

Reports to Autumn Conference 2010

Liverpool

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Federal Conference Committee

The Federal Conference Committee (FCC) is responsible for organising the two Federal conferences each year. This includes choosing the agenda from amongst the policy and business motions submitted by conference reps, local, regional and state parties, specified associated organisations and Federal committees, and also taking decisions on topics such as venues, registration rates and other administrative and organisational matters. It works within a budget set by the FFAC.

The FCC has 21 voting members: the Party President; the Chief Whip (or substitute); three state party reps; two reps from the FE and two from the FPC; and twelve members directly elected by conference reps. It elects its own chair (currently Andrew Wiseman), who must be one of the directly elected reps.

This is my first report to Conference, having recently been elected as Chair of Federal Conference Committee (FCC). Duncan Brack, the previous Chair, was appointed a Special Advisor to Chris Huhne and had to stand down from the committee.

I am sure you will all join me in thanking Duncan for all of his hard work on behalf of all of us. Duncan was the longest ever serving Chair of FCC and had previously been on the committee as a Vice-Chair, ordinary member and also in his role as Director of Policy. We will miss his experience and expertise - Duncan is an impossible act to follow!

Special Conference

As you will be aware, the Federal Executive called a special Conference after the announcement of the coalition agreement. Organisationally this was a real challenge. To find a venue that was suitable and available at very short notice and deal with all of the logistics in a matter of days was a tremendous effort by all those involved.

The feedback we received on the event was good and we learnt a number of lessons, should we need to have another one at some stage in the future! The main issue with such a conference is the cost. Given the timescale, the need to keep the cost to Representatives low, lack of venues and commercial sponsorship, there is a significant net cost to the Federal Party.

Security at Conference

As a party of Government, we have had increased security arrangements imposed on us by Merseyside Police and the Home Office. This means you can expect it to take longer to get into the conference centre. Please ensure you leave yourself sufficient time to get through security before the start of a session you wish to attend.

The increased security includes 'airport style' x-ray machines for any bags or briefcases and metal detectors. Whilst we cannot avoid the increased checks, we will do what we can to speed up the process. In particular, please think about what you bring into the conference centre - the less you bring, the quicker the process will be.

Please see the relevant section in the Directory for the full procedures.

Amendments to Motions

As always, every item on the agenda is still open to amendment. The deadline for submitting amendments – and also emergency motions, suggestions for topical issue discussions and questions to reports – is 12.00 noon Monday 6th September. This will allow FCC to meet a week before Conference to select the amendments, rather than doing this on the eve of Conference. We will then let you know what we've selected by Tuesday 14th September, four days before Conference, which is when *Conference Extra* publication will be posted online and reps will be alerted by email (copies will also be available at Conference).

We continue to provide a drafting advisory service and encourage all emergency motion and amendment submitters to make use of it – those who have used it in the past have had a higher chance of having theirs accepted. The deadline for the advisory service for amendments and emergency motions is 23rd August; drafts should be sent to motionsadvice@libdems.org.uk.

Agenda Timings

As with last year, the agenda is being circulated before the amendments are known. That means that the FCC will not decide the final timings for agenda items until after the amendments deadline. The agenda does not have timings included; agenda items are allocated to mornings or afternoons, and are listed in the order in which they will be taken, but without times.

The timings will only be added when we publish *Conference Extra* on Tuesday 14th September.

Conference Documents

As we want to get the conference agenda to you as early as possible in August, to give you enough time to consider submitting amendments, we have, once again, split the conference documents into two mailings. The Agenda and policy papers will be followed a few weeks later by the Directory, containing details of the exhibition and fringe meetings, training programme, and the consultation papers.

Finally, as noted above, *Conference Extra* will be available the week before conference (online), and *Conference Daily* will be available every day at conference (in print). Make sure you pick up your copies!

Agenda

This year we will not be finishing with the Leader's speech. This has been moved to Monday afternoon. Nick, as Deputy Prime Minister, has to attend a session of the United Nations in New York on the Wednesday. We still have a very strong agenda on Wednesday finishing with the opportunity to question our Cabinet Ministers and a mini rally.

Given this is the first Conference under the new coalition, the FCC felt it was important to give Representatives the opportunity to hear from Ministers and to question them. In view of this, as well as the usual Q&A session with the Leader, we have organised a Q&A session with our Cabinet members (referred to above) and two others – one on public services and another on crime and justice. We hope you find these sessions interesting and useful.

As well as a FPC policy paper debate on International Development, we have a good range of other policy motions. Both the FE and FPC are organising consultation sessions, for which we have set aside time for in the main auditorium.

In addition to the debates and set-piece speeches, we have our normal range of other sessions, including two presentations (from the Liberal Democrat groups on the Welsh Assembly and Fife Council).

Conference rally and welcome drinks

The Conference rally, “Yes to Reform! - Winning the Battle”, is being organised by the Electoral Reform Society on Saturday 18 September, between 18.30 and 19.30. Nick Clegg will be joined by special guests, in what we are sure will prove to be an interesting and entertaining event.

Future venues

The current size of the Conference and the scale of public interest it draws, make Party Conference an attractive event for many towns and cities to host, but also restricts the number of venues with adequate facilities. 2011 venues will be:

- Spring: Sheffield, 11 - 13 March 2011
- Autumn: Birmingham, 17 - 21 September 2011

We are very pleased to be organising our first-ever conference in Sheffield.

Access

The Conference Access Group, convened by Robert Adamson, continues to make Conference as accessible for all as possible, expanding its work to tackle obstacles facing those with a broader range of disabilities. If you are interested in the work of the Group, please feel free to contact Robert on Robert@Robertadamson.info.

Stewards

As always, Conference can only take place due to the massive contribution and efforts of the volunteer stewards' team, who look after the exhibition, fringe, information desk, stage and auditorium, and ensure that we all get the most out of Conference. Thanks go, as always, to Adrian Beavis, our Chief Steward, his Deputy Mike Ross, and all their colleagues in the stewards' team.

Federal Conference Committee

FCC members are here to help you make the most of Conference – do feel free to ask us any questions you may have relating to the agenda and how to speak in debates. You can identify us by the larger badges we wear, with ‘FCC’ prominently displayed; there are also pictures of us (although looking at some of the photos it may be difficult to see the true likeness!) on the inside front page of the Agenda.

FCC members are also assigned to the state and English regional parties, and SAOs, to liaise with them during the year, provide advice and assistance on submitting motions or otherwise getting involved in Conference, and appear at particular conferences to answer your questions. See the contact details at the end of this report, and don't hesitate to get in touch with the relevant FCC member.

Thanks

The vast bulk of the hard work of organising Conference throughout the year falls on the professional staff in Conference Office in Cowley Street: our Conference Organiser Lucy Billingsley and her team Sian Jenkins and Emma Price. This year the team has also been supported by Sonia Goodland, Jen Hawley, Nikolas Goodland, Robert Pritchard and Lucy O'Neill, whose help has been invaluable.

I would also like to express my grateful thanks to all the others who make Conference possible: to all my colleagues on the Conference Committee; to Chris Fox, the party's Chief Executive, and Ben Stoneham, HQ Director in Cowley Street; to the Policy Projects Team, led by Christian Moon, who process the motions and prepare much of the agenda material; and of course to the stewards' team.

I look forward to seeing you in Liverpool.

Andrew Wiseman
Chair, Federal Conference Committee
July 2010

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Federal Policy Committee

The Federal Policy Committee is responsible for researching and developing policy and overseeing the Federal Party's policy-making process. This includes producing policy papers for debate at conference, and drawing up (in consultation with the relevant parliamentary party) the Federal election manifestos for Westminster and European elections.

The FPC has 29 voting members: the Party Leader, four other MPs, the Party President, one peer, one MEP, three councillors, three state party reps and fifteen members directly elected by conference reps. It must be chaired by one of the five MP members and is currently chaired by the Leader.

New Chair

Following the formation of the Coalition Government and Nick Clegg's appointment as Deputy Prime Minister, he has decided that pressures of time mean he cannot continue as Chair of the FPC. He will continue to be a member. I have been elected to take on the Chair and am looking forward to this new challenge. The committee would like to take this opportunity to thank Nick for the work that he has done over the last two and half years as Chair of FPC.

The General Election Manifesto

The Manifesto Group was chaired by Danny Alexander MP, and the other members were: Nick Clegg MP (Party Leader), Dr Richard Grayson (Vice Chair, FPC), Jeremy Hargreaves (Vice Chair, FPC), Steve Webb MP, Vince Cable MP, Willie Rennie, David Laws MP and Susan Kramer.

Starting from the overall principles and the priorities set out in the pre-manifesto *A Fresh Start for Britain* which was adopted by the Bournemouth Conference last year, the Manifesto Group and the FPC wrote the General Election Manifesto *Change that Works for You – Building a Fairer Britain*. The overarching theme of the manifesto was fairness, and set out four key policy areas to deliver it: Fair Taxes, A Fair Start in Life, A Fair and Sustainable Economy, and Fair, Transparent and Responsive Politics.

The manifesto was very well-received within and beyond the Party, and provided a strong basis for the General Election campaign.

Policy Development

Since the Spring Conference a policy paper on International Development has been produced and is presented for debate at Bournemouth. The Youth Policy Working Group has been doing some further work on the specific area of youth justice following the presentation of its main paper to Spring Conference this year, and will bring forward proposals to the Spring Conference.

Consultation papers on Volunteering and the Voluntary Sector and Information Technology and Intellectual Property have been drawn up; there will be consultation sessions to discuss these on the morning of Saturday 18th September 2010 in Liverpool. The Volunteering and the Voluntary Sector Working Group will proceed to develop their ideas and will present their final conclusions in a policy paper for debate at the Spring 2011 Party Conference, taking into account the outcome of the consultation sessions and other input from both within and outside the party. The Information Technology and Intellectual Property group will hold further consultation at the Spring 2011 conference and will eventually present their final conclusions in a policy paper for debate at the

Autumn 2011 Party Conference, taking into account the outcome of the consultation sessions and other input from both within and outside the Party.

