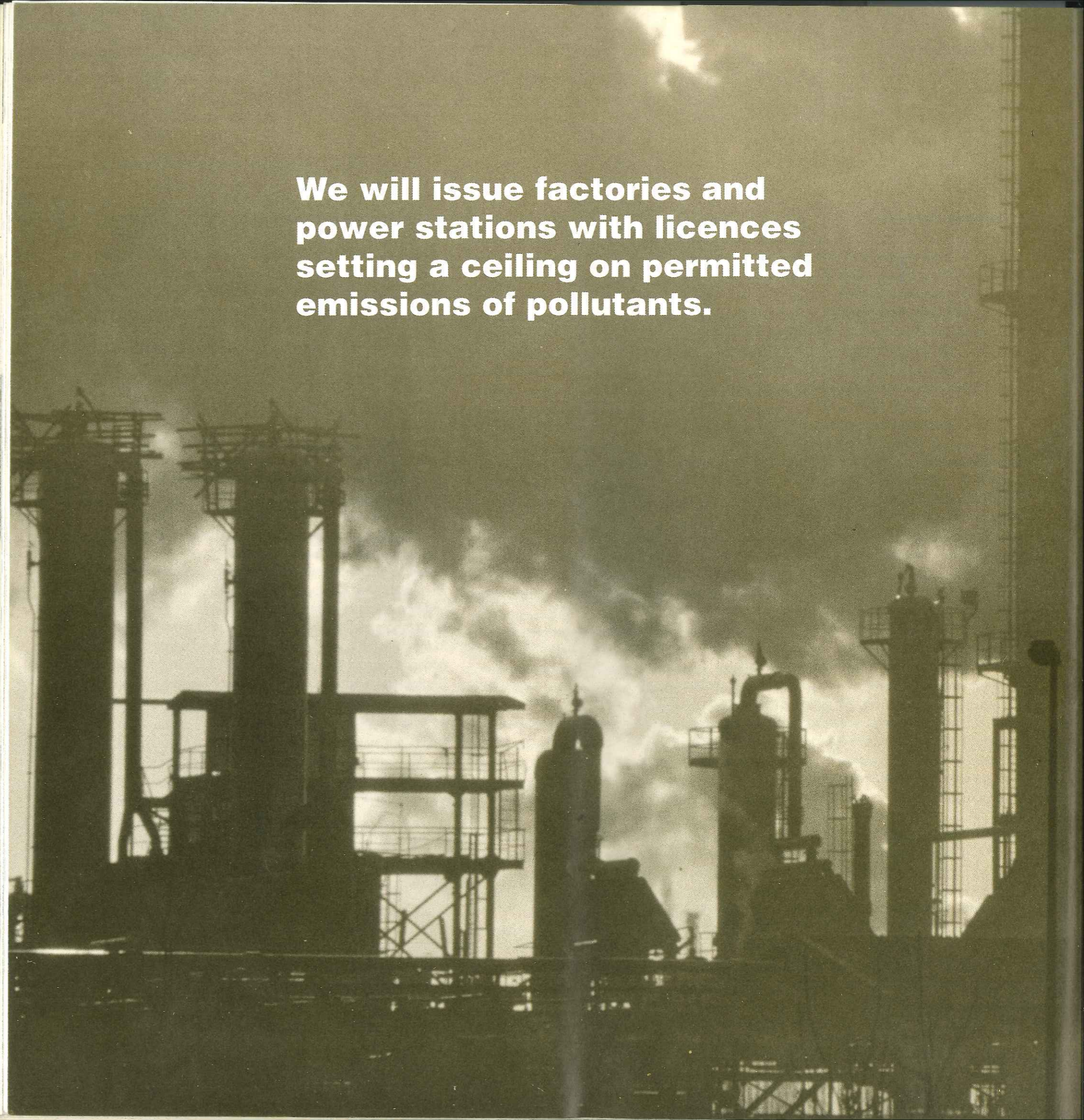
- **Support a Community-wide Energy Tax** on all energy sources. This will be related to levels of carbon dioxide

emitted and will provide a strong incentive for saving energy and investing in cleaner sources. Extra revenue raised through the tax will be fed back into the economy by reducing other taxes such as VAT and by protecting those least able to adapt to the higher price of energy.

