

Pocket Guide to Liberal Democrat Policies

July 2009

A never ending cycle of red-blue, blue-red government has got us into the current economic crisis and political malaise. It is time to try something new. If you want better, choose different, choose the Liberal Democrats.

We are the only party who will put money into people's pockets with fair tax cuts, the only party to offer universal childcare and smaller classes in our primary schools, the only party who would use Gordon Brown's wasted billions to create thousands of jobs today by investing in homes, hospitals, schools and public transport to build the green economy of tomorrow, the only party that will rebuild the jobs, homes and hopes this recession has destroyed.

Nick Clegg

Applicability

Liberal Democrats have championed devolution of powers to Scotland and Wales. That means that policies in those nations are increasingly different from those in England - reflecting different choices, priorities and circumstances, and often the influence of Liberal Democrats in government. This guide sets out our plans for a Liberal Democrat Government in Westminster. Our Scottish and Welsh Parties publish their own policies on devolved matters.

Note

This guide outlines key policies at July 2009. As some policies are updated at each Party Conference, please refer to conference motions or briefings on the party website www.libdems.org.uk as necessary until this guide is updated.

Compiled and produced by:

Liberal Democrats Policy & Research Unit
Liberal Democrats
4 Cowley Street
London
SW1P 3NB



CONTENTS

ECONOMY	4
BUSINESS AND ENTERPRISE.....	5
PENSIONS AND BENEFITS	6
ENERGY AND CLIMATE CHANGE.....	7
NATURAL ENVIRONMENT.....	8
RURAL AFFAIRS.....	9
LOCAL COMMUNITIES.....	10
TRANSPORT.....	11
HEALTH	12
EDUCATION.....	13
GOVERNMENT & CIVIL LIBERTIES.....	14
LAW AND ORDER.....	15
ARTS & CULTURE	16
EUROPE	17
INTERNATIONAL AFFAIRS AND DEFENCE	18

ECONOMY

We are facing the worst recession this country has had in decades. After years of boom and bust under the Conservatives we now have more of the same under Labour. Millions of people are worried about their jobs and how they will pay their bills. At the same time we have a tax system that lets big business and the super rich treat tax as if it is optional and the rest of us end up paying more. Gordon Brown allowed the economy to get out of control by letting people get into too much debt and house prices to get too high. We believe that people need help now to get through the recession. We would create a stable economy where ordinary, hard-working people can get ahead and big business and the super rich pay their fair share.

Cutting taxes for ordinary families – We will make the tax system permanently fairer by cutting income tax for people on low and middle incomes. By raising the threshold at which people start paying tax we will take over 4 million people out of tax and cut people's income tax bills by £700. We would pay for this tax cut by closing tax loopholes which benefit the wealthy such as by restricting tax relief on pensions to the basic rate and taxing capital gains as income. We would also crack down on tax avoidance pursued by the very wealthy and big business.

Stabilise the economy; crack down on the city – We were the only party to warn that Gordon Brown's boom built on debt and vastly inflated house prices would lead to bust, now we are the only party with a plan to stabilise the economy and crack down on the city. We will ensure that bankers are never rewarded for taking short term risks at the expense of long term stability. We will separate banks so that people who simply want to save their money in a high street bank don't have their money put at risk by investment banks taking high risk gambles. If a bank wants to take high risks we will regulate them to ensure that if it fails it doesn't bring down the whole financial system and if it makes mistakes we will let it fail.

Tackle repossessions; create new jobs - We will instruct the courts to ensure that repossession is a last resort, mortgage lenders would need to prove that they had exhausted all other avenues such as a loan renegotiation and shared ownership. We would use the remaining billions Labour is continuing to waste on the VAT cut to create jobs for today and assets for the future. This would include insulating people's homes and upgrading rail services.

Using economic instruments to benefit the environment – Environmental taxes and traded permits can be used to encourage people to act in an environmentally sustainable way. We will launch an Environmental Incentive Programme within the Treasury to advise government and Parliament on ways to reform taxes and incentives to encourage sustainable development. Green taxes mean taxing differently – not taxing more.