The Localism Policy Working Group will now present its policy paper at the Spring 2011 conference. A motion setting out some of the key principles underlying its work has been presented for debate at Liverpool.

A policy working group will be established on the subject of Inequality & Social Exclusion. It will bring a consultation paper to the next Spring conference and its full policy paper to the Autumn 2011 conference.

The Quality of Life working group continues its work and will bring proposals to the Autumn 2011 conference.

All currently active policy working groups have now set up their own discussion groups on the party's new networking site <http://act.libdems.org.uk/> - we hope this will prove a fruitful way for party members and supporters to feed in ideas to the policy development process.

The FPC is very grateful for the contribution made by the chairs and members of working groups who voluntarily give a great deal of time to assist the Party's policy development process.

Facing the Future

The FPC has started a major review of Party policy following the General Election in order to map out priorities in policy development for this Parliament. This exercise, entitled *Facing the Future*, is holding an extended consultation session as a central feature of the Liverpool 2010 Party Conference, and will bring its final report to Conference in Autumn 2011.

The table below sets out the latest schedule of policy development work:

Conference	Consultation Papers	Policy Papers
Autumn 2010	The Voluntary Sector Facing the Future Information Technology and Intellectual Property	International Development
Spring 2011	Inequality and Social Exclusion Information Technology and Intellectual Property	Localism The Voluntary Sector Youth Justice
Autumn 2011		Quality of Life Inequality and Social Exclusion Facing the Future Information Technology and Intellectual Property

The Policy Process during Coalition

The FPC has had a number of discussions on the implications for its role and the Party's policy-making of our new status as a party of government. The FPC is very clear that the Party's complete independence in policy-making shall continue. The Committee will be developing new ways of working both to ensure the maximum Liberal Democrat policy input into the Coalition Government, and also to continue to ensure a separate Liberal Democrat policy identity. In particular the FPC will be developing a close working relationship with the new committees of MPs and peers established in the major policy areas.

Regional Links

To encourage policy debate across the Party we have FPC representatives to take responsibility for promoting policy debate within each of the regions of England and to attend regional conferences where appropriate.

Region	
Devon & Cornwall	Theo Butt Philip
East of England	Richard Grayson/Geoff Payne/Linda Jack
East Midlands	Susan Gaszczak
London	Jo Hayes/ Jeremy Hargreaves
Northern	Robert Adamson
North West	Stan Collins
South Central	Neil Fawcett/Ruth Coleman
South East	Susan Gaszczak
Western Counties	Theo Butt Phillip
West Midlands	Phil Bennion/Susan Juned
Yorkshire & the Humber	William Wallace/Duncan Brack

The FPC has also decided to appoint representatives to Party SAOs:

SAO	
ALDES	Julie Smith
ALDC	Susan Juned
DELGA	Geoff Payne
WLD	Ruth Coleman
Liberal Youth	Theo Butt Phillip
PCA	Susan Gaszczak
Liberal Democrat Lawyers	Jonathan Marks
EMLD	Linda Jack

Policy Staffing

Following the loss of 'Short money', the Party has had to make a large number of redundancies affecting the staff supporting policy work. The new, smaller Policy Unit will consist of Christian Moon (Head of Policy), Verity Harding (Policy Team Leader), Douglas Dowell (Policy Team Leader) and Bess Mayhew (Correspondence Leader).

The FPC would like to express its gratitude to those who have left the Party's employment from the former Policy and Research Unit for all their excellent work: Ben Jones, Alice Aitken, Steve Lotinga, James Lloyd, Navprit Rai, Sam Cannicott, Debbie Enever and Louisa Latham. We wish them the very best in their future careers.

Norman Lamb MP
Chair of Federal Policy Committee

Federal Executive

The Federal Executive is responsible for directing, co-ordinating and implementing the work of the Federal Party, including overall strategy, campaigning, organisation and staffing. The Federal Finance and Administration Committee (see below) and the Campaigns and Communications Committee both report to the FE.

The FE has 29 voting members: the Party President (who chairs it) and three Vice Presidents, the Leader, two other MPs, one peer, one MEP, two councillors, three state party reps and fifteen members directly elected by conference reps.

Since the Spring Conference the Federal Executive has been busy, at first discussing the proposed (and now actual) Coalition Agreement and more recently reviewing our election activity.

The FE played an integral role in deciding to enter the Coalition and met three times over the course of the weekend following the General Election (on Saturday, Monday & Tuesday) to discuss the options & issues relating to entering the Coalition. At the first meeting we discussed the election results and the Party's response to them and were also briefed by the Leader and negotiating team. At the second meeting we were briefed by the Chief Whip on negotiations and discussed the triple lock procedure as detailed in the Conference Business Motion 'No Glass Ceilings' agreed by Federal Spring Conference in 1998. The final meeting we held was a joint meeting with the Parliamentary Parties in the Commons and Lords, which I chaired, to approve the Coalition Agreement.

Over the course of a busy and pressurised week colleagues dealt with the situation with humour, understanding and maturity and I would like to thank them for their support. I would also like to thank party members for their engagement and involvement in discussions about the Coalition, whether that was emailing their thoughts & opinions into the Party Headquarters, discussing on blogs or through participation at the Special Conference. The discussion at the Special Conference was wide ranging, challenging and mature, and I have never been more proud to be a member of this Party.

The FE has discussed some other issues as well since the Coalition agreement was published though. These include asking the Campaign & Communications Committee (a sub-committee of the FE) to review the General Election. James Gurling has been leading this effort as the newly elected Chair, since Willie Rennie stepped down. We thank Willie for all his work in chairing the CCC and wish James well. The FE elected Rosalyn Gordon and David Walter as the new members of the Campaigns & Communications Committee.

The FE has also established two strategic reviews. The first is of candidates and the wider issues surrounding candidates, which is being led by Sal Brinton, who is highly experienced in this area. The second review is of the Party Reform Commission recommendations to assess which actions remain outstanding, with whom the responsibility lies, and whether we should continue with the delegated powers to Chief Officers Group and if so, whether any changes are needed. This review is being led by John Barrett, with support from Gerald Vernon-Jackson, Ben Stoneham & Matthew Hanney.

The FE has also monitored the work of Chief Officers' Group, the Diversity Engagement Group & the Federal Finance & Administration Committee. Whilst the FFAC reports separately to Conference, it was agreed last year that COG would report to Conference in this report.

At the March Chief Officers Group meeting the key political themes and messages were discussed & election planning was reviewed. This review included the opinion polls, debate preparation, the

ground war & air war. COG also discussed membership & fundraising opportunities in the run up to the General Election.

In June Chief Officers Group discussed conference preparations & the post-election reviews. The Scottish, Welsh & English Parties reported on their preparations for the year ahead, all of which focussed on elections. COG also reviewed the key political themes and messages, fundraising & membership.

The FE has also discussed Party strategy, including what our Party needs to look like to be ready for the 2015 General Election and the elections between now and then. For this reason, we have initiated a consultative session to be held at this Conference about Party Strategy and the ways in which the Party should respond to being part of the Government for the first time in 65 years.

The FE has confirmed Chris Fox's appointment as the permanent Chief Executive of the Federal Party and we wish him every success in the role he takes on. Sadly, one consequence of entering into government is that of losing our Short & Cranborne monies (approximately £2 million pounds) to support opposition party activity. As a result we have had to review the POLD structure and have had to say goodbye to a number of staff. We thank them for their service, above and beyond the call of duty, and wish them every success in their future careers. This leaves Chris Fox, the FE and the Party needing to consider how we deliver a robust Party structure with fewer professional paid staff.

As you may be aware the FE needs to arrange an election to re-elect the Party Leader in his role after each General Election, with the exception of this time. When drafting the Constitution someone had the foresight to remove this requirement if the Party Leader were to be a Government Minister!

The FE discussed the post election finances of the Federal Party at its July meeting and the implications on staffing and the future strategy of the Federal Party. The FE also noted the large increase in membership during the election, which continued after the Coalition announced (at a rate of ten new members for one resigning).

The FE discussed the Strategy Consultative Session (due to be held Sunday morning at Conference) and agreed the timetable for the Committee elections. FE noted that in previous elections to the peers panel had resulted in very few new members. FE therefore resolved that the current peers panel would remain in place for a further two years, and that an election would take place for an additional 15 members. FE also agreed that Assembly Members, Members of the European Parliament and Scottish Parliament would also be added to the list on the same basis as MPs.

Finally, I would like to take this opportunity to thank Phillip Goldenberg for his work as Chair of the Federal Appeals Panel and fellow panel members for being willing to serve when the need arose. There is a motion to approve new members on the Conference agenda.

Ros Scott
Party President & Chair of the Federal Executive

July 2010

Federal Finance and Administration Committee

The FFAC, elected in January 2009 for a two year term, continues to monitor and report regularly to the Federal Executive on the Administration of the Party and its Finances (construed narrowly as the monies raised and spent by the Federal Party). As agreed by the Chief Officers Group the Committee now meets jointly with the Management Board of POLD (the Parliamentary Office of the Liberal Democrats).

Membership and Fundraising Services

Rising Membership

Party membership rose considerably during the General Election and the growth continued after the announcement of the coalition agreement. During the second quarter of 2010, net membership growth was over 10%, compared with 1.6% in the period covering the 2005 General Election.

There was also a large increase in the wider community of active Liberal Democrat supporters with an additional 20,000 joining the e-supporters list and the Party's Facebook supporters page growing to 90,000 followers.

Improving communications with local parties, members & supporters

Development of the on-line resources has continued with further development of the Members' Website, an improved version of the membership data website for local parties and the forthcoming launch of the new website for local party treasurers. This new website will allow treasurers to make their PPERA compliance submissions on-line.

The continuing programme of development of these web-based resources will allow the Party to deliver services far more efficiently and improve communication throughout the party.