- **Invest in energy conservation and efficiency.** We will set new energy efficiency standards for homes, offices and factories, and for products such as light bulbs, fridges and cookers. We will give grants for home insulation and the installation of solar panels, and introduce energy audits of buildings. We will encourage combined heat and power and district heating schemes.
- **Double government spending on renewable energy research.** We will establish a Renewable Energy Office to promote research, development and application, in particular of wave power, hot rocks geothermal energy, passive solar design of buildings, small-scale hydropower schemes and wind energy. We will complete the study on the construction of a Severn Barrage.
- **Start to phase out nuclear fission power stations,** which are prohibitively expensive and potentially hazardous. We aim to complete the phase-out at the latest by the year 2020 (and earlier if feasible), and we will not proceed further with the construction of the Sizewell B PWR. We will continue nuclear research, but at a lower cost. Reprocessing spent nuclear fuel rods increases the volume of waste and should be undertaken only when necessary for safety reasons.

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Air pollution index
Air pollution threatens the health of millions of people – particularly children, elderly people and anyone with a respiratory problem such as asthma. Government monitoring stations measure levels of pollutants such as nitrogen oxides or low-level ozone but fail to publicise them widely. When levels exceed World Health Organisation guidelines, the result is described as 'good' – in other countries it would be called 'poor'. We will increase the number of monitoring stations, ensuring that all major urban areas are covered. We will publish a regular air pollution index and encourage newspapers and TV and radio weather forecasts to use it. This will increase public consciousness of the pollution issue and prove of real benefit to the health of vulnerable people.

Making transport clean and efficient

By expanding the provision and quality of public transport and reducing society's dependence on the private car, we will improve travel efficiency and protect the environment. We will achieve this by:

- **Investment in public transport**, increasing its frequency of service, speed and safety, and reducing its cost to the individual – especially in isolated rural areas where the need is greatest. We will encourage new schemes, using light railways and trams in cities. We will require local authorities to define minimum standards of accessibility in their areas and draw up transport plans which meet them.
- **Immediate improvements in the rail network**, allowing more movement of goods and passengers by rail and less environmental damage. We will construct a high-speed link from the Channel Tunnel to connect with the major rail routes to the North and West, and extend electrification throughout the country. We oppose the privatisation of British Rail, but will allow private operators access to the rail network, while giving BR the freedom to raise investment capital on the open market.
- **A reduction in fuel consumption**. All political parties accept that long-term increases in petrol prices are not only environmentally necessary but unavoidable. We will phase these in gradually by applying our Energy Tax to petrol, while at the same time graduating Vehicle Excise Duty and Car Tax according to fuel efficiency – so that the most efficient vehicles pay least. These price increases will not be brought in unless and until compensation schemes for individuals and rural communities which have no alternative to the use of cars are ready to be introduced. We will scrap the remaining tax breaks for company cars and apply tougher limits to permitted emissions.
- **Assisting people in rural areas** by making concessionary fares on local public transport widely available. We will encourage the use of village minibuses, 'post and passenger' buses and taxi services. People who have no alternatives to private cars will be helped by our plans to graduate Vehicle Excise Duty and by specific target measures to help isolated communities.
- **Action against traffic congestion in urban areas**. We will encourage local authorities to introduce peak-hour bans on

Water District Discount
According to the Government, water bills will rise by 50% within the next few years. For many households (in, for example, Wales), water bills are now higher than bills for all local government services put together. Since 1989 nearly a million summonses have been issued to people who could not pay their water bills.

At present water companies have a Bulk Supply Discount for commercial customers – a 'wholesale price' for their water. Liberal Democrats will alter the licensing conditions for water companies to extend this to groups of domestic consumers who live on large estates and in sheltered housing complexes. This District Discount will keep down bills for elderly people and many low-income inner-city residents living on large estates.

cars, traffic calming measures, car-sharing schemes and further pedestrianisation. We will introduce a variety of road-pricing schemes, in which motorists pay a premium to use highly congested roads at busy times of the day.

