

GWE BUSINESS WEST ELECTION 2010 BRIEFING

This briefing provides a quick introduction to the General and Local Elections 2010. The first part covers the General Election, with an initial analysis of the current situation in the House of Commons, the swing needed for a change of government and what happens if we have a hung parliament.

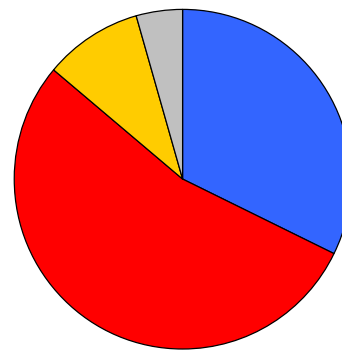
There then follows a short commentary on the key issues from the 3 main party manifestos relevant to GWE Business West and business generally – summaries of all 3 manifestos are included in the Appendices.

The final section looks at the current situation in our area of operation in terms of both MPs constituencies and local council elections across the West of England, Swindon/Wiltshire and Gloucestershire.

1. CURRENT HOUSE OF COMMONS SEATS

Conservatives	210
Labour	349
Liberal Democrats	62
Other	29

Current House of Commons Seats



■ Conservatives ■ Labour ■ Liberal Democrats ■ other

Labour currently has a majority of 48 seats. Boundary changes have created 4 new seats this time.

650 seats will be contested on 6th May, so 326 seats are needed for an absolute majority (a number of complications exist within this figure – Sinn Fein, Speaker etc).

Labour lose absolute majority	1.6% swing against labour
Conservatives largest party, but no majority	4.3% swing against labour
Conservatives gain overall majority	6.9% swing against labour

If Labour lose 24 seats they lose their majority and the Conservatives need to gain 116 seats to win with a majority. Anything in between is a hung parliament where no party has overall control. According to a recent British Chambers of Commerce survey nearly 2/3rds of businesses are concerned about the potential impact of a hung parliament and what it might mean for decision making (more details available on their website www.britishchambers.org.uk).

The latest opinion polls (26-4-10) predict the following:

Conservative	35%	276 seats
Labour	28%	259 seats
Lib Dem	29%	86 seats
Other	8%	29 seats

In this situation the Conservatives would be the largest party, but would be short of a majority by 50 seats. However, the polls are changing daily!

A full analysis of the actual results and what they mean for business will be available from GWE Business West in the week following the election.

2. A HUNG PARLIAMENT

As more and more of the political pundits are predicting a hung parliament, what does it actually mean? If on May 6th the vote is undecided and the results do not return one party with an overall majority, then Gordon Brown remains in power until he resigns.

Alternatively the largest party could decide to form an alliance with a smaller party. This usually means policy concessions and allowing members of the smaller party a seat on the Cabinet. The Liberal Democrats have already stated that they would not form an alliance with Labour if Gordon Brown remains as leader, and all 3 main parties are expressing concern over this outcome.

Another possibility is for the largest party to form a minority government with no agreements with other parties and just try to form majorities in favour of each individual bill as it comes up. The concern here is that very little gets agreed and that decisions will take a long time.

If no party is prepared to go down one of these paths then parliament will be dissolved again and there will be another election, although this is less likely to happen because two elections so close together would be unpopular and the result would probably be the same.

The last time this happened in the UK was in the first of the two elections in 1974 where there was no outright majority. Labour won 301 seats compared with the Conservative Party's 297. Harold Wilson formed a minority government, but it did not last for long, with another election in October 1974 giving Harold Wilson a slim majority of only three seats.

There was also a hung parliament following the 1929 general election, with Ramsey MacDonald's Labour Party winning 287 seats to Stanley Baldwin's Conservatives' 260 and David Lloyd George's Liberals' 59.

Occasionally, parliaments have also become hung parliaments in the middle of a session as a result of by-elections, as happened to John Major's Conservative government in 1996. But that still means there have only been a handful of hung parliaments in the UK (info from BBC elections website – see below).

FURTHER INFORMATION

More detailed information on polls, constituency predictions and other election information can be found on the online election sites at The Times and the BBC:

http://news.bbc.co.uk/1/hi/uk_politics/election_2010/8609989.stm

http://generalelection2010.timesonline.co.uk/#/Election05/Seats_Won

3. KEY ISSUES FOR BUSINESS

From a business perspective the 3 main party manifestos provide some encouraging and some difficult policies/promises. Below are some of the highlights, with more detail on the Conservative, Labour and Liberal Democrat Manifestos available in the appendix.