BUSINESS AND ENTERPRISE

We will reduce the administrative burden on business, by reducing the regulatory demands made by Whitehall. We will consult with business to generate a list of specific regulations for repeal, reduction or simplification. We will also end gold-plating of European Directives. We'll introduce independent checks on the costs and benefits of regulations. We will cut business rates for small business and make Government contracting more transparent, to help smaller firms succeed.

Set business free – We will cut red tape to enable business to get on with business. We will cut business rates for small businesses, beef up competition policy and make government contracting more transparent.

Protect the rights of the consumer – We will ensure customers get a fair deal by making watchdogs more powerful and accessible. We are about to publish a major review of UK consumer policy for the September 2009 conference.

A brighter future for post offices and Royal Mail – The post office network is in severe decline after decades of under-funding and neglect. Our policy would free Royal Mail to invest £2 billion for real investment and secure the future of the post office network.

Accounting for the environment – UK companies are responsible for 12-15% of emissions globally. Britain must take the lead in calling for effective, standardised and simple environmental reporting for business. We will improve environmental reporting so that large- and medium-sized organisations, and all government departments, are able to produce accurate one page reports. These will show emissions levels and the amount of raw materials and sustainable sourcing used. All small organisations will be assisted in achieving environmental targets.

Growing green business – We will create real incentives for businesses and individuals to go green. Through our green tax switch and changes in general demand environmentally friendly technology can become a booming market. We want to make Britain a leading exporter in technology that is both environmentally friendly and cutting edge.

Fair trade – Rich countries still operate subsidies and tariff barriers that hit the poorest countries in the world. We will seek to break down these barriers, and promote trade and investment in developing countries. Dumping of subsidised agricultural exports by developed countries wrecks local farming in Africa and other parts of the world. This scandal must stop.

PENSIONS AND BENEFITS

The pensions and benefits system is unfair. Complicated forms and endless phone calls mean that many end up not getting the help they need. In the recession more people are finding themselves reliant on unemployment benefits for months on end with no help to get a job. We believe that people who want to get ahead should be supported and older people deserve a pension they can live on. Those without a job need help to get back into work and earn a decent living. People who've fallen on hard times should get a helping hand. We have affordable plans to increase the basic state pension and link it to earnings so pensioners are better off. We will make tax credits simple and stable.

Introduce a Citizen's Pension – We will immediately re-link increases in the state pension to increases in average earnings so pension living standards don't fall behind the rest of the population. However, this is just a stepping stone before we introduce a universal state pension based on residency in this country, the 'Citizen's Pension' which will be set above the poverty line so all pensioners can have a decent standard of living.

Reform the Tax Credit system – Low income families should be able to sleep easy at night knowing that the payment they receive is right and won't be clawed back. We will make payments fixed for 6 months (unless a family experiences a large and unexpected drop in income) so families are not constantly paying tax credits back. We will also reduce the number of people eligible for Tax Credits who are on higher incomes and use the resulting savings to increase education spending for the most deprived children.

Make the benefit system simple to understand – The benefits system is too complicated it stops people getting the cash they are entitled to and that they need to get by. We will make the system simple – everyone would get the same benefit (with top-ups for those with extra needs such as a disability) which would make it clear everyone would be better off in work.

Reform back to work support for the unemployed – We will change the way Jobcentres help people find work. When people go into a Jobcentre they will be able to talk about what help they need to get back into work and Jobcentres can then get them that help. People who have lost their jobs will be offered help from day one and also be offered debt and financial advice.

Provide more support for people with disabilities – We will help severely disabled people of working age with their fuel bills by giving them the same Winter Fuel Payment that pensioners receive.

Fuel poverty, green solutions – 5 million and rising households live in fuel poverty – that is, they have to spend 10% of their income on heating. If we are to improve the lives of the poorest in society, we must reduce fuel costs by improving energy efficiency. This will also play a major role in reducing the UK's carbon dioxide emissions. We will subsidise home insulation to cut heating costs and we will ensure that energy utility companies no longer penalise the poor by ending differential pricing and increasing social tariffs.

ENERGY AND CLIMATE CHANGE

Climate change is getting worse and could destroy our way of life. We must act now. Going green is hard, but the Government is not making it any easier. Liberal Democrats take the environment seriously. We believe that there is a huge opportunity to get out of recession by going green – strengthening the economy, creating new jobs and improving the quality of people's lives. We will insulate every home so that it is cheaper to keep warm and pollutes less. We will protect the parks, countryside and coastline. We will stop building nuclear power stations and instead use Britain's natural resources of wind and wave power.