Expanding the donor base

Action taken to strengthen the Party's fundraising capacity resulted in an expansion of the pool of financial supporters, from whom record funding was raised to enable increased spending for the General Election. More online donations were raised than ever before directly through the improved website. The continued generosity of these new donors and of existing supporters remain essential as the party rises to the financial challenge of being a party of government without the funding that is provided to opposition parties.

Environmental Activity

The Party's commitment to reducing our environmental impact continues to be a priority. Having reviewed the progress on the Headquarters Environmental Action Plan, produced following an environmental audit, investigations are now underway regarding external benchmarking systems to help further improve performance in this area.

In the past 12 months (July 2009-June 2010) we have recycled 19,710kg of materials, saving 20,530kg of CO₂.

PPERA Compliance

The number of accounting units filing accounts with the Electoral Commission as a result of their gross income or expenditure exceeding the £25,000 threshold was 98 compared to 100 sets of accounts in 2009. This consisted of 93 sets of accounts in the over £25,000 and 5 in the £250,000+ band. There were 18 sets of accounts that were over £25,000 in 2008 that fell below that threshold in 2009.

Work to complete the Campaign Expenditure Return for the 2010 General Election has started and the treasurers of party bodies are thanked for their assistance so far. This invaluable help will also be needed with the return for the fair votes referendum.

Most of the changes introduced by the Political Parties and Elections Bill 2009 have now been implemented. The new investigatory powers of the Electoral Commission and increases in the civil sanctions such as fines that the Commission can impose without having to take court action will begin in December.

The declarations of donations made, statement of accounts submitted and campaign expenditure made by the Party can be viewed on the Electoral Commission's website at <http://www.electoralcommission.org.uk/regulatory-issues/Regpartydonations.cfm>

As reported to Spring Conference, following investigations by the Electoral Commission of the £2.4m donation received from 5th Avenue Partners Ltd during the 2005 General Election Campaign they concluded in November 2009 that "5th Avenue Partners meet the requirements to be a permissible donor" and they will therefore "be taking no further action in this case".

2009 Financial Results

The accounts show a surplus on the general fund of £126,000 before the actuarial deficit on the closed final salary pension scheme of £165,000 due to lower returns on the scheme assets and changes to the demographic and financial assumptions affecting the cost of providing benefits.

This actuarial deficit of £165,000 was partly offset by the additional contributions of £91,000 the Party has made, which together with other minor adjustments resulted in the scheme deficit increasing from £55,000 to £127,000.

In line with the budget, the Campaign Fund produced a deficit of £309,000 as the Party geared up for the 2010 General Election.

Overall the Federal Party ended the year with net assets of £110,000.

Income

Total income rose by over £1m (almost 19%) due to significantly higher donations to the Campaign Fund (up £1,127,000). This included the conversion of a loan of £250,000 made in 2005 into a donation.

Membership and subscription fee income rose considerably following the increase in the federal levy from 42% to 44%, the additional income being ring fenced for local election support.

Notional income represents work carried out on behalf of the Party by third parties; the cost of which would otherwise be borne by the Party i.e. it is a non-cash donation. The cost to the third party of this work is included in notional expenditure.

Expenditure

Total expenditure increased by approx. £665,000 (11%) with the biggest increase in campaign expenditure (up £831,000 – over 50%). This was partly offset by the decrease in notional expenditure with the total of remaining expenditure being almost exactly the same as in 2008.

Cash

At the end of 2009 the Party had net funds of £467,000 compared to £497,000 at the end of 2008 and did not need to utilise its overdraft facility during the year. This reduction in net funds broadly reflects the income and expenditure account deficit adjusted for the change in the pension scheme deficit and the change in loans outstanding.

Although the overdraft facility was not required in 2009 it has been used this year since the General Election for cash flow purposes i.e. to cover timing differences between expenditure payments and the receipt of donations.

2010 activity

The move into government has had a very significant impact on the wider Party's finances. As an opposition party we received approx. £2m a year in financial support (Short & Cranborne monies) that we now no longer receive. Whilst this money was paid into POLD (the Parliamentary Office of the Liberal Democrats) its effect on the Federal Party is still very severe as it helped to contribute towards the cost of certain shared services including the Finance and HR Offices.

In addition it means that the Federal Party will now have to provide considerable financial support to maintain Press and Policy Research functions both for the Party and for Liberal Democrat parliamentarians. Despite some very painful restructuring of POLD the net cost to the Federal Party will be of the order of £500,000 on an annual basis.

The General Election campaign was broadly on budget and the Campaign Fund is expected to end the year with minimal reserves.

2011 Budget

The Constitution requires the FFAC to propose an outline budget for the next year for approval by Conference. This outline budget therefore has to be prepared several months before the FFAC or departmental heads have started serious work on the following year's budget, and at a stage when we have only five months of current year income and expenditure figures.

Given the uncertainties around the final POLD/Federal Party structure in the new coalition context the outline budget (attached at appendix A) has been prepared on a consolidated basis that combines the Federal Party, the Campaign Fund and POLD. The Party as a whole and its fundraising unit in particular are tasked with raising funds substantially above these outline income assumptions in order to meet the 2011 Campaign expenditures that we know we will want to incur for the Scottish, the Welsh, and English Local Government elections, as well as for the Fair Votes Referendum.

The detailed work on the budget will take place in the autumn in consultation with the relevant party bodies with a view to the final budget being agreed by the Federal Executive in December and reported to next spring's conference.

The Liberal Democrats (Trustees) Limited

The accounts of the Liberal Democrats (Trustees) Limited are included within the reports to conference and the FFAC would like to thank the Trustees, chaired by Sir Ian Wrigglesworth, for their advice and assistance throughout the year.

Party Business

Conference is asked to approve the outline budget for 2011, adopt the audited accounts for 2009 and to reappoint the Party's auditors, Mazars LLP.

Conference is further requested to confirm that

- The Party renew its overdraft facility for £1 million with the Royal Bank of Scotland
- The President and the Chair of the Federal Finance & Administration Committee for the time being, on behalf of the Party and with the specific prior agreement of the FFAC, may agree the terms of the overdraft with the Royal Bank of Scotland, and that such delegation will also extend to the operation of the Party's bank accounts.
- The President and Chair of the Federal Finance & Administration Committee are hereby indemnified by the Federal Party of the Liberal Democrats for any personal commitments made to the bank but only insofar as they relate solely to this resolution.

Duncan Greenland
Chair, Finance & Administration Committee
Registered Treasurer
July 2010

Appendix A

2011 Outline Budget

Income	£
Direct mail appeals & standing orders	394,000
LD Calling	249,500
Fundraising Unit	570,000
POLD income	261,000
Membership income (Federal levy)	827,000
Conference	1,006,000
Lib Dem News	140,000
State parties cross charges	362,500
Policy Development Fund	457,000
International department income	75,000
Affinity income	39,500
Other income	29,000
	4,410,000
<u>Cost of sales</u>	
Direct mail costs	(70,000)
Conference	(678,500)
Lib Dem News	(150,000)
	(898,500)
<u>Income surplus after income generation costs</u>	3,511,500
Expenditure	
<u>Departmental costs</u>	
Campaigns	568,000
Chief Executive's department	179,000
Compliance	56,000
Finance	138,000
Fundraising Unit	109,000
International	75,000
LD Calling	139,000
Leader's Office	51,000
Membership	325,000
Operations	727,000
Policy	181,000
POLD overheads	34,500
Press	262,000
Whips	83,000
	2,927,500
<u>Other expenditure</u>	
PPBs	40,000

Candidates support	12,600
G8	70,000
ELDR/Li	37,000
Members communications	49,500
Committee expenses and President's grant	17,000
Grants to party units	156,900
PDF grants to Scotland & Wales	45,000
Non-recoverable VAT	48,000
Closed pension scheme costs	44,500
Finance costs	41,000
Audit fee	18,000
Other expenditure	4,500
	584,000
Total expenditure	3,511,500
Surplus for the year	<u>Nil</u>

Duncan Greenland
Chair, Finance & Administration Committee
Registered Treasurer
July 2010



The Liberal Democrats (The Federal Party)

Reports and Financial Statements

Year Ended

31 December 2009

“The Liberal Democrats exist to build and safeguard a free, fair and open society, in which we balance the fundamental values of liberty, equality and community and in which no-one shall be enslaved by poverty, ignorance or conformity.”

Preamble to the Federal Party constitution.

The Liberal Democrats (The Federal Party)

Report of the Party Officers for the year ended 31 December 2009

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Party Officers

Registered Officers under PPERA

Leader:	Rt Hon. Nick Clegg MP	
Registered Treasurer:	Duncan Greenland	
Nominating officer:	Lord Rennard	to Sept 2009
Nominating officer:	Sarah Morris	from Sept 2009
Campaigns officer:	Lord Rennard	to Sept 2009
Campaigns officer:	Chris Fox	from Sept 2009
Deputy campaigns officer:	Martin Hayman	
Deputy campaigns officer:	Joanne Foster	

Other Officers

Party President:	Baroness Ros Scott	
Vice President:	Brian Orrell	to Dec 2009
Vice President:	Jonathan Davies	from Jan 2010
Vice President:	Audrey Findlay	to Dec 2009
Vice President:	Prof John Last CBE	
Treasurer:	Lord Clement-Jones	
Chief Executive:	Lord Rennard	to Sept 2009
Interim Chief Executive:	Chris Fox	from Sept 2009

The Party Leader is elected by a postal ballot of all members in accordance with Article 10 of the constitution. The Party President is elected for a 2-year term by a postal ballot of all members of the party in accordance with Article 12.1 of the constitution.

Party Headquarters

4 Cowley Street, London, SW1P 3NB

Auditors

Mazars LLP, Tower Bridge House, St Katharine's Way, London, E1W 1DD

The Liberal Democrats (The Federal Party)

Report of the Party Officers for the year ended 31 December 2009

1. *Administrative information*

Committees

The following committees operate within the party to oversee and manage the organisation's business. The terms of reference for each committee are contained within the party's constitution. The Chairs of the respective committees are:

Federal Executive – Baroness Ros Scott	
Campaigns & Communications – Ed Davey MP	to Sept 2009
Campaigns & Communications – Willie Rennie	from Sept 2009
Policy – Nick Clegg MP	
Finance and Administration – Duncan Greenland	
International Relations – Robert Woodthorpe-Browne	
Conference – Duncan Brack	

Conference is the sovereign representative body of the party with the power to determine the policies of the party. In addition to setting the party's policies, Conference also receives reports from the federal committees and parliamentary and European parliamentary parties. Membership of Conference is defined by article 6.1 of the constitution.