The key points of interest are drawn out under the following headings:

- Tax increases
- The Economy & Public spending cuts
- Housing and planning
- City and regional governance

TAX INCREASES

One of the major concerns for business is the proposal by Labour to increase National Insurance Contributions by 1% in 2011. In a recent survey by British Chambers of Commerce this increase was identified as the most damaging tax rise for the Government to impose on business, whereas many companies are already factoring in an increase in VAT and have identified this as the least damaging to companies (go to www.britishchambers.org.uk for more info). The other two main parties have promised to scrap the NIC increase.

THE ECONOMY & PUBLIC SPENDING CUTS

Again, there is a difference of approach to the need for major cuts in public spending with both Labour and the Liberal Democrats stating they would not propose to introduce major cuts until 2011/12 and indeed Labour propose a targeted increase in public spending over the next year in order to sustain the economy, whereas the Conservative Party are proposing to draw up plans for massive cuts to public sector spending within 50 days of taking office. Conservative plans are to eliminate “the bulk” of the UK’s structural deficit within 5 years, beginning in 2010 with £6bn in cuts. The Liberal Democrats would redirect £3.1bn of public spending for a one-year “green stimulus”, investing in green technology to create 100,000 jobs.

HOUSING AND PLANNING

Some of the key differences here are between Labour and the 2 opposition parties – with more populist policies being promoted by the Conservatives and Liberal Democrats, for example, both propose to scrap national housing targets, abolish the Infrastructure Planning Commission and cancel plans for a third runway at Heathrow and other airport expansion in the South East – all contrary to current Labour policy. The implications of more local power to set housing targets will be interesting and challenging, with local politicians under pressure to conserve/preserve green belt and greenfield sites. With the pressure that growth brings in terms of housing demand, employment need and infrastructure requirements the conflicts are clear for all to see and without the benefit of national targets could well be even more difficult to deliver on!

One of the major changes the Conservative Party would make is to scrap the regional tier of governance and give councils and businesses the power to form their own business-led local enterprise partnerships. The RDA's come in for some criticism from the Liberal Democrats also, who would scrap them where they do not have local support and reform those that remain to focus solely on economic development and reduce their budgets substantially, with real responsibility for economic development given to local authorities. The Liberals also propose to scrap the Government Offices for the Regions and regional ministers.

The Conservatives propose some changes to the business rate to allow councils to keep above-average increases in business rate revenue so that "communities which go for growth can reap the benefits". The Liberal Democrats propose to return business rates to councils and base them on site values, as a first step towards the radical decentralisation of taxation and spending powers to local people. Both welcome changes from a business perspective.

Labour and the Conservatives would seek to bring in the ability for councils to hold referendums on whether to have directly-elected mayors in 12 of England's largest cities outside London with new powers and ability to raise funds locally.

For more information on "what's in it for the cities" see the Centre for Cities website:

<http://www.centreforcities.org/index.php?id=1132>

4. ELECTIONS IN BRISTOL/SWINDON/GLOUCESTERSHIRE

The two sections below outline some basic information on the elections in the Bristol/Swindon/Gloucestershire area at both local and national level. As well as the general election Bristol, Swindon, Gloucester and Cheltenham also have local elections with a proportion of the council seats also up for election.

The national constituency seats and MPs are identified for this area, together with the implications of recent boundary changes, which have created a new seat in the West of England and in Cheltenham. We could see significant changes in the West of England political representation with at least 4 of the seats identified as Conservative target seats.

The local elections could also generate change, with voting less predictable when aligned with a general election. In Bristol the current majority is just 2 seats in favour of the Liberal Democrats, whilst Cheltenham and Gloucester have no overall control – we could see changes in all three areas, particularly if there is a resurgence of the Conservative vote.