A green road out of recession – We will create a green fiscal stimulus package based on useful investment. This will include funding insulation and energy efficiency, insulating every school and hospital in 5 years, purchasing hundreds of new trains and investing in rail infrastructure, building 40,000 extra zero-carbon social homes and the roll-out of 'smart meters' so everyone has one within 5 years. We will start spending this money quickly so it will have an immediate effect on the economy – immediate jobs, cuts in family bills and improvements in people's ability to travel.

Warm homes for all – We will insulate all homes to a decent standard within 10 years. We will raise the requirements of Building Regulations to ensure that all new homes are energy efficient from 2010. We will use 'Green Loans' to encourage people to invest in home energy efficiency and micro-renewable energy.

Fair fuel prices – We will require energy companies to charge families less for a basic amount of energy used, to encourage responsible use. We will also introduce a fair social tariff system for disadvantaged families.

No to nuclear, yes to renewable – We oppose the building of new nuclear power stations. Instead we will use guaranteed prices to drive a massive programme of investment in renewable energy sources such as wind, wave and solar. We will also transform the National Grid into a smart grid which will respond dynamically to the changing pattern of energy demand.

A zero-carbon Britain – We are the first party to aim for a carbon neutral Britain where we absorb as much carbon as we emit by 2050. We will provide incentives for renewable technologies to speed up the move away from dirty energy to renewables and make Britain a greener, healthier place to live. Investing now in the green technologies of the future could deliver hundreds of thousands of new and better jobs in the years to come.

Taking the global lead in tackling climate change – We will prioritise achieving a global agreement in Copenhagen providing leadership for an international framework that will enable each country to manage a transition to a low-carbon economy. We will help developing countries to mitigate and adapt to climate change, including working for the establishment of an International Leapfrog Fund to invest in low-carbon technologies and energy efficiency in developing countries.

NATURAL ENVIRONMENT

The Liberal Democrats want to see clean water, healthy soil and sustainable food. Britain's countryside is breathtaking, and we are a nation rich in plants and wildlife and beautiful open spaces. For nature's beauty to be maintained and enhanced our countryside must be looked after. We will use its resources more wisely. We will protect the parks, countryside and coastline. We believe everyone has a part to play also that everyone should be able to reap its benefits.

Enhancing Britain's natural environment – We believe in a universal right to responsible, managed access. We will promote schemes to enhance wildlife protection and help species adapt to the affects of climate change, for example by linking up habitats of rare species. At sea we have plans for strengthened regulation to protect the marine environment. We also want to promote policies that reconnect people with the natural environment through education, access to allotments and support for reserves and conservation projects.

Saving money by saving the planet – We will tackle the rising levels of waste (a major source of green house gases and landfill) by acting to reduce packaging and recycling the rest. We will use waste to create cheap and renewable energy.

Tax pollution not people – We want to reverse the decline in green taxation under Labour, and use the revenue to cut income tax for the worst off. We will cut income tax and increase taxes on carbon emissions and other resource usage that cause global warming. So the more you go green, the more money you save.

We will help farmers help the environment – We believe that the CAP should be replaced gradually with a new European Sustainable Rural Development Policy. This would help farmers to get a fair price for their produce, encourage home grown food, deliver an appropriate level of food security, enhance biodiversity through habitat management and conserve our countryside, support rural economies, help tackle climate change, ensure cleaner water and protect water supplies. The reformed policy must allocate Rural Development Funds to member states on objective needs-based criteria, replacing the current arrangement that has left many parts of the UK, particularly Scotland and Wales, short-changed for decades. We believe that more responsibility for implementing policy on conserving fish stocks should be worked out regionally. Decisions on fisheries management should be made on a regional basis, with more powers being given to fishermen, scientists and communities through Regional Management Councils.

Adapting climate change – We will instil new urgency in the drive to adapt to the consequences of climate change, in particular by improving management of water resources and by enhancing flood defences through investment in infrastructure and better coordination of the responsible agencies. We will work with water companies to deliver long term solutions to reduce impact and deliver sustainable secure supplies.