Conference is organised by the Federal Conference Committee (FCC), membership of which is defined by article 6.10 of the constitution.

Between conferences the Federal Policy Committee (FPC) is responsible for researching, developing and overseeing the policy making process. Membership of the FPC is defined by article 7.2 of the constitution.

The Federal Executive (FE) is responsible for directing, co-ordinating and implementing the work of the Federal Party. Membership of the FE is defined by article 8.1 of the constitution.

The Federal Finance & Administration Committee (FFAC) is a sub-committee of the FE responsible for the planning and administration of the budget and finances of the Federal Party, directing the administration of the Federal Party and ensuring compliance of the party at all levels with the provisions of the Political Parties, Elections and Referendums Act 2000 as amended by the Electoral Administration Act 2009. The FFAC is also responsible for the appointment of the Federal Party's auditors and ensuring that there are adequate financial controls and systems in place. Membership of the FFAC is defined by article 8.2 of the constitution.

The Campaigns & Communications Committee (CCC) exists to co-ordinate the party's national campaigns and communications strategy. Membership consists of a Chair elected annually by the FE, the Party President, Party Leader, Chief Whip and members directly elected by the FE.

The International Relations Committee (IRC) is responsible for the party's international liaison. Its membership consists of representatives of the state and parliamentary parties, LDYS, LIBG, ELDR and individuals elected by Conference representatives.

As a result of the Party Reform Commission's recommendations the Chief Officer's Group (COG) was established to co-ordinate the work of the Federal, English & Parliamentary Parties. The COG is chaired by the Party Leader and consists of the

The Liberal Democrats (The Federal Party) Report of the Party Officers for the year ended 31 December 2009

Chairs of the FFAC, FCC, CCC, POLD and the English Party, the Leaders of the Scottish & Welsh parties, the Party's President and Treasurer, and the Chief Executive of the Federal Party. Its role is to set the strategic objectives of the party and ensure its effective execution including overall preparations for elections, presentation, image and media relations and planning and monitoring the budget and finances of the Party.

Following another of the Party Reform Commission's recommendations, the Party Trustees took on the role of an Audit & Compliance Board including meeting with the auditors and receiving their reports, and ensuring compliance with the Party's procedures for the acceptance of significant donations including consideration of the dangers to the Party's reputation as well as strict legal compliance with PPERA.

A Fundraising Board has also been established to oversee the Party's fund raising function.

Elected representatives

The party's elected representatives are shown at Annex A. In addition there are 72 Liberal Democrat members of the House of Lords, 16 Liberal Democrat members of the Scottish Parliament, 6 Liberal Democrat members of the Welsh Assembly and 3 Liberal Democrat members of the Greater London Authority. As of May 2010 there were approximately 4,400 Liberal Democrat Councillors.

Staffing

The principal permanent members of staff are:

Chief Executive - Lord Rennard	to Sept 2009
Interim Chief Executive – Chris Fox	from Sept 2009
Director of Campaigns – Hilary Stephenson	
Director of Finance – Nigel Bliss ACA	
HQ Director – Ben Stoneham	
Director of Marketing, Fundraising and Members' Services – David Loxton	
Head of International Office – Paul Speller	
Director of Policy and Communications – Chris Fox	from March 2009

Membership

As at 31 December 2009 there were 58,768 members of the party (2008 – 59,810).

Accounting Units

The party now has 503 accounting units registered with the Electoral Commission. The following changes were made in the reporting period:

Kettering & Wellingborough merged
Corby re-established
Newham became a branch of London Region
Thanet North became a branch of South East Region

2. *Review of political activities*

Conferences

The party held two conferences during the year:

The Liberal Democrats (The Federal Party)

Report of the Party Officers for the year ended 31 December 2009

- Spring
- Autumn

Spring

The 2009 spring conference was held in March in Harrogate. In the auditorium there were powerful debates on reforming the financial sector, higher education and child care with the party offering positive alternatives to the other parties' policies.

Autumn

The autumn conference was held in September in Bournemouth. Policy debates were held on civil liberties, energy and climate change, and policing amongst other subjects. Interspersed with these were speeches by front bench spokespersons including Vince Cable, Sarah Teather and Lynne Featherstone painting vivid pictures of what a truly liberal and democratic society could look like.

Policy development

In January 2009 the party held a one-day conference to discuss a wide range of policy areas including how to create a progressive society, Europe and social mobility.

At the spring conference the party held consultative sessions open to all members on consumers, women and youth. Consultative sessions were held at the autumn conference on disability, localism and quality of life.

Elections and campaigns

The May 2009 local elections were delayed until June so that they coincided with the elections to the European Parliament. The local elections consisted of the county councils and a number of unitary authorities. The Party did well to take overall control of Bristol and gained seats in such diverse areas as Cumbria, Essex and Kent. Sadly these were offset by the loss of control of Devon and Somerset County Councils, which contributed to the Party losing 2 seats overall.

Despite the reduction of the UK's number of seats in the European Parliament from 78 to 72 seats the Party did well to win 11 seats, representing a net gain of one seat from the notional 2004 result.

In the Norwich North by-election the Party held onto third place with 14% of the vote.

In October Dave Hodgson was elected Mayor of Bedford in a by-election following the death of the incumbent. The Party moved from third to first place in first preferences and secured a majority over the Conservatives of over 2,000.

3. *Financial Review*

The general fund produced a surplus for the year of £126,296. Following an actuarial loss on the closed final salary scheme of £165,000 and transfers of £25,000 to specific reserve funds, this resulted in the accumulated deficit increasing from £245,905 to £309,609 at the end of 2009.

Although the deficit on the pension scheme increased by £72,000 this was after the Party had made additional contributions of £90,800 as part of a plan to eliminate the

The Liberal Democrats (The Federal Party) Report of the Party Officers for the year ended 31 December 2009

deficit. The actuarial loss of £165,000 was partly due to poor returns on the scheme's assets, but also to changes in the demographic and financial assumptions affecting the cost of providing benefits. The Party is continuing to meet its obligations as agreed with the scheme actuary. The next triennial valuation of the scheme will take place as at 1 April 2010.

The campaign fund saw significant increases in both income and expenditure as the Party geared up for the imminent general election. The deficit of £308,763 was actually below that budgeted for the year of £368,823 but on an almost 50% higher level of turnover.

Without the disappointing result for the pension scheme the Party would have achieved a very satisfactory result for a pre-election year.

Duncan Greenland
Registered Treasurer
28 June 2010

The Liberal Democrats (The Federal Party) Statement of Registered Treasurer's responsibilities

The Registered Treasurer of the party is required by the Political Parties, Elections and Referendums Act 2000 to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the party and of its surplus or deficit for that period. In preparing those financial statements, the Registered Treasurer is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the party will continue in business.

Section 41 of the Act requires that the Registered Treasurer is responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the party at that time and to enable him to ensure that the financial statements comply with the Act. He is also responsible for safeguarding the assets of the party and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Section 43 of the Act requires that the Treasurer is responsible for delivery of the statement of accounts to the Electoral Commission by the required deadline.

Independent Auditors' Report to The Federal Conference of The Liberal Democrats (The Federal Party)

We have audited the financial statements of the Liberal Democrats (The Federal Party) for the year ended 31 December 2009 which comprise the Income and Expenditure Account, the Statement of Total Recognised Gains and Losses, the Balance Sheet, the Cash Flow Statement and related notes. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

This report is made solely to the Federal Conference of the Liberal Democrats in accordance with Section 43 of the Political Parties, Elections and Referendums Act 2000. Our audit work has been undertaken so that we might state to the Conference those matters we are required to state to it in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Federal Conference, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Registered Treasurer and auditors

The responsibilities of the Registered Treasurer for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Registered Treasurer's Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the accounting policies set out therein and the requirements of the Political Parties, Elections and Referendums Act 2000. We also report to you if, in our opinion, the Report of the Party Officers is not consistent with the financial statements, if the party has not kept proper accounting records or if we have not received all the information and explanations we require for our audit.

We read the Report of the Party Officers and consider the implications for our report if we become aware of any apparent misstatements within it. Our responsibilities do not extend to any other information contained in the annual report.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Registered Treasurer in the preparation of the financial statements, and of whether the accounting policies are appropriate to the party's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the party's affairs as at 31 December 2009 and of its deficit for the year then ended and have been properly prepared in accordance with the accounting policies set out therein and the requirements of the Political Parties, Elections and Referendums Act 2000.