5. MAY ELECTIONS 2010 – LOCAL AREA MPS

WEST OF ENGLAND

Conservative

Weston-super-Mare	John Penrose	
Woodspring	Liam Fox	(new constituency = Somerset North)

Labour

Bristol East	Kerry McCarthy	
Bristol North West	Doug Naysmith	(boundary changes make this a marginal)
Kingswood	Roger Berry	(boundary changes make this a marginal)
Bristol South	Dawn Primarolo	
Wansdyke	Dan Norris	(new constituency = Somerset North East)

Liberal Democrat

Bristol West	Stephen Williams	
Bath	Don Foster	
Northavon	Steve Webb	(new constituency – Thornbury & Yate)

Filton & Bradley Stoke = new parliamentary seat (3-way marginal)

SWINDON/WILTSHIRE

Conservative

Devizes	Michael Ancram	
North Wiltshire	James Gray	(new Constituency = Wiltshire North)
Salisbury	Robert Key	
Westbury	Andrew Murrison	(new constituency = Wiltshire South West)

Labour

Swindon North	Michael Wills	
Swindon South	Anne Snelgrove	

Chippenham = new parliamentary seat (notional win for Lib Dems)

GLOUCESTERSHIRE

Conservative

Cotswold	Geoffrey Clifton-Brown	
Forest of Dean	Mark Harper	
Tewkesbury	Laurence Robertson	

Labour

Gloucester	Parmjit Dhanda	
Stroud	David Elliot Drew	

Liberal Democrat

Cheltenham	Martin Horwood	
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6. MAY ELECTIONS 2010 – LOCAL GOVERNMENT

BRISTOL CITY COUNCIL ELECTIONS

Current make up of the council

Liberal Democrat	36
Conservative	17
Labour	16
Green	1

23 seats up for election this May. Currently the Liberals are in control of the council with a majority of 2.

SWINDON COUNCIL ELECTIONS

Current make up of the council

Conservative	42
Labour	12
Lib Dem	3
Independent	2

19 seats up for election this May. Currently the Conservatives are in control of the council with a majority of 25.

GLOUCESTER COUNCIL ELECTIONS

Current make up of the Council

Conservative	17
Lib Dem	11
Labour	8

15 seats up for election this May. Currently no overall control of the council, the Conservatives have formed a minority party administration since May 2008 under the leadership of Cllr Paul James.

CHELTENHAM COUNCIL ELECTIONS

Current make up of the Council

Lib Dem	20
Conservative	17
People Against Bureaucracy	3

20 seats up for election this May – half the Council. Currently no overall control of the council, the Liberal Democrats have formed a minority party administration since May 2008.

APPENDIX

A - CONSERVATIVE PARTY MANIFESTO INVITATION TO JOIN THE GOVERNMENT OF BRITAIN

The Conservative Party published its Manifesto – Invitation to Join the Government of Britain – on 13th April 2010. The manifesto sets out their 5 key promises:

- Change the Economy
- Change Society
- Change Politics
- Protect the Environment
- Promote our National Interest

The Manifesto is described as “not like any previous manifesto you’ve seen from a British political party”. The Conservative Party is saying that no government on its own can solve the big problems we face – everyone’s going to have to get involved.

It’s an invitation to...

- be your own boss
- sack your MP
- run your own school
- own your own home
- veto council tax rises
- vote for your police
- save your local pub or post office.

The central idea in this manifesto is that we’re all in this together, that working together we can change the country for the better:

- We won’t get the economy moving with a jobs tax and higher government spending – we need to help businesses create jobs.
- We won’t solve our social problems with more big government – we need to build the Big Society where families are strong and communities are safe.
- And we’ll never change politics if we leave it to the Westminster politicians – we need to give people real power and control over their lives.

Some of the key Election Pledges that separate the Conservative Party approach from that of the Labour Party are set out below:

- Cut £6bn 'wasteful' spending in 2010/11
- Spending cuts in all areas except health and foreign aid
- Cut number of MPs by 10%
- Annual limit on non-EU economic migrants
- Give voters power to sack MPs for "serious wrongdoing"
- Scrap ID cards
- Scrap Labours planned 1% National Insurance rise
- MPs to get vote on repealing hunting ban
- Raise inheritance tax threshold to £1m

1. BUSINESS & ECONOMY

"A Conservative government will act now on debt to get the economy moving. We will deal with the deficit more quickly than Labour, so that mortgage rates stay lower for longer with the Conservatives."