Supporting developing nations in tackling climate change – We will support developing nations with our leap frog fund to jump dirty high carbon development by transferring renewable and low carbon technology to those countries which need it most.

RURAL AFFAIRS

The Liberal Democrats are the only party with the vision, commitment and political drive to deliver positive change which will in turn safeguard the future of our rural communities. We want living communities with affordable homes and successful economies. We believe that no matter where you live local services should be affordable and accessible. We will stop big food companies bullying farmers, we will cut taxes for village shops and pubs to help them get through the recession and open more post offices in rural areas.

Breathing new life into rural Britain – The Post Office is the hub of many small communities and we will invest to ensure that they stay open. We will deliver on Lord Carter’s review of broadband coverage and quality in remote areas. We will also seek EU permission to grant lower fuel taxes. We will give local councils greater powers to regulate bus services according to rural community needs. Village pubs are a vital lynchpin of many communities but are increasingly under threat, so we’ll extend the discretionary local 50% rate relief scheme for village shops to sole village pubs and act against unfair practices in the brewery trade.

Fair deal for farmers – We will ensure farmers and consumers get a fair price for food by creating a legally binding supermarket code enforced by an independent Food Market Regulator. To ensure prompt farm payments, we will cut red tape by simplifying the application processes and raising the minimum threshold for payments to £250. We will use savings from this reform in a Hill Farming Apprenticeships scheme to ensure there is a new generation in farming.

We will help farmers help the environment – We will accelerate the replacement of CAP production subsidies with payments for social goods, such as good environmental practice. We will also nurture the market for bioenergy through longer-term targets under the Renewable Transport Fuel Obligation, a new assurance scheme to ensure bioenergy is sustainably produced and transported, and reform of existing woodland tax breaks.

Affordable housing in rural areas – We will provide more homes for local people by increasing councils’ planning powers over second homes and promoting schemes such as Equity Mortgage affordable homes and ‘Home on the Farm’ which encourage farmers to convert existing building into affordable housing.

Warm homes for all – Fuel poverty is twice as bad in rural areas as in urban areas. Yet rural areas have received as little as 5% of Government grants to upgrade their insulation and heating even though rural areas account for a fifth of the population. Because many rural homes are off the gas network and both expensive and environmentally costly to heat, we will make homes that are dependent on fuel oil a priority for micro-renewable energy and energy efficiency measures.

LOCAL COMMUNITIES

Too often people's opinions about what happens in their area are ignored. Big developers and faceless bureaucrats have far more power than local families in deciding where new buildings go up, taxes we pay locally disappear into the Treasury and are spent elsewhere, and there's a postcode lottery in too many public services. Liberal Democrats will do things differently, because we believe local people and families know best how things should be done in their area. We will scrap all the silly targets the government sets, make sure local taxes are spent locally and give people a real say over things like their local NHS, neighbourhood policing and new housing.

Provide affordable homes – We will release public sector land to Community Land Trusts, taking out the cost of buying land to develop, so they can build thousands of affordable homes for their local communities. We will end the unfair tax on Council tenants' rent, allowing local councils to reinvest rent in building new social homes in their area. We will cut VAT on repair and renovation to encourage developers to repair and re-use empty buildings and brownfield land, rather than always building over the countryside. In areas where second homes are overwhelming the local housing market and harming local communities, we will give councils the power to require planning permission before turning another full-time home into a holiday home.

Axe the Council Tax and replace it with the fairer local income tax – Council Tax bears no relation to people's ability to pay and penalises pensioners and people on low incomes, who pay a far higher proportion of their income in tax than the very rich. We would scrap the Council Tax and replace it with Local Income Tax, which is fair and affordable.

Putting communities in charge – We will return Business Rates to local control so local people decide how their locally raised taxes are spent.

Provide affordable homes – We will devolve powers and responsibilities to local people and their councils, freeing them from stifling Whitehall rules and targets. Communities will be free to set their own priorities and targets, and will be given the flexibility they need to tackle the issues they face by giving a power of general competence to councils. We will scrap bureaucratic quangos like Regional Development Agencies that Labour has allowed to take crucial decisions about where new houses should be built and will give the power back to local communities. We will give local people a say in how health and police services are run through democratic local health boards and police authorities.