*Mazars LLP
Chartered Accountants and Registered Auditors
Tower Bridge House
St Katharine's Way
London
E1W 1DD*

28 June 2010

The Liberal Democrats (The Federal Party)
Income and Expenditure Account
For the year ended 31 December 2009

	Note	General fund £	Campaign fund £	Total 2009 £	Total 2008 £
Income					
Donations		710,462	1,959,992	2,670,454	1,542,840
Membership and subscription fees		890,352	-	890,352	807,765
Newspaper income	11	135,085	-	135,085	147,403
Affinity income		40,427	-	40,427	39,436
Grants	5	453,109	-	453,109	437,372
Conference income	10	1,130,910	-	1,130,910	1,184,173
Investment income	6	206	1,657	1,863	43,201
Notional income	7	-	11,411	11,411	163,160
Recharges to party bodies	12	862,824	128,375	991,199	954,258
Other	8	118,980	53,223	172,203	153,648
		<u>4,342,355</u>	<u>2,154,658</u>	<u>6,497,013</u>	<u>5,473,256</u>
Expenditure					
Conference expenditure	10	588,647	-	588,647	625,726
Newspaper expenditure	11	99,670	-	99,670	115,966
Fund raising expenditure		78,565	36,128	114,693	141,964
Depreciation and amortisation	4	2,786	10,533	13,319	42,050
Campaign expenditure		329,000	2,104,325	2,433,325	1,601,981
Staff costs	2	1,623,753	245,944	1,869,697	1,753,184
Premises & office costs		658,807	51,713	710,520	684,235
Interest payable and bank charges	9	41,355	3,019	44,374	31,480
Notional expenditure	7	-	11,411	11,411	163,160
Grants to party bodies	13	392,258	-	392,258	449,913
Expenditure recharged to other party bodies		113,611	-	113,611	113,759
Charges from other party bodies		215,708	-	215,708	199,538
Audit fees	4	13,000	-	13,000	12,500
Bad debt provision		2,608	-	2,608	694
Other		56,248	-	56,248	77,806
		<u>4,216,016</u>	<u>2,463,073</u>	<u>6,679,089</u>	<u>6,013,956</u>
Surplus/(deficit) before taxation		126,339	(308,415)	(182,076)	(540,700)
Taxation	14	(43)	(348)	(391)	(8,965)
Surplus/(deficit) for the year		126,296	(308,763)	(182,467)	(549,665)

The income and expenditure account has been prepared on the basis that all operations are continuing operations.

The notes on pages 12 to 26 form part of these financial statements

The Liberal Democrats (The Federal Party)
Statement of total recognised gains and losses
For the year ended 31 December 2009

	Note	2009	2008
		£	£
Deficit for the financial year		(182,467)	(549,665)
Actuarial loss on pension scheme		(165,000)	(121,000)
Total recognised gains and losses for the year		<u>(347,467)</u>	<u>(670,665)</u>

The notes on pages 12 to 26 form part of these financial statements

The Liberal Democrats (The Federal Party)
Balance Sheet as at 31 December 2009

	Note	2009 £	2009 £	2008 £	2008 £
Fixed assets					
Tangible assets	15		43,177		15,782
Current assets					
Debtors	17	645,101		607,427	
Cash at bank and in hand		<u>566,772</u>		<u>846,871</u>	
		1,211,873		1,454,298	
Creditors: amounts falling due within one year	18	<u>(1,018,399)</u>		<u>(957,962)</u>	
Net current assets			<u>193,474</u>		<u>496,336</u>
Total assets less current liabilities			236,651		512,118
Creditors: amounts falling due after More than one year	19		<u>-</u>		<u>-</u>
Net assets excluding pension deficit			236,651		512,118
Pension deficit	20		(127,000)		(55,000)
Net assets			<u>109,651</u>		<u>457,118</u>
Reserves					
General Fund	21		(309,609)		(245,905)
Campaign Fund	21		344,260		653,023
Reserve Fund 1	21		45,000		30,000
Reserve Fund 2	21		<u>30,000</u>		<u>20,000</u>
Total Funds			<u>109,651</u>		<u>457,118</u>

The financial statements were approved by the Federal Finance & Administration Committee on 28 June 2010

Duncan Greenland
Registered Treasurer

The notes on pages 12 to 26 form part of these financial statements

The Liberal Democrats (The Federal Party)
Cash Flow Statement
For the year ended 31 December 2009

	Note	2009 £	2008 £
Net cash outflow from operating surplus before returns on investments and servicing of finance	24	(232,283)	(577,630)
Returns on investment and servicing of finance			
Interest received		1,863	43,201
UK Tax paid		(8,965)	(14,156)
Capital expenditure and financial investment			
Payment to acquire tangible fixed assets		(40,714)	-
Decrease in cash	25	<u>(280,099)</u>	<u>(548,585)</u>

The notes on pages 12 to 26 form part of these financial statements

The Liberal Democrats (The Federal Party)
Notes forming part of the Financial Statements
For the year ended 31 December 2009

1 Accounting policies

The financial statements have been prepared under the historical cost convention, and are in accordance with applicable accounting standards and the principles set out in the Electoral Commission's 'Statement of Accounts Guidance Notes'.

The following principal accounting policies have been applied:

Income recognition

Income is recognised when all of the following conditions have been met:

- The party is entitled to the asset;
- There is reasonable certainty that the asset will be received; and
- The value of the asset can be measured with reasonable certainty.

Applying these criteria to specific types of income results in the following treatment:

- Donations of monetary assets and liquid investments are recognised in the income and expenditure account on receipt. Donations of notional income are recognised on receipt at the relevant market value of the donation received with an expense of the same amount being recognised contemporaneously.
- Grants are recognised in the income and expenditure account when the conditions for receipt have been met.
- Membership and subscription fees are recognised on a receipts basis.
- Legacies are recognised when the personal representatives of the deceased have notified the party of the legacy, they have obtained grant of representation and there are no significant matters outstanding concerning the precise division of the estate.
- Newspaper and conference income, and the State Party Levy are recognised on an accruals basis.
- Interest receivable is recognised in the income and expenditure account on an accruals basis.

Depreciation

Depreciation is provided to write off the cost, less estimated residual values, of all fixed assets evenly over their expected useful lives. It is calculated at the following rates:

Motor vehicles	-	5 years
Computer equipment	-	3 years
Bespoke computer software	-	5 years
Office equipment	-	3-5 years

The Liberal Democrats (The Federal Party)
Notes forming part of the Financial Statements
For the year ended 31 December 2009

1 Accounting policies (continued)

Basis of preparation

The Liberal Democrats (The Federal Party) is a federation constituted by the Scottish Liberal Democrats, the Welsh Liberal Democrats (Democratiaid Rhyddfrydol Cymru) and the Liberal Democrats in England (the State Parties). The Liberal Democrats in England is a federation of the Regional Parties in England. The Regional Parties comprise a number of Local Parties.

These financial statements deal solely with the activities of the Federal Party as set out in Article 2 of the Constitution of the Federal Party. They do not include the income, expenditure, assets or liabilities of the State, Regional, Local Parties, or any other bodies.

The financial statements have been drawn up on the going concern basis, which the Federal Executive regard as appropriate due to the on-going support of party members.

Recharged expenditure

The Federal Party meets the majority of the overheads incurred by the English State Party and some of those incurred by POLD (the Parliamentary Office of the Liberal Democrats) and the Scottish and Welsh State Parties. These costs are recovered through the Federal Party recharge.

Leased assets

Rentals payable under operating leases are charged on a straight-line basis over the term of the lease.

Pension benefit

Defined benefit pension scheme:

Pension liabilities are measured at their present value using the projected unit method in accordance with actuarial assumptions that are reviewed at each balance sheet date. Pension assets are measured at fair value. The net pension liability or asset, after deferred tax, is recognised in the balance sheet.

The service cost of providing pension benefits to employees for the year is charged to the income and expenditure statement. A charge representing the unwinding of the discount on the scheme liabilities during the year is included within other finance charges.

Defined contribution scheme:

Contributions to the party's defined contribution pension scheme are charged to the income and expenditure account in the year in which they become payable.

The Liberal Democrats (The Federal Party)
Notes forming part of the Financial Statements
For the year ended 31 December 2009

2 Employees

	2009	2008
	£	£
Staff costs consist of:		
Wages and salaries	1,344,814	1,260,354
Social security costs	131,856	123,896
Other pension costs	90,515	97,183
Other staff costs	302,512	271,751
	<u>1,869,697</u>	<u>1,753,184</u>

Other staff costs includes recruitment, training, travel and other staff costs.

The average number of employees during the year was as follows:

2009	2008
Number	Number
46	46
<u>46</u>	<u>46</u>

3 Registered Party Officers

None of the Registered Officers under PPERA or Committee Chairs received any remuneration in that capacity in 2009 (2008 - £nil).

4 Deficit before tax

	2009	2008
	£	£
This has been arrived at after charging:		
Auditors' remuneration - audit services	13,000	12,500
Operating lease charge - property	225,000	225,000
- equipment	32,285	32,790
Depreciation	13,319	42,050
	<u>283,604</u>	<u>312,340</u>

The Liberal Democrats (The Federal Party)
Notes forming part of the Financial Statements
For the year ended 31 December 2009

5	Grants received		
		2009	2008
		£	£
	Policy development grant	453,109	437,372
		<u> </u>	<u> </u>
6	Investment income		
		2009	2008
		£	£
	Interest receivable	1,863	43,201
		<u> </u>	<u> </u>
7	Notional income and expenditure		
		2009	2008
		£	£
	This comprises:		
	Services	11,411	163,160
		<u> </u>	<u> </u>
8	Other income		
		2009	2008
		£	£
	Westminster Foundation for Democracy management fee	81,880	49,107
	Treasurer's Unit income	53,223	51,721
	Miscellaneous income	37,100	52,820
		<u> </u>	<u> </u>
		172,203	153,648
		<u> </u>	<u> </u>

The Liberal Democrats (The Federal Party)
Notes forming part of the Financial Statements
For the year ended 31 December 2009

9 Interest payable and similar charges

	2009	2008
	£	£
Bank charges	44,374	31,480
	<u> </u>	<u> </u>

10 Surplus on conferences

	2009	2008
	£	£
Income	1,130,910	1,184,173
Expenditure		
Direct costs	588,647	625,726
Premises & office costs	18,356	32,172
Staff costs	150,919	171,400
Increase in bad debt provision	2,775	694
	<u> </u>	<u> </u>
Total expenditure	760,697	829,992
Surplus for the year	370,213	354,181
	<u> </u>	<u> </u>

11 Deficit on Liberal Democrat News

	2009	2008
	£	£
Income	135,085	147,403
Expenditure		
Direct costs	99,670	115,966
Premises & office costs	1,652	2,810
Staff costs	43,157	40,255
Bad debt provision	(167)	-
	<u> </u>	<u> </u>
Total expenditure	144,312	159,031
Deficit for the year	(9,227)	(11,628)
	<u> </u>	<u> </u>

The Liberal Democrats (The Federal Party)
Notes forming part of the Financial Statements
For the year ended 31 December 2009