The key themes in the Manifesto aimed at getting the economy moving and helping business are immediate public spending cuts, controls on banks, cutting and simplifying business taxes, supporting innovation and reducing regulation. A range of what they call business policies are included, such as:

- Aim to eliminate the bulk of the UK's structural deficit within 5 years, with £6bn cuts in 2010/2011
- Push for an international agreement to stop banks engaging in large-scale trading using their own money and a global levy on banks
- Cutting corporation tax and simplifying the tax system, increasing inheritance tax threshold, no increase in national insurance and cutting the headline rate of corporation tax to 25p and small companies rate to 20%
- Give councils and businesses the power to form their own business-led local enterprise partnerships instead of RDAs
- Reduce regulation by introducing a regulatory budget
- Allow councils to keep above-average increases in business rate revenue so that communities which go for growth can reap the benefits and give councils new powers to introduce further discounts on business rates
- Supporting new business by an employer National Insurance waiver for the first ten employees
- Provide funding for a 2 year council tax freeze and freeze public sector pay for one year in 2011
- Providing loans to would-be entrepreneurs
- Opening up government procurement to small and medium-sized businesses by reducing administrative requirements
- Giving SMEs a £2,000 bonus for every apprentice they hire

The Manifesto has a clear emphasis on business and economy - "it is not the state that creates sustainable employment – it is business people. And small businesses are especially important to the UK's economic recovery and to tackling unemployment."

To support small businesses further, the Manifesto states that a Conservative Government will make small business rate relief automatic and will aim to deliver 25 per cent of government research and procurement contracts through SMEs by cutting the administrative costs of bidding. In addition they will support would-be entrepreneurs through a new programme – Work for Yourself – which will give unemployed people direct access to business mentors and substantial loans.

2. HOUSING, PLANNING & TRANSPORT

A Conservative government will introduce a new 'open source' planning system. This will mean that people in each neighbourhood will be able to specify what kind of development they want to see in their area. The Manifesto describes the planning system as "complex and unwieldy" and a "significant barrier to growth and wealth creation" and vows to "create a

presumption in favour of sustainable development within the planning system."

Some of the key policies included are as follows:

- Abolition of the Infrastructure Planning Commission (IPC)
- Use private or hybrid Bills to promote major projects, such as a national high-speed rail network
- Abolish the power of planning inspectors to rewrite local plans
- Give local planning authorities and other public authorities a duty to co-operate with one another
- Allow neighbourhoods to stop the practice of 'garden grabbing'
- Build a high-speed rail link connecting London, Birmingham, Manchester and Leeds with the Continent
- Block moves for a third runway at Heathrow Airport
- Block plans for second runways at Stansted and Gatwick airports
- Improve Britain's railways
- Make local transport greener

The key theme of the Conservative approach to planning is to "make politics more local". At the national level, for all forms of development, they plan to publish and present to Parliament for debate a simple and consolidated national planning framework, which will set out national economic and environmental priorities. People in each neighbourhood will then be able to specify what kind of development they want to see in their area and these neighbourhood plans will then be consolidated into a local plan and set within the national framework.

The document therefore contains no commitment to setting housing targets but pledges to create "a property-owning democracy where everyone has the chance to own their own home" with housing numbers being decided by communities at the local level.

3. CITY REGIONS & GOVERNANCE

The Conservative Party manifesto states that too many areas of the UK "lack a vibrant private sector and are too dependent on public spending". It says that regional economic imbalances "have got worse over the last decade, despite billions of pounds spent by the regional development agencies".

The manifesto confirms plans to scrap the regional tier of governance and give councils and businesses the power to form their own business-led local enterprise partnerships to replace RDAs, with the caveat that "where local councils and businesses want to maintain regionally based enterprise partnerships, they will be able to".

The manifesto says that "local government should be at the heart of our economic recovery" and confirms plans to allow councils to keep above-average increases in business rate revenue so that "communities which go for growth can reap the benefits".

Key policies are as follows:

- Provide funding for a two-year council tax freeze;
- Abolish the regional tier of planning and give councils control over planning and housing;
- Replace Regional Development Agencies with business-led local enterprise partnerships;

- Give councils greater control over spending;
- Allow local residents to block "high" council tax rises;
- Hold referendums on whether to have directly-elected mayors in 12 of England's largest cities outside London;
- Allow local people to trigger referendums on "issues of local importance" by amassing petitions signed by 5% of local people over a six month period.