TRANSPORT

The transport system is in a mess. There is too much traffic on the roads, trains are expensive and overcrowded, and buses are too few and far between, particularly in the countryside. We believe buses and trains should be affordable and reliable so people can have a real choice about how to travel. That's how we can cut pollution and make it easy for people to leave their car at home. We will open new railway stations and new lines with high speed trains between cities. We want local people to have a say on bus fares and routes in their area. We want to cut the number of lorries on our roads to reduce congestion and cut exhaust fumes.

A modern, viable, accessible transport system – We believe people have a right to safe, reliable and affordable transport choices wherever they live. We will build a national rail network fit for the demands of modern Britain, including commencing a priority programme for high speed rail and introducing a rolling programme of rail expansion schemes in local areas including opening new lines. We will give local communities more control over local transport by enhancing the powers of Integrated Transport Authorities and local authorities to control bus routes, timetables and fares.

An environmentally friendly transport policy – We reject the Government's failed 'predict and provide' approach to aviation and would not build any new runway capacity serving the south east of England. We also reject any major new programmes of road building and would invest in public transport instead. In terms of car use, we will introduce strict new targets on new car emissions – to at least 120g/km on average by 2015 at the European level. A revenue-neutral motorways and trunk roads pricing system would replace Vehicle Excise Duty and lower harmful motor emissions while costing rural drivers less.

Sustainable methods of moving freight – We will ensure good rail paths on key strategic freight corridors, facilitate the maximum use of inland and coastal waterways and encourage research and development into low-carbon technologies for freight vehicles.

More power to local authorities – Labour has failed to tackle congestion in Britain's towns and cities. The planning system should be used to minimise the need for car use. We will include promotion of safer cycling and pedestrian routes in all local transport plans. We will end the highly centralised approach to planning and empower local authorities to deal with issues such as traffic target resolution and the regulation of local bus services.

Green zero-carbon vehicles - We will set a zero emissions target for all new cars by 2040. We will also extend targets to all other vehicles, to ensure that by 2050 all freight vehicles are running on electricity, sustainable biofuels or other renewable fuels.

HEALTH

The NHS treats most people very well but too many mistakes are still made and standards of care are patchy. Too much money is being wasted on bureaucrats. Doctors and nurses spend too much time trying to meet government targets rather than caring for patients. Liberal Democrats believe that patients must come first and that services would improve if local people had a say in how the NHS is run. We will scrap targets and guarantee you get your treatment on time. We will give people the power to stop hospital closures in their area through elected local health boards.

Scrap targets; guarantee patient rights – We will scrap targets and introduce a Patient's Bill of Rights, we will make sure that you can get your treatment on time or the NHS will pay for you to go to a private provider.

Elections to local health boards– We believe that people are best able to determine the priorities of the NHS in their area so we will give local people control over their NHS by holding elections to health boards.

Universal care guarantee – We will end the pernicious means-test for social care. We believe care should be based on need not ability to pay, so we'll introduce care payments for the elderly to ensure that everyone in need gets an adequate level of support.

End the inequity in NHS funding – We believe that each part of the country should get its fair share of NHS money. We will set up a new independent body to allocate money where the NHS needs it, not where politicians want to channel it.

Improve access to treatment for people with depression and anxiety – We will increase capacity within the NHS so that people with depression and anxiety can get access to treatment that works.

Patient advocates – We believe that independent advice can help empower patients to make the best decisions about their care so we will offer help to 500,000 people by piloting a network of patient advocates dedicated to providing information, guidance and support.

Tackle the dentist crisis – We will create incentives for dentists to treat patients in the greatest need. The performance of our dentists will be monitored to ensure that standards are kept high. We will also promote good oral health.

Tough action on the big public health challenges – We are facing huge public health problems – obesity, alcohol abuse and smoking remain the biggest cause of preventable deaths. We will give clear messages before lecturing and blaming individuals, we will promote transport schemes that encourage walking and cycling, we will make sure all food labelling uses the traffic light system, and we'll set a minimum price for alcohol.