12 Recharges to party bodies

	2009	2008
	£	£
Fixed cross charge to State Parties	422,011	412,971
Variable cross charge to State Parties	82,619	96,511
Charges to other party bodies	486,569	444,776
	<u>991,199</u>	<u>954,258</u>

13 Grants to party bodies

	2009	2008
	£	£
Grants to SAOs	124,459	128,078
Grants to other party bodies	267,799	321,835
	<u>392,258</u>	<u>449,913</u>

14 Taxation on deficit from ordinary activities

	2009	2008
	£	£
Taxation on party's investment income	391	8,965
	<u>391</u>	<u>8,965</u>

The Liberal Democrats (The Federal Party)
Notes forming part of the Financial Statements
For the year ended 31 December 2009

15 Tangible assets

	Computer Hardware	Computer Software	Office Equipment	Motor Vehicles	Total
	£	£	£	£	£
<i>Cost</i>					
At 1 January 2009	81,750	176,289	179,609	21,120	458,768
Additions	<u>-</u>	<u>-</u>	<u>40,714</u>	<u>-</u>	<u>40,714</u>
At 31 December 2009	<u>81,750</u>	<u>176,289</u>	<u>220,323</u>	<u>21,120</u>	<u>499,482</u>
<i>Depreciation</i>					
At 1 January 2009	80,630	175,792	165,444	21,120	442,986
Charge for the year	<u>1,120</u>	<u>497</u>	<u>11,702</u>	<u>-</u>	<u>13,319</u>
At 31 December 2009	<u>81,750</u>	<u>176,289</u>	<u>177,146</u>	<u>21,120</u>	<u>456,305</u>
<i>Net book value</i>					
At 31 December 2009	<u>-</u>	<u>-</u>	<u>43,177</u>	<u>-</u>	<u>43,177</u>
At 31 December 2008	<u>1,120</u>	<u>497</u>	<u>14,165</u>	<u>-</u>	<u>15,782</u>

16 Accounting units and similar affiliated organisations

The Liberal Democrats (The Federal Party) is constituted under section 26 of the Political Parties, Elections and Referendums Act 2000 as a central organisation with accounting units.

There are 506 registered accounting units. Details of these units are available from party headquarters.

17 Debtors

	2009	2008
	£	£
Trade debtors	-	1,780
Amounts owed by Liberal Democrat related entities	288,245	301,698
Other debtors	63,529	60,094
Prepayments and accrued income	293,327	243,855
	<u>645,101</u>	<u>607,427</u>

The Liberal Democrats (The Federal Party)
Notes forming part of the Financial Statements
For the year ended 31 December 2009

18 Creditors: amounts falling due within one year

	2009	2008
	£	£
Amounts owed to Liberal Democrat related entities	83,708	58,276
Trade creditors	-	25,559
Other taxation and social security	91,941	77,466
Corporation tax	567	9,141
Other creditors	33,791	33,557
Accruals and deferred income	708,392	403,963
Other loans	100,000	350,000
	<u>1,018,399</u>	<u>957,962</u>

19 Creditors: amounts falling due after more than one year

	2009	2008
	£	£
Other loans	-	-
	<u>-</u>	<u>-</u>

20 Pension deficit

	Pension deficit
	£
Balance at 1 January 2009	(55,000)
Movement in pension deficit	(72,000)
Balance at 31 December 2009	<u>(127,000)</u>

The Liberal Democrats (The Federal Party)
Notes forming part of the Financial Statements
For the year ended 31 December 2009

21 Reconciliation of movements in funds

	General Fund £	Campaign Fund £	Reserve Fund 1 £	Reserve Fund 2 £	Total £
At 1 January 2009	(245,905)	653,023	30,000	20,000	457,118
Deficit for the year	(38,704)	(308,763)	-	-	(347,467)
Transfers between funds	(25,000)	-	15,000	10,000	-
At 31 December 2009	(309,609)	344,260	45,000	30,000	109,651

The Reserve Funds represent amounts set aside for designated activities determined by FFAC.

22 Capital commitments

There are no contracted capital commitments not provided for in the accounts (2008: £nil).

23 Lease commitments

Operating lease payments that the party is committed to making in the year ending 31 December 2009 are:

	2009 £	2008 £	2009 £	2008 £
Operating leases which expire:				
	Land & Buildings	Land & Buildings	Other	Other
Within 1 year	-	-	4,059	17,155
Within 2 to 5 years	-	-	3,700	11,818
After 5 years	225,000	225,000	-	-
	225,000	225,000	7,759	28,973

The Liberal Democrats (The Federal Party)
Notes forming part of the Financial Statements
For the year ended 31 December 2009

24 Net cash outflow from operating deficit before tax, returns on investment and servicing of finance

	2009 £	2008 £
Operating deficit before taxation	(347,076)	(661,700)
Depreciation	13,319	42,050
(Increase)/decrease in debtors	(37,674)	16,689
Increase in creditors	69,011	64,532
Increase in provisions	72,000	4,000
	<hr/>	<hr/>
Net cash outflow from operating deficit before tax	(230,420)	(534,429)
Investment income	(1,863)	(43,201)
	<hr/>	<hr/>
	(232,283)	(577,630)
	<hr/> <hr/>	<hr/> <hr/>

25 Reconciliation of net cash outflow to movement in net funds

	2009 £	2008 £
Decrease in cash in the year	(280,099)	(548,585)
Loans converted to donations	250,000	-
	<hr/>	<hr/>
Change in net debt resulting from cash flows	(30,099)	548,585)
Opening net funds	496,871	1,045,456
Closing net funds	<hr/>	<hr/>
	466,772	496,871
	<hr/> <hr/>	<hr/> <hr/>

26 Analysis of net funds

	At 1 January 2009 £	Cash flow £	At 31 December 2009 £
Cash	846,871	(280,099)	566,772
Loans	(350,000)	250,000	(100,000)
	<hr/>	<hr/>	<hr/>
Net funds	496,871	(30,099)	466,772
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

The Liberal Democrats (The Federal Party)
Notes forming part of the Financial Statements
For the year ended 31 December 2009

27 Pensions

The party sponsors the Liberal Headquarters 1975 Retirement Fund which is a funded defined benefit arrangement. A full actuarial valuation of this scheme was carried out by a qualified independent actuary as at 1 April 2007 and updated on an approximate basis to 31 December 2009.

The total contributions made by the employer over the period have been £108,659, equivalent to approximately 41% of pensionable pay plus the expenses of administration and special contributions of £9,500 payable monthly until April 2009 and thereafter at 56% of pensionable salary and special contributions of £6,600 payable monthly until March 2012. This level of contribution is to continue until reviewed following completion of the triennial valuation as at 1 April 2010.

The best estimate of contributions to be paid by the employer to the scheme for the accounting year beginning after 31 December 2009 is £99,500.

Present values of scheme liabilities, fair value of assets and deficit

	31/12/09 £'000s	31/12/08 £'000s	31/12/07 £'000s
Fair value of scheme assets	663	579	916
Present value of scheme liabilities	790	634	967
Deficit in scheme	(127)	(55)	(51)

As all actuarial gains and losses are recognised, the deficit shown above is that recognised in the balance sheet.

Reconciliation of opening and closing balances of the present value of the scheme liabilities

	Period ending 31/12/09 £'000s	Period ending 31/12/08 £'000s
Scheme liabilities at start of period	634	967
Current service cost	13	18
Interest cost	40	55
Actuarial losses	103	18
Benefits paid, death in service insurance premiums and expenses	-	(424)
Scheme liabilities at end of period	<u>790</u>	<u>634</u>

The Liberal Democrats (The Federal Party)
Notes forming part of the Financial Statements
For the year ended 31 December 2009

Reconciliation of opening and closing balances of fair value of scheme assets

	Period ending 31/12/09 £'000s	Period ending 31/12/08 £'000s
Fair value of scheme assets at start of period	579	916
Expected return on scheme assets	34	57
Actuarial losses	(62)	(103)
Contributions by employer	112	133
Benefits paid, death in service insurance premiums and expenses	-	(424)
Fair value of scheme assets at end of period	<u>663</u>	<u>579</u>

The actual return on the scheme assets over the period ending 31 December 2009 was (£22,000).

Total expense recognised in income and expenditure account

	Period ending 31/12/09 £'000s	Period ending 31/12/08 £'000s
Current service cost	13	18
Interest cost	40	55
Expected return on scheme assets	<u>(34)</u>	<u>(57)</u>
Total expense recognised in income and expenditure account	<u>19</u>	<u>16</u>

Statement of total recognised gains and losses

	Period ending 31/12/09 £'000s	Period ending 31/12/08 £'000s
Difference between expected and actual return on scheme assets: gain/(loss)	(62)	(103)
Experience gains and losses arising on the scheme liabilities: gain/(loss)	(8)	(74)
Effects of changes in the demographic and financial assumptions underlying the present value of the scheme liabilities: gain/(loss)	(95)	56
Total amount recognised in statement of total recognised gains and losses: gain/(loss)	<u>(165)</u>	<u>(121)</u>

The cumulative amount of actuarial gains and losses recognised in the statement of total recognised gains and losses since 1 January 2004 is (£89,000).

The Liberal Democrats (The Federal Party)
Notes forming part of the Financial Statements
For the year ended 31 December 2009

Assets

	31/12/09 £'000s	31/12/08 £'000s	31/12/07 £'000s
With profit policy	<u>663</u>	<u>579</u>	<u>916</u>

None of the fair values of the assets shown include any of the party's own financial instruments or any property occupied by, or other assets used by, the party.