4. OTHER KEY ISSUES

- Reform Air Passenger Duty
- A full opt-out from the EU Charter of Fundamental Rights
- Greater protection against EU encroachment
- Restoring national control over social and employment legislation
- Encourage sustainable water management
- Transforming electricity networks with 'smart grid' and 'smart meter' technology
- Expanding offshore wind and marine power
- Match Labour's proposal for a Green Investment Bank to leverage private sector capital to finance new green technology start-ups
- To further the Government's welfare reform by creating a single work programme involving private and third sector brokers who will be paid by their results in getting the long-term unemployed into work
- Implement key recommendations of Sir James Dyson's review into innovation, including setting up joint university-business research and development institutes.

The Labour Party published its Manifesto – A future fair for all - on 12th April 2010. The manifesto described by Brown as "a realistic and radical plan for Britain" sets out the following key pledges:

- Secure the recovery
- Raise family living standards
- Build a high tech economy
- Protect frontline services
- Strengthen fairness in communities

The Manifesto outlines their ambition to establish a modern, progressive Britain, based on the values of fairness, respect, decency and openness. It sets out plans to address the main future challenges we face in our economy, our society and our politics through the following three aspects outlined on the Labour Party Website:

1. Rebuilding our economy

"We will back business to create one million more skilled jobs and grow our economy through advanced technology, exports and business investment. Labour's Manifesto sets out our plan, equipping more people for the jobs of the future with up to 70,000 advanced apprenticeships and new Skills Accounts. It also sets out our plan to modernise Britain's infrastructure with High Speed Rail, a Green Investment Bank and broadband access for all."

2. Renewing our society

"We believe that personalised public services and strong communities are fundamental to British society. Our Manifesto sets out our plan to ensure that excellence is spread across all our public services – with a thousand schools becoming part of high standard accredited schools groups, every hospital a Foundation Trust and underperforming police forces or borough commanders replaced or taken over. Our Manifesto also sets out a plan to revitalise communities, protecting the institutions people care about such as the local pub and post office; improving care for the elderly with a new National Care Service, and giving new powers to PCSOs to deal with anti-social behaviour."

3. Restoring trust in politics

"We know that the political system has let people down and there can be no return to business as usual at Westminster. Our Manifesto sets out plans to give people a right to recall MPs who let them down, a referendum on moving to the alternative vote for the House of Commons and a referendum on a democratic Second Chamber and a free vote in Parliament on reducing the voting age to 16."

Key Election Pledges include:

- Targeted increase in public spend over the next year to sustain the recovery
- Cut overall deficit by 50% by 2014
- Protect frontline investment in childcare, schools, NHS and policing
- Guarantee a place in education/training for all 16 to 17 year olds
- Guarantee 18-24 year olds a job, work experience or training if they have been unemployed for more than 6 months
- Hold a referendum on adopting the Alternative Vote system for Westminster elections
- Make House of Lords fully elected by October 2011

1. BUSINESS & ECONOMY

The Labour Manifesto sets out an agenda for supporting business through modernising infrastructure, and providing the right support to the private sector to build a diverse, high-tech industrial economy.

- Secure the recovery by supporting the economy through increased targeted public spending in the next year and halving the deficit by 2014 through growth, fair taxes and cuts to lower priority spending
- A commitment not to raise any of the rates of income tax and not to extend VAT to food, children's clothes, books, newspapers and public transport fares
- 1% National Insurance increase in 2011
- National Minimum Wage to rise in line with average earnings by the end of the next Parliament
- Creation of a new Small Business Credit Adjudicator with statutory powers ensuring SMEs are not turned down unfairly when applying to banks for credit
- Simplify regulation and avoid unnecessary red tape, saving £6 billion by 2015
- Government as an employer committed to offering a living wage to staff in all departments. This is currently set at £7.60 - higher than the minimum wage
- Promise to keep business taxes "as low as possible"
- Realise stakes in publicly-controlled banks, introduce a global levy and reform banking rules
- A new Finance for Growth Fund - £4 billion of public funds combined with private finance to channel equity to businesses looking to develop and grow
- A Growth Capital Fund – with a focus on SMEs that need capital injection of £2 to £10 million and,
- An Innovation Investment Fund – to focus on the needs of high tech firms
- The right to request flexible working for older workers, with an end to default retirement at 65, enabling more people to decide for themselves how long they choose to keep working