- **New priorities for road building**. We will approve major motorway or trunk road investments only where it can be demonstrated that alternative transport provision cannot meet the need at lower economic and environmental cost. Essential new roads and improvements will still proceed, but the creation of a 'level playing field' in decision-making between rail and road will ensure some switch of passenger and freight transport to the railways.
- **The expansion of airports** outside the South East, while at the same time freezing further development at Heathrow, Gatwick and Stansted.
- **Reversing the decline in the Merchant Fleet**. For economic and defence reasons, we will boost British shipping and promote recruitment and training for the Merchant Navy.
- **Environmental planning policies**. We will introduce planning policies which will encourage the building of homes near workplaces, leisure facilities, shops and other services. Where this is not possible, public transport routes must be easily accessible. We will encourage the use of information technology to decentralise work.

Building a sustainable economy

Liberal Democrats aim to build an economy which is not only competitive and enterprising but also *environmentally sustainable*, leaving future generations a wealth inheritance – of knowledge, technology, capital and environmental assets – at least as great as that inherited by the current generation. Our proposals are:

- **A better method of measuring economic progress**. The conventional target of growth in GDP is a poor indicator of progress. We will modify GDP by incorporating measurements of pollution and resource depletion to create a figure for *sustainable* national income. We will also use indicators of social and personal quality of life such as changes in life expectancy, literacy rates and educational attainments to give a better measure of progress. The Prime Minister will present an annual report on changes in

these indicators to Parliament.

- **A system of environmental incentives and penalties.** We will make available grants and subsidies for environmentally friendly activities, such as home insulation, and to help individuals and industry adjust to our new stricter standards for pollution control. We will penalise activities which harm the environment or deplete stocks of raw materials through taxation, so that prices reflect the damage they do. Our new Energy Tax is this manifesto's key proposal in this area. The revenue raised will be used to reduce other taxes such as VAT.

- **Enable consumers to identify and choose sustainable products.** We will introduce new product labels, showing information such as energy consumption during use and the environmental impact of the production process. We will introduce strict standards of life expectancy for consumer durables and encourage deposit-refund schemes. We will improve recycling and waste-disposal systems. We will encourage environmental audits for companies, showing the environmental impact of their activities.

Reviving rural communities

Our policy for the countryside aims both to protect Britain's natural environment and to recreate success in one of Britain's greatest industries, agriculture. The farming industry is passing through a period of profound change; most farmers recognise that the industry must achieve a better balance with the market and the environment. We will help this transition by:

- **Working for fundamental reform of the Common Agricultural Policy.** We want to ease the adjustment from the present price support mechanism towards market prices and direct support aimed at assisting the farming industry in transition and at environmental and social goals. These will be funded by savings made out of the present intervention mechanisms of the CAP.

- **New incentive payments for environmental objectives,** in particular for extensifying food production (using land less intensively), and reduced-input and organic farming. Countryside Management Agreements, described above, will be a key feature in this shift of CAP resources from

price support to environmental goals.

- **Reformed systems of direct support,** aimed in particular at helping family farms and crofts.

- **Introducing renewable limited-term tenancies** for agricultural land, encouraging new entrants to farming. We will encourage local councils to continue to provide smallholdings and to introduce part-time holdings for new entrants.

- **Expanding forestry.** We support the long-term aim of doubling the area of the UK under forestry, but this must include a higher proportion of broad-leafed hardwoods. We oppose the privatisation of the Forestry Commission. We will create more community forests near large towns.

- **Encouraging fishing and fish farming.** We will improve the Government's decommissioning proposals and appraise, with the industry, effective technical conservation measures. We should move towards fisheries licencing and management on a more regional basis to help traditional fishing communities and protect those who fish sustainably, such as mackerel handliners. We will transfer full planning responsibility for fish farming to local authorities, and we will increase research into the environmental aspects of fish farming and diversification. We will work with the EC to counter the dumping of stocks into the Community.