EDUCATION

Liberal Democrats want all children to get the best of starts in life. We will invest in shared parental leave so that parents get a real opportunity to bond with their children and offer free and high quality pre-school childcare to all children. When it comes to school, every child is different, so teachers need to be free to teach children in different ways and get the very best from them. Liberal Democrats want every child to get an excellent education and we will cut class sizes, set teachers free to spend more time in the classroom and raise standards in every school with more money for things like one to one tuition. At university, we will scrap tuition fees for full and part-time students

Providing the best start for children and the best deal for families – We will provide 19 months of shared parental leave to new parents, making it easier for fathers to play a fuller role in their children’s early life. In addition we will focus our efforts on improving the quality of childcare and we will extend the current early years entitlement to all children from 18 months up to the start of school, for up to 20 hours a week.

Pupil Premium – We will close the gap between children from rich and poor families by providing £2.5bn of additional investment to bring the funding of the poorest and most educationally disadvantaged one million children up to levels in private schools. Within one parliament we will extend this pupil premium to other disadvantaged pupils. We will enable schools to spend the pupil premium on cutting class sizes, boosting one-to-one tuition, financial incentive for teachers to work in the most challenging schools, extended schools days or after-school tuition and holiday support. We will cut class sizes for children aged 5-7 to private school levels – to around 15 children per class.

A broader curriculum, better teaching – We will scrap the National Curriculum and replace it with a slimmed down Minimum Curriculum Entitlement. In conjunction with this we will introduce a General Diploma to be taken by all pupils, incorporating within it existing academic qualifications including GCSEs, A Levels and existing proven vocational qualifications. Testing has become an obsession of this Government. We will radically slim down the system of national testing and reinvest the savings made into supporting early interventions to help improve pupils’ literacy and numeracy and ensure that no child gets left behind.

Free tuition for first higher education degree qualifications – We will provide free tuition for a qualification up to and including first degree level, to be taken full-time or part-time, as suits the individual. We will improve access to higher education for under-represented groups and reform the existing bursary scheme to make it available more fairly across universities on the basis of encouraging study of shortage subjects and rewarding good performance at university.

High quality vocational training – We will fully fund the off-the-job training costs of apprenticeships and develop a national application system for apprenticeships similar to the Universities and Colleges Admissions Service.

GOVERNMENT & CIVIL LIBERTIES

Your privacy's being undermined. There are plans for intrusive ID cards, and the Government snoops into our lives and keeps losing private information. Liberal Democrats will stop identity cards and use the money to pay for more police. We'll introduce a Freedom bill to protect your privacy.

The way Britain is run means the Government doesn't have to listen to you – one party can get control over Parliament even if only a quarter of people support them. Liberal Democrats will stop MPs from fiddling expenses – and stop big donations too. We'll give you a fair voting system so everyone's opinion counts equally.

For the people, by the people – We will involve the British people in producing a written constitution. This would reform and reinvigorate the democratic process, putting individuals back in control. We will simplify the system for petitioning Parliament and ensure petitions are considered and acted upon. We will lower the voting age to 16, establish a fair, proportional voting system for elections to Westminster and local government, and decentralise decision making. We will reform the House of Lords, replacing it with an elected second chamber.

The power to be different – We will implement the devolution of power to parish, town and community councils so that local people are making the decisions that will affect their communities. Councils will be allowed greater financial independence and autonomy by increasing the amount of money councils spend which is raised locally; in the long term 75% (rather than the current 25%) of total revenue should be raised locally.

Open Government – We will operate transparent and open government with strong Freedom of Information legislation. The Data Protection Act will be reformed to accurately reflect the nature of today's surveillance society. We will increase the accountability of the Information Commission and review its funding.

Stop government interference in our lives – We will introduce legislation to protect our most important liberties. We will remove the right of the state to retain DNA records of people who do not have a criminal record, restore the right to protest, revise Control Orders, and protect judges' independence. We will also scrap ID cards and use the money to pay for more police.

Restore the public's trust – We support reform of party political funding with caps on individual donations and procedures to ensure transparency in party spending.

Firm but fair on immigration and refugees – We will create an integrated border police force bringing back entry and exit controls to monitor movement in and out of Britain. By running immigration and asylum services fairly and efficiently, we will ensure that all migrants pay their way through taxes and we will cut the number who work illegally.