Assumptions

	31/12/09 % per annum	31/12/08 % per annum	31/12/07 % per annum
Inflation	3.70	2.90	3.20
Salary increases	5.80	5.00	5.20
Rate of discount	5.70	6.30	5.90
Allowance for pension in payment increases	5.00	5.00	5.00
Allowance for revaluation of deferred pensions	5.00	5.00	5.00
Allowance for commutation of pension for cash at retirement	Nil	Nil	Nil

The mortality assumptions adopted at 31 December 2009 are 100% of the standard tables PxA92 with Year of Birth improvements in accordance with the Medium Cohort improvement tables for males and females. These imply the following life expectancies:

Male retiring at 65 in 2009	22.0 years
Female retiring at 65 in 2009	24.9 years
Male retiring at 65 in 2028	23.1 years
Female retiring at 65 in 2028	25.9 years

Expected long term rates of return

The expected return on bonds is determined by reference to UK long dated gilts and bond yields. The expected rate of return on equities is determined by setting an appropriate risk premium above gilt/bond yields having regard to market conditions. The expected return on the with profit policy is determined by blending the expected returns based on the target asset allocation of the with profit fund.

The expected long term rates of return applicable at the start of each period are as follows:

	01/01/09 % per annum	01/01/08 % per annum
With profit policy	5.30	6.10
Overall for scheme	5.30	6.10

The Liberal Democrats (The Federal Party)
Notes forming part of the Financial Statements
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Amounts for the current and previous four periods

	31/12/09 £'000s	31/12/08 £'000s	31/12/07 £'000s	31/12/06 £'000s	31/12/05 £'000s
Fair value of assets	663	579	916	821	1,090
Present value of scheme liabilities	790	634	967	954	1,359
Deficit in scheme	(127)	(55)	(51)	(133)	(269)
Experience adjustment on scheme assets	(62)	(103)	(18)	44	106
Experience adjustment on scheme liabilities	(8)	(74)	(45)	(82)	63

Other post-retirement benefit schemes

The Federal Party contributes to personal pension schemes held in the names of individual employees. The assets of these schemes are held separately from those of the Federal Party in independently administered funds. The pension cost charge represents contributions payable to these funds and amounted to £90,515 (2008: £97,183). At 31 December 2009, contributions amounting to £22,308 (2008: £17,897) were payable to these funds and are included within other creditors in note 18.

28 Contingent liabilities

During the year ended 31 December 2005, the Party received donations totalling £2,419,065 from 5th Avenue Partners Limited ("5th Avenue"). After due enquiry, the Party treated these as permissible donations in accordance with the Political Parties, Elections and Referendums Act 2000. The Electoral Commission have completed their investigation into these donations and concluded in November 2009 that there is no reasonable basis to conclude that the true donor was someone other than 5th Avenue. The Electoral Commission will be taking no further action in the case.

On 11 September 2008, the Party was issued with a claim in relation to a donation of £632,000 received by the Party from 5th Avenue on 30 March 2005. The claim was defended and stayed indefinitely on 3 November 2008. The Party's lawyers have advised that it is very unlikely that this claim, or any claims in respect of these donations, would be successful, therefore no provision has been made in the Party's financial statements for the repayment of such sums.

29 Related entity transactions

The Federal Executive is chaired by the President of the Party to whose office the Federal Party paid grants in the year amounting to £5,000 (2008: £5,000).

The Federal Party is also related to other bodies within the Liberal Democrats as set out in note 1 above. During the year it received levies from these bodies amounting to £890,352 (2008: £807,765) and recharged expenditure totalling £991,199 (2008:

The Liberal Democrats (The Federal Party)
Notes forming part of the Financial Statements
For the year ended 31 December 2009

£954,258). Expenditure includes grants to party bodies, expenditure recharged to other party bodies and charges from other party bodies totalling £721,577 (2008 - £763,210).

The amount owed by related entities at 31 December 2009 was £288,245 (2008: £301,698) and amount owed to related entities was £83,708 (2008: £58,276).

Significant balances owed by related entities are as follows:

Parliamentary Office of the Liberal Democrats	£90,832
The Liberal Democrats in England	£20,920
The Welsh Liberal Democrats	£18,960
South Central Region Liberal Democrats	£10,974
London Region Liberal Democrats	£10,381
North Dorset Liberal Democrats	£10,000

Elected Representatives

Annex A

As of 10 May 2010 the party had the following elected representatives

Westminster Parliament	
Danny Alexander	Michael Moore
Norman Baker	Greg Mulholland
Alan Beith	Tessa Munt
Gordon Birtwistle	John Pugh
Tom Brake	Alan Reid
Annette Brooke	Dan Rogerson
Jeremy Browne	Bob Russell
Malcolm Bruce	Adrian Sanders
Paul Burstow	Robert Smith
Lorely Burt	Andrew Stunell
Vincent Cable	Ian Swales
Menzies Campbell	Jo Swinson
Alistair Carmichael	Sarah Teather
Nick Clegg	John Thurso
Mike Crockart	David Ward
Edward Davey	Steve Webb
Tim Farron	Mark Willams
Lynne Featherstone	Stephen Williams
Don Foster	Roger Williams
Andrew George	Jenny Willott
Stephen Gilbert	Simon Wright
Duncan Hames	
Mike Hancock	European Parliament
Nick Harvey	Catherine Bearder
David Heath	Sharon Bowles
John Hemming	Chris Davies
Martin Horwood	Andrew Duff
Simon Hughes	Bill Newton Dunn
Chris Huhne	Fiona Hall
Mark Hunter	Sarah Ludford
Julian Huppert	Liz Lynne
Charles Kennedy	George Lyon
Norman Lamb	Diana Wallis
David Laws	Graham Watson
John Leech	
Stephen Lloyd	

THE LIBERAL DEMOCRATS (TRUSTEES) LIMITED

Directors' Report to the Members for the year ended 31 December 2009

The Directors submit their report for the year ended 31 December 2009, and the Company's balance sheet as at that date.

By virtue of Article 8.3 of the present Constitution of the Liberal Democrats ("the Party"), the function of the Company is to acquire, hold and dispose of such assets of the Federal Party (as defined in that Constitution) as the Federal Executive (as so defined) may from time to time direct.

Where the Company enters into any transaction, it does so as trustee and/or agent for the Party. On this basis, the Company is dormant within the meaning of Section 249AA of the Companies Act 1985 and does not prepare a profit and loss account.

The Directors of the Company during the year ended 31 December 2009 were:

Lord Clement-Jones

Lord Dholakia

Duncan Taylor Greenland

Eric Hamilton Lowry (Irish)

Michael Jeans

Baroness Northover

Lord Vallance

Sir Ian William Wrigglesworth

Signed on behalf of the Board



Secretary

Dated: 14 June 2010

Registered in England

No. 2231620

Registered Office

4 Cowley Street

London SW1P 3NB

THE LIBERAL DEMOCRATS (TRUSTEES) LIMITED

Balance Sheet as at 31 December 2009

	£
Assets	NIL
Liabilities	NIL

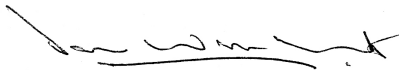
Throughout the year ended 31 December 2009, the Company was dormant, and accordingly entitled under Section 249AA(1) of the Companies Act 1985 ("the Act") to exemption from audit.

Members have not required the Company to obtain an audit in accordance with Section 249B(2) of the Act.

The Directors acknowledge their responsibility for:

- (a) ensuring that the Company keeps accounting records which comply with Section 221 of the Act; and
- (b) preparing accounts which give a true and fair view of the state of affairs of the Company as at the end of its financial year, and of its profit and loss for the financial year, in accordance with Section 226 of the Act, and which otherwise comply with the requirements of the Act relating to accounts so far as applicable to the Company.

Approved by the Board on 14 June 2010



IAN WRIGGLESWORTH

Director

PARLIAMENTARY PARTY (COMMONS)

Introduction

This is my first report to Conference as Chief Whip of the Liberal Democrats. It is also the first report that a Liberal Democrat Chief Whip has made from the government benches. It has been a long journey from April 12th, when the House was dissolved and the 2005 Parliament struggled to a close. Very few would have anticipated that just six months after the last Parliamentary Party report to Spring Conference, that the Liberal Democrats would be in Government.

I would like to pay tribute to Paul Burstow, my predecessor between 2006 and 2010. Paul's diligence and astute management means that I am inheriting an office which has been able to adapt to the changing demands on a Parliamentary Party now in coalition government.

I would also like to pay tribute to all my colleagues who were not returned to Parliament: Sandra Gidley, Julia Goldsworthy, Evan Harris, Paul Holmes, Susan Kramer, Lembit Opik, Willie Rennie, Paul Rowen and Richard Younger-Ross. On behalf of the whole Parliamentary Party I would like to thank them for their hard work and determination over the years. Each made an enormous contribution to the work of the Party and they will be much missed in this Parliament.

Run-up to the Election

In the Commons, the period running up to the election felt as though the Commons was going through the motions, just to fill in time. The Labour Government ran out of steam years ago but they clung on to power until the later very last moment. The conclusion of that tired and discredited Parliament culminated in the 'wash-up', whereby many unfinished and inadequately scrutinised bills are bargained for behind closed doors. It was a political stitch-up of the worst kind and one against which Liberal Democrats spoke out strongly. I hope that will be the last such 'wash-up' ever as a fixed term Parliament should bring with it more honesty and transparency in the management of parliamentary business, especially towards the end of a Parliament.

Coalition Agreement

In his report to Spring Conference, my predecessor Paul Burstow wrote: *"2010 is a game-changing year and we, as Liberal Democrats are ready to play. Never before has the party been so professional and optimistic. In Nick we have a confident and decisive Leader who is not afraid to take risks; Nick's ability to read the political landscape is phenomenal and he is supported by the most able and committed MPs in the Commons"*. He couldn't have been more right.

The days after the election were emotional, tiring and vital to the history of our Party. I would like to record the debt of gratitude that we all owe our negotiating team: Danny Alexander, Chris Huhne, David Laws and Andrew Stunell. The team worked round the clock to ensure that we as a Party had the best deal possible from the coalition agreement. The Parliamentary Party met several times over the six days between the election and finally agreeing the coalition document, receiving updates from the negotiating team considering the next step. As the process progressed, MPs met jointly with Peers in order to ensure that all parliamentary colleagues were informed and aware of each option.