- **The extension of Rural Development Agencies.** These will be responsible for coordinating development and diversification, in partnership with local authorities, the private and voluntary sectors and local communities.

- **Tougher action on food safety.** We will transfer responsibility for food standards from the Ministry of Agriculture to a new Food and Drugs Commission. We will bring in much tighter labelling requirements for all foods, and make funding available for food research and scientific establishments. We will improve consumer representation on government advisory committees.

Our policy for the countryside aims both to protect Britain's natural environment and to recreate success in one of Britain's greatest industries, agriculture.



**3. Britain's
skills:
excellence
for all**

Britain's citizens are our greatest asset. Liberal Democrats will invest in people to enable every individual to fulfil their potential, and, in so doing, build the nation's economic and social strength. We aim to create a first-class education system for all, not just by providing adequate public funding, but also through reforms which increase choice and opportunity for each citizen.

Liberal Democrats start from the belief that every individual, whatever their age, sex, background or ability, possesses a unique potential and a valuable contribution to offer society. Our target is excellence for all. This requires more relevant courses, higher standards and improved provision. Excellence also has a cost. We will guarantee that Liberal Democrats will increase investment in education by £2 billion in the first year, even though this will require an extra penny in the pound on income tax. Our priorities for investment are preschool education, education and training for 16-19 year olds, and adult education

Aiming high; raising standards

Our aim is simple – to give Britain a world-class education system, in which high quality is the key, by the year 2000. We will:

- **Create the framework for high standards** by establishing a single Department of Education and Training with oversight of all education and training. We will set up a National Qualifications Council to coordinate a single system of academic and vocational courses for 14-19 year olds, and a new Higher Education Standards Council to

monitor quality in higher education.

- **Improve inspections.** We will ensure that a fully independent HM Inspectorate of Education and Training, properly staffed and funded, reports on the entire range of public and private provision from preschool education to universities. Local inspectors of schools will be answerable to the Inspectorate, which will also have a new role as Education Ombudsman. We will carry out a School Buildings Audit alongside the regular four-yearly local school inspection, to assess the physical state of schools and equipment. We will reinstate the buildings standards suspended in 1989.

- **Support teachers.** We will set up a statutory General Teaching Council to improve professional qualifications and set standards for teacher training and retraining. We will improve provision for in-service training and career breaks for women teachers with children. We supported the introduction of the Teachers' Pay Review Body and believe it will ensure that teachers are properly rewarded.

Putting education at the heart of the community

Liberal Democrats pioneered Local Management of Schools. Now we aim to increase further the day-to-day independence of schools and colleges within a democratically accountable framework of local education authorities. This includes:

- **A new independence for schools and further education colleges.** We will give schools increased administrative support in return for the wider opening of their facilities to the local community. We will fully fund individual teacher costs. We will encourage every school to enhance its character, ethos and areas of special interest within a more flexible National Curriculum framework. Within this context of greater freedom for all schools, we will end the two-tier system created by Grant Maintained Schools and City Technology Colleges by returning them to the strategic planning framework of the local elected education authority. Strategic responsibility for adult and further education will remain with the LEA. LEA representatives on school governing bodies will reflect fairly the political balance of the authority.
- **A new role for local democracy.** We will require LEAs to

Opening schools to the community

Schools should be seen as a valuable resource, not just for their pupils but for the communities around them. Access to their libraries, computers, meetings rooms, sports halls, playing fields and swimming pools could make a big contribution to community life.

We will encourage all schools to open up these facilities to local people in the evenings, at weekends and in school holidays. Some of our proposed expansion of adult education will be organised in this way. Local authorities – particularly community councils where they exist – will help to provide the administrative support needed to manage such open access.

guarantee a suitable place, with proper support, for every child in education and training up to the age of 19. This will include responsibility for ensuring that schools and colleges meet the highest standards of academic performance, discipline and behaviour, and for providing special services for schools, such as peripatetic music, language development, or behaviour support. Published information about schools and colleges will recognise achievement on the basis of 'education value added' – progress made by pupils – rather than crude 'league tables' of results.