2. HOUSING, PLANNING & TRANSPORT

Housing, planning and transport are key features in the Manifesto with a focus on connectivity, housing powers, and changes to the planning system. Key aspects include:

- A pledge to build up to 10,000 council houses a year by the end of the next Parliament,
- Commitment to high-speed rail linking London, Birmingham, the East Midlands, Manchester, northern England and Scotland
- Commitment to electrification of the main line between London and South Wales
- Support for a third runway at Heathrow but will not allow additional runways to proceed at any other airport in the next Parliament.
- Rule out the introduction of national road pricing in the next parliament;
- Establishing Local Authority Housing Companies to give councils a greater role in building new affordable housing
- keep stamp duty threshold at 125,000, but abolish it for people in home ownership schemes and scrap it for two years for first time buyers on homes up to 250,000
- ensure all new homes are zero carbon by 2016

3. CITY REGIONS & LOCAL GOVERNANCE

The Manifesto looks at the options for extending the pioneering statutory city-region arrangements in Greater Manchester and Leeds, which will see those city-regions handed greater powers and flexibilities over economic development, housing, regeneration and transport, by extending the devolution of such powers to other "major city-regions".

This month, the ten authorities that constitute Greater Manchester agreed to come together as a combined authority, a statutory body that is effectively a "super council" comprising a senate of local authority leaders who will determine strategy and vote on the allocation of resources across the city-region. Labour's manifesto states that city-regions that take on such statutory arrangements could be governed by London-style metro mayors, if residents within the city-region vote for such a proposal in a referendum.

The manifesto said: "Where new city-region authorities are created, we will give residents the opportunity to trigger a referendum for directly electing a Mayor, with London-style powers."

Other key aspects include:

- Total Place to be basis of 'radical change to local public services' with prevention and early intervention emphasis
- Commitment to reduce ring fencing and targets
- New powers for social and affordable housing, climate change
- City regions to be promoted, along with referenda on elected Mayors
- On council tax: capping to continue, no revaluation, and an 'independent review' (i.e. no reform for the next parliament)
- establish a cross-party commission to review the future of local government finance
- scrap regional assemblies and divide their responsibilities between regional development agencies and committees of leaders

4. OTHER KEY ISSUES

- Continued commitment to roll out superfast broadband across the UK
- About 40% low-carbon electricity by 2020, and 400,000 new green jobs by 2015
- Legislation for "Pay as you Save" schemes allowing people to fund home energy improvements through subsequent savings on utility bills
- Biodegradable and recyclable materials banned from landfill
- A right to request flexible working for older workers, ending default retirement at 65.
- The link between the state pension and earnings re-established from 2012
- Referendums on the alternative vote method of electing MPs and proportional representation in an elected House of Lords, before 2011
- Every young person guaranteed education or training until 18, with 75% going on to higher education or workplace training by the age of 30
- Up to 70,000 advanced apprenticeships a year and Skills Accounts for workers to upgrade their skills

C - LIBERAL DEMOCRAT PARTY MANIFESTO CHANGE THAT WORKS FOR YOU – BUILDING A FAIRER BRITAIN

The Liberal Democrat Party published its Manifesto on 14th April 2010. The manifesto sets out their key priorities – 4 steps to a fairer Britain:

- Fair taxes – that put money back in your pocket
- A fair chance – for every child
- A fair future – creating jobs by making Britain greener
- A fair deal – by cleaning up politics

The Liberal Democrat philosophy is built on a simple ambition: to distribute power fairly among people. From that goal of fairness spring the four priorities outlined above which form the backbone of this manifesto. Each will redistribute power of a different kind, be it economic, social, political or financial.

The Liberal Democrats are focusing on the need for change, with the election being a turning point, so that we emerge from the recession as a fairer, greener, stronger and more united society. They see a future built on a different foundation – fairness – which is an essential British value and at the centre of how the vast majority of British people live their lives, but something that has been forgotten by those at the top. Instead, greed and self-interest have held sway over the government and parts of the economy in recent decades. The government have forgotten that growth must be shared and sustainable if it is to last, according to the Liberal Democrat manifesto.

1. BUSINESS & ECONOMY

Liberal Democrats want to build an economy that is based on innovation and sustainability, where the infrastructure the country needs is in place for individuals and businesses to thrive. Their aim is to deliver growth that lasts and is environmentally sustainable.