LAW AND ORDER

People's lives are being ruined by crime and they don't feel safe in their own homes or their neighbourhood. Too many criminals are not caught or punished. Liberal Democrats believe that tackling crime is about catching criminals and making them pay for what they have done. We will put 10,000 more police on the streets, give victims and local communities a major say in punishing offenders and make prisoners work and pay into a Victims Compensation Fund.

Together we can cut crime – We will put up to 10,000 more police officers on the street, paid for by scrapping the ID card scheme. We will make police forces accountable to elected authorities, which are able to defend local priorities, set budgets and vary taxes where necessary. Local communities will have the power to tackle minor cases of anti-social behaviour through new community panels where offenders have to make amends to victims and communities through visible community sentences.

Make prisons fit for purpose – We will reform the prison system so that the most dangerous and serious offenders are housed in adequate facilities with greater emphasis on rehabilitation, restorative justice, drug, alcohol and mental health treatment. We will ensure that all prisoners have access to education and training as a route into work to reduce the likelihood of reoffending.

Make prisoners support their families and compensate their victims – We will ensure that progress is made towards better paid work for prisoners including a scheme in which a proportion of money earned will be paid into a common fund for victims. Prison-based work schemes will be expanded to provide previous offenders with realistic alternatives to crime, easing the pressure on the prison service and on the British tax payer. We will allocate resources to new secure mental health and drug treatment centres rather than new prisons.

Guns and gangs – We will set up a 24-hour border force that would incorporate immigration, customs and police at all UK ports to stop the presence of guns on our streets. Local authorities and police would be given real power to tackle gun and gang crime locally. We will also ensure that areas where gun crime incidents are high are allocated additional resources.

Tackle terrorism – We will reform our courts to prosecute terror suspects more effectively. Restrictions imposed on people without trial risks increasing support for extremists. Our reforms - intercept evidence in court, and questioning after charge – will be effective and fair. We will improve co-operation between UK anti-terror bodies and reach out to young men in Muslim communities.

ARTS & CULTURE

Britain's rich heritage has a major impact on the quality of our communities and provides many of the most fulfilling moments in our lives. We believe that everybody should have the opportunity to participate in and enjoy a diverse range of cultural and sporting experiences. We will increase funding to community sports and help to improve the health of the whole nation. We will secure arts and heritage by restoring the independence of National Lottery funds. We will also ensure that public service broadcasting remains strong, free from interference and securely funded.

Cultural Britain – We recognise the enormous contribution that arts, heritage and culture make to the lives of citizens and to the economy, and the part they can play in education. The arts play a major role in building Britain's reputation worldwide. The country's museums play a vital part in community regeneration, but they have been neglected under Labour. We will invest in museums and galleries and in Arts Council England's core budget.

Free Media – Essential to a free society is a strong and diverse media free from government interference and pressure. Independent, impartial and trusted media sources are needed across the UK and its nations and regions. We will ensure that public service broadcasting remains strong, free from interference and securely funded, not least to provide impartial news, independent of political and commercial pressures. We also recognise the vital roles that commercial radio, television and new media play. We will foster a climate in which diverse ownership and competition can thrive, and provide flexible regulation that adapts to the rapidly changing media environment.

Sport for all – Promoting sport and exercise as part of a healthy lifestyle is an important part of public health. We will use large events, like the London 2012 Olympic and Paralympic Games, to inspire the whole nation to get active. Having opposed Labour's raid on Lottery-funded sports bodies, we will provide investment for community and schools sports activities and sports facilities. We will give sports fans a better deal by ensuring that they have a greater say in the running of their sports and by reviewing the events broadcast on terrestrial television.

EUROPE

We can't tackle all of Britain's problems alone. It's clearer than ever that our fate is closely tied to what happens in other countries. In addition to the global economic crisis there's climate change, international crime, people-trafficking and terrorism, all of which cross borders. The health of our economy is linked as never before to the health of those we trade with. It is essential that we work with other European countries to help us all pull through recession. Britain can and should lead in Europe making our country stronger and more prosperous, championing a brighter, safer future both at home and abroad.