- **Independent schools.** We recognise the contribution to excellence which the best of these schools make, and the right of those who wish to pay for private education to do so, but this should not be subsidised from public resources. We will phase out the Assisted Places Scheme without affecting those already in it, and restore the money saved to state schools. We will review the charitable status of independent schools with the intention of ensuring that the benefits of charitable status are only awarded to those institutions that make a genuine contribution to the wider community.

Educating the individual

Liberal Democrats will ensure that every individual can receive high-quality education and training throughout their life from before school to retirement. But the current system places too little emphasis on vocational achievements.

We will:

- **Guarantee preschool education for every child.** We will guarantee every child access to two years' preschool education with a choice of preschool provision.
- **Introduce a National Record of Achievement.** We will ensure that every pupil has a National Record of Achievement so that progress is properly documented and shared between parents and schools. Supplemented by individual diagnostic testing, this will replace the current Standard Assessment Tasks in order to raise standards.
- **Reduce class sizes.** We aim to reduce maximum class sizes so that no registration class in the country need have more than 30 pupils.
- **Reward academic and vocational achievements.** Our

new National Qualifications Council will develop a modular, credit-based course and examination structure for the 14-19 age group, covering both vocational and academic courses. This will build on a simpler, more flexible National Curriculum and a revised and extended system of National Curriculum levels. Pupils from the age of 14 will study a balanced curriculum around a core of maths, English, science and a foreign language, adding specialisms in academic, vocational or technical courses, some delivered by employers in the workplace. We will ensure that all 14-19 year olds have a personal tutor and careers advice, helping them build the foundations for personal fulfilment and success.

- **Broaden post -16 education.** We will give all 16-19 year olds in work the equivalent of at least two days a week education or training. Courses will be selected by both the employer and the individual and will be accredited as part of our new 14-19 system. Those studying full time will study up to three major and two subsidiary subjects, adding work experience, parenting and citizenship to build a baccalaureate-style programme.

- **Improve Special Educational Needs provision.** We will give every LEA a separate Special Educational Needs service with its own budget for which schools will bid for funding. We will require schools to prepare, for every child with special needs who is not currently covered, an indicative statement to identify needs, set targets and report progress. The service will be monitored by specialists in the local inspection team and in HMI.

- **Enable education for life.** We will give every citizen an entitlement to a period of retraining or education at a time of their choice during their adult lives, based on distance learning costs. We will start by giving this guarantee to those groups most in need, including the long-term unemployed and single parents.

Opening the doors to higher education

Britain's higher education system still provides excellent standards of education, but does so for too few people. Liberal Democrats aim to increase both participation and flexibility in studying for degrees, because not all students want to follow traditional three-year courses. We will:

We will guarantee that Liberal Democrats will increase investment in education by £2 billion in the first year. Our priorities for investment are preschool education, education and training for 16-19 year olds and adult education.

- **Increase the number of students in higher education** to two million by the year 2000. As well as more young people, we will particularly encourage the participation of women, people from minority ethnic and poorer backgrounds, and people with disabilities.
- **Increase flexibility in courses.** We will introduce a credit-based system, enabling students to achieve a diploma after the equivalent of two years, with the option of a further one or two years' study leading to a degree. We will make financial assistance available for part-time study.
- **Open up new opportunities for study.** We will develop distance learning opportunities and extend the franchising of higher education courses so that courses can start at local colleges – helping people who wish or need to study from home.
- **Fund students properly.** We will abolish student loans and restore student entitlement to housing benefit and income support. As our plans for the reform of tax and benefits are implemented, we will establish a Student Income Entitlement and a Student Allowance to which all students, both full- and part-time, will be eligible.
- **Guarantee quality.** Our new Higher Education Standards Council will ensure that as numbers rise, quality does not suffer. We will establish a proper career structure for research fellows and set up a Pay Review Body for academic and non-academic staff to halt the brain drain.
- **Invest in research.** We will immediately increase the science budget to 0.35% of GDP, and raise it steadily thereafter. We will establish a new Humanities Research Council.



**4. Britain's
people:
healthier,
safer and
better housed**