To boost the economy and create jobs for those who need them, the Liberal Democrats propose to begin their term of office with a one-year economic stimulus and job creation package. To sustain jobs and growth for the long term, they will set up an Infrastructure Bank to direct private finance to essential projects such as new rail services and green energy, building the environmentally sustainable economy that is needed for the long term. And to ensure that the economy is never again destabilised by high-risk financial industries, they will break up the banks and build up diverse local and regional sources of business finance.

Other initiatives include:

- Identify and cut £15bn of lower priority spending per year to protect front-line services while reducing structural deficit at least as fast as Labour plans, beginning in 2011;
- Raise the threshold at which people start paying income tax from £6,475 to £10,000;
- Impose "mansion tax" on the value of properties over £2m and increase capital gains tax to bring it into line with income tax;
- Introduce a banking levy until such time as banks' retail and investment arms can be separated;
- Replace the Council Tax with a Local Income Tax after a pilot phase;

- Redirect £3.1bn of public spending for a one-year "Green Stimulus", investing in green technology to create 100,00 jobs;
- Invest up to £400m in refurbishing shipyards in the North of England to manufacture offshore wind turbines and other marine renewable equipment;
- Reduce the burden of unnecessary red tape and bureaucracy for business;
- Reform business rates and bring these back into local authority responsibility;
- Reform RDAs to focus solely on economic development where there is support, in other areas scrap RDAs and give functions to the local authorities;
- Support the establishment of Local Enterprise Funds and Regional Stock Exchanges.

2. HOUSING, PLANNING & TRANSPORT

The Liberal Democrat Manifesto says the party believes in "strong communities, where local people can come together to meet local needs, enjoy a pleasant local environment, and feel free from the threat of crime."

On planning and housing the document outlines some key changes:

- Abolish the Infrastructure Planning Commission
- Create a new designation to protect green areas of particular importance or value to the community and aim to double the UK's woodland cover by 2050.
- Stop 'garden grabbing' by defining gardens as greenfield sites in planning law so that they cannot be built over so easily.
- Stop major new housing developments in flood risk areas.
- Scrap regional house-building targets and allow local authorities to determine how many and what type of homes are needed in their area;
- Build tens of thousands of affordable houses to rent and ensure council houses sold under Right to Buy are replaced;
- Bring 250,000 empty homes back into use by offering grants and loans to their owners
- Switch traffic from road to rail by investing in local rail improvements, such as opening closed rail lines and adding extra tracks
- Cancel plans for a third runway at Heathrow and other airport expansion in the South East.
- Set up an Infrastructure Bank to direct private finance to projects such as new rail services and green energy.
- Committed in the long-term to a revenue-neutral road-user pricing scheme on motorways and trunk roads.

3. CITY REGIONS & GOVERNANCE

This is a quick at a glance summary on the key points in the manifesto of particular interest to local government:

- Make local government more accountable and responsive to local people by proportional representation in local elections.
- Reform local taxation by scrapping the Council Tax and replace with a fair local tax, based on people's ability to pay.
- Return business rates to councils and base them on site values, as a first step towards the radical decentralisation of taxation and spending powers to local people.

- Review local government finance completely as part of these tax changes, including reviewing the unfair Housing Revenue Account system and the mainstreaming of central grants.
- Scrap nearly £1 billion of central government inspection regimes on local councils
- Scrap the Government Offices for the Regions and regional ministers.
- Cutting back burdensome regulation of local authorities
- Reform Regional Development Agencies (RDAs) to focus solely on economic development, removing duplication with other parts of government and allowing substantial budget reductions.
- Give responsibility for economic development to local authorities

4. OTHER KEY ISSUES

- Scrap identity card scheme;
- Reject a new generation of nuclear power stations and block any new coal-fired power stations;
- Provide £2.5bn for a "Pupil Premium" for schools teaching the poorest pupils, allowing average primary school class sizes to be cut to 20;
- Introduce a written constitution and single transferable vote (STV) system for all UK elections;
- Allow voters to force a by-election for any MP found responsible for "serious wrongdoing"
- Offer "Green Loans" for people to invest in home energy efficiency and micro-renewables;
- Axe the rigid National Curriculum;
- Integrate health and social care to create a seamless service;
- Give people a say in policing and the NHS with elected police authorities and health boards.