Create more jobs and chart a green road out of recession – We will work to create new jobs by breaking down trade barriers across Europe. We want to create jobs in green industries, put money in people's pockets from saving energy and build a transport network we can be proud of. We will encourage other EU countries to put in place similar investments to ensure we emerge from recession stronger and greener than before.

Make banks work for us – We will keep an eye on how banks are operating across Europe and get a grip on the behaviour of credit institutions. We want more co-operation in Europe between national financial services authorities and the European Central Bank.

Promote free and fair world trade – We want the EU to promote a world trading system that is both free and fair. That means a liberal and open system that increases economic growth and jobs, but that takes account of environmental and social standards too. The EU has a key role to play in salvaging the Doha development round of the WTO, including eliminating trade barriers and production subsidies in agriculture.

Catch criminals, sex offenders and terrorists – We support greater co-operation between police forces such as the European Arrest Warrant that helps Britain swiftly bring back suspects to face justice in this country.

Ensure green, affordable and secure energy supplies – Britain has the potential to lead the world in renewable energy particularly wave, tidal and wind power. Our goal is for Britain to source all energy needs from within the EU by 2030 and become a net exporter of energy by 2050. This will deliver secure supplies of cleaner energy and lower bills.

A fair deal for shoppers and holidaymakers – We want to open markets in Europe and force down the costs. Liberal Democrats stood up for holidaymakers by slashing mobile phone roaming charges, blacklisting unsafe airlines and introducing flight delay refunds. We will continue to fight for a better deal for Britain's consumers.

Replace the Common Agricultural Policy – We will replace the CAP with a new policy that strengthens agriculture, ensures fair trade for farmers and delivers sustainable development of the countryside. This would help farmers to get a fair price for their produce, conserve our countryside and help rural economies.

Reform the EU budget to get better value for money – The EU budget is in urgent need of wholesale reform so that money is spent only on the things the EU really needs to do.

INTERNATIONAL AFFAIRS AND DEFENCE

Liberal Democrats will put the British values of decency and the rule of law back at the heart of our foreign policy. We will always put the country's security first, but national interest demands that we work with allies, stand up for human rights, and help people in the poorest parts of the world. We ask a huge amount of our armed forces, but they have never been properly rewarded with the pay and conditions they deserve. We will make the welfare of the men and women of our armed forces a priority. We would give them a fair deal and reward them properly. We would spend taxpayers' money more effectively on equipping our armed forces properly for the tasks of the future.

Iraq war and torture inquiries – We want a full inquiry into the Iraq war with meetings held in public. We also want a full judicial inquiry into British collusion in torture and extraordinary rendition. We want to see rules upheld and international law observed. To meet the challenges of economic globalisation, international terrorism and climate change we must work effectively with our partners in the UN, the EU, NATO and the WTO.

Lead the campaign to make nuclear weapons history – We believe that multilateral disarmament is the best way to work towards the eventual eradication of nuclear weapons. We would immediately halve the UK's stockpile of warheads. We would use this policy to kick start multilateral disarmament at the 2010 Non-Proliferation Treaty Review Conference.

Hold a new Strategic Security and Defence Review – British defence policy is based on an out-dated strategy written over 10 years ago. Its assumptions have been undermined by Iraq and Afghanistan and the black hole in the defence budget. It is time for a thorough wide-ranging strategic security and defence review.

Play a leading role in European Defence Cooperation – If Britain is to continue to have the capability to be a force for good in the world that will require far greater cooperation and collaboration with NATO and EU partners. Through joint procurement, sharing of equipment and better competition in defence markets, Britain can still be a force for good and get better value for the tax payer.

Liberal Britain, Liberal Europe - Liberal Democrats have argued for a referendum on whether Britain stays in or leaves the EU. We are the only party confident enough to put the pro-European case to the British people on the big issue facing us – and let the people decide. Britain will only win the case for a flexible, democratic Europe in Brussels if we settle the arguments at home on whether this country should be part of the EU or not.

Meeting Britain's promise on aid – We are committed to realising a world free from poverty. In order to help achieve the UN Millennium Development Goals by 2015 (which include eradicating extreme poverty and hunger, providing universal primary education, and combating HIV/AIDS) the UK needs to provide more effective international assistance. Liberal Democrats will increase aid spending to 0.7% of gross national income.