On Tuesday 11th May, the parliamentary parties in both the Commons and Lords met jointly with the Federal Executive to approve the coalition agreement negotiated with the Conservative Party. The document was circulated and discussed and, in the early hours of

12th May the agreement was approved. It is worth noting that the Parliamentary Party in the Commons approved the agreement without a single vote against.

Of our four key pledges, each one can be found in the coalition agreement: increasing the income tax threshold to £10,000; the pupil premium and investment in education; green taxation and an investment in green jobs; and extensive political and constitutional reform. In any coalition agreement there will be elements of compromise for both parties and that is true of this one too. I believe strongly, however, that there is an enormous amount in this agreement about which we should be proud and to which we should be campaigning enthusiastically in Parliament and in our communities.

Liberal Democrats in Government

Within a Parliamentary Party of 57, we now have 18 MPs holding Ministerial office in the Government, including the Deputy Prime Minister and four other members of the Cabinet. Each and every Minister has hit the ground running and is making progress in their departments to ensure that Liberal Democrat policy and thinking is woven in to all that Government does.

In the first few weeks since the Coalition was formed we have seen a succession of announcements implementing Liberal Democrat policies.

- A Bill introduced to scrap ID cards.
- The first steps towards raising the income tax threshold.
- A consultation on the Freedom Bill to scrap the illiberal laws introduced under Labour.
- The restoration of the earnings link with state pensions.
- A commitment to a referendum on the voting system.
- A Bill to bring in fixed term Parliaments, an inquiry into the use of torture.
- The right for local councillors to speak out at planning meetings.

From headline policies and changes to legislation, to day-to-day decisions, the impact of the Liberal Democrats is apparent across Whitehall and is making a difference to the lives of people in constituencies across the country.

In order to provide a working interface between Government and the Parliamentary Party, and to ensure that the Liberal Democrats are properly represented on every issue in the House of Commons, we have created Parliamentary Party Committees (PPCs), with co-chairs coming from both the Commons and the Lords. The aim of the PPCs is act as a focal point for Government, for the Party, for interest groups and within the House when dealing with portfolio areas. An innovative new arrangement has also been agreed with our coalition partners to ensure that these co-chairs have full access to departments, being alerted to forthcoming statements and properly consulted on policy decisions and announcements. The PPCs will also provide coverage in the House for questions, statements and debates. These will play a significant role in the success of the Coalition and ensuring that the Liberal Democrats are a distinct force in Parliament.

POLD

The withdrawal of Short Money necessitated a considerable amount of restructuring of our staff support. It was with great sadness that we have had to say goodbye to a number of colleagues. Each played a key role in ensuring our success and, on behalf of the Commons Parliamentary Party, I would like to thank the following:

Alice Aitken	Parliamentary Research Unit
Steve Lotinga	Parliamentary Research Unit
Ben Jones	Parliamentary Research Unit
Sam Cannicott	Parliamentary Research Unit
Navprit Rai	Parliamentary Research Unit
James Lloyd	Parliamentary Research Unit
Louisa Latham	Parliamentary Research Unit
Debbie Enever	Parliamentary Research Unit
Kathrine Bancroft	Press Office
Louise Phillips	Press Office
Donald Campbell	Press Office
Diana Yeboah	Press Office
Mark Haslam	Press Office
Will Davies	Press Office
Anna Brown	Leader's Office
Paul Maloney	Leader's Office
Becks Darling	Leader's Office
Jayde Bradley	Leader's Office
Mike Girling	Leader's Office

A number of other staff have now moved into positions in Government and I should like to thank them for their contribution to the Party over the years. I know they will continue to work to ensure that we make the most of this extraordinary opportunity.

Conclusion

I firmly believe that we as Liberal Democrats, with our belief in pluralist politics and clear sense of fairness, have a phenomenal opportunity to improve the lives of millions of people. One of my predecessors both as Chief Whip and as MP for Orkney and Shetland once said, *"There is no purpose in keeping a Liberal Party alive unless it promotes liberalism"*. Jo was right and I believe that this coalition not only gives us an opportunity to promote our values and our Party but to embed firmly liberalism in everything that the machinery of Government does. We have the opportunity to use Parliament to build a truly Liberal country. My colleagues and I are committed to ensure that we do everything we can to make this happen.

Alistair Carmichael MP
Chief Whip (Commons)
July 2010

Parliamentary Party (Lords)

Autumn Conference Report 2010

This is an unusual report in that it covers the activities of the Lords group in the final days of the Labour government until Spring 2010. This includes the period of 'wash-up' when decisions were made on the future of several bills that had not completed the normal scrutiny, and deals were done to get important but perhaps less contentious bills on to the statute book. The report then covers the first couple of months until mid-July of our activities in the coalition government

Last Session 2009-2010

Bribery Bill

The main concern on this Bill, which was handled by **Martin Thomas** and **Willie Goodhart** and which began in the Lords, was the clause which provided a defence for the armed services and intelligence services when faced with a bribery charge. However, a satisfactory concessionary amendment was agreed at 'wash-up' and the Bill received Royal Assent.

Constitutional Reform and Governance Bill

Tom McNally, Paul Tyler, David Steel, Bob Maclennan, Chris Rennard, Andrew Phillips and Sue Miller all spoke in this Bill, of which we were largely supportive. Our criticisms were reserved for the failure of the Labour party in promoting a radical constitutional reform agenda during their time in government. During 'wash-up' negotiations, only the following (out of a very large number of important issues) were retained:

- Civil service reform
- Ratification of treaties
- Parliamentary Standards
- Taxation status of MPs and Lords
- Transparency of government financial reporting to parliament Public records and freedom of information

Child Poverty Bill

The Child Poverty Bill, of which our team of **Celia Thomas and Archy Kirkwood** were largely supportive, managed to escape the Parliamentary wash-up and became law before the General Election date was announced.

Children, Schools and Families Bill

Joan Walmsley, Sue Garden and Margaret Sharp led on this Bill, which included a range of measures. We opposed a set of "pupil and parent guarantees" and teacher licences as creating unnecessary bureaucracy for schools. We also opposed extra powers of intervention for the Secretary of State, and proposals to regulate home education. All of these were dropped by the Government in 'wash up'.

We were unsuccessful, however, in attempts to remove the wide powers given to Local Safeguarding Children's Boards. We also argued unsuccessfully to retain one section which the Government dropped, which would have introduced a statutory duty for the schools to teach Personal, Social, Health and Economic education. We will push for this in the forthcoming curriculum review.

Crime and Security Bill

Sally Hamwee, Angie Harris and Navnit Dholakia spoke in this Bill. We were very supportive of some measures in the Bill, such as the provisions on domestic violence and compensation for victims of overseas terrorism. During the 'wash-up' negotiations, the Conservatives and the Government agreed to retain the whole of this Bill during the wash-up negotiations, including the retention of DNA samples, which are likely to be found to be illegal by the European courts.

Digital Economy Bill (HL)

Tim Clement-Jones, Tim Razzall, Jane Bonham-Carter, Sue Miller and Brian Cotter were our team in the Government's controversial Digital Economy Bill.

Liberal Democrats, with Tory support defeated clause 17. This was an all encompassing Henry VIII power to enable the Government to amend copyright law at will. It was replaced with a new (somewhat controversial) clause enabling courts to impose injunctions on websites to stop internet service providers hosting copyright material without permission. We strongly supported the deletion of clause 42 which created bodies to licence these orphan works in exchange for payment, which was conceded during 'wash-up'.

Energy Bill

Robin Teverson and **William Wallace** led on this Bill, which we supported overall, and specifically on issues like Carbon Capture and Storage and social tariffs. As a result of the 'wash up' process taking over, we had very little time, and although we pressed to strengthen it, for example by introducing emissions performance standards for power plants, we were unsuccessful.

Equality Bill

During Committee and Report Stages of this Bill our frontbench team, consisting of **Anthony Lester, Lindsay Northover, Eric Avebury and Jim Wallace**, secured a number of concessions from the Labour Government – especially on the issues of caste discrimination and pregnancy discrimination in schools. As well, a number of changes were made to equal pay provisions, broadcasting measures, equality between spouses, positive action and proportionality,

Financial Services Bill

Dick Newby led for us on this Bill. During 'wash-up' we were pleased that the clauses on a financial education remit and the establishment of a consumer financial advice body, executive remuneration, short selling, a consumer redress scheme and restrictions on credit card cheques were retained.

Flood and Water Management Bill

Tony Greaves, Dominic Addington, Rupert Redesdale and Graham Tope took part in this Bill, which was largely uncontroversial and received Royal Assent with only minor amendment.

Live Music Bill

Tim Clement-Jones's Live Music Private Members Bill received a second reading in the Lords on 15th January and passed all stages. The Bill, which aimed to stop the bureaucracy

surrounding the performance of small scale live music, ran out of Parliamentary time before the election and failed to make progress in the Commons.

The Coalition Government's programme for Government contains a commitment to cut red tape for live music and Tim Clement-Jones plans to relaunch his Bill during the current Parliamentary session.

Personal Care at Home Bill

Liz Barker led on this Bill, which allocated a small amount of money to provide free personal care for elderly people with the greatest need. We opposed it on the basis that it undercut the Green Paper process on personal care, that it required Local Authorities to find a large proportion of the funding from spurious "efficiency savings", and that there were better ways to spend the resources available. We proposed a "respite care" fund to allow carers a break from their responsibilities.

This Session 2010-2011

Following the General Election we have been playing our part in government, as well as having a significant backbench role, mainly involving leadership of those who had previously been Liberal Democrat opposition spokespeople. In government, Tom McNally, remaining as our Leader, has also become Deputy Government Leader of the House and Justice Minister. Jim Wallace has become Advocate General for Scotland and the senior law officer in the Lords. I, remaining as our Chief Whip, also became Deputy Government Chief Whip. Lindsay Northover, William Wallace, and latterly, Sue Garden, have been appointed Government Whips, and between the six of us, we have the role of being the Liberal Democrats in and speaking for government on most departments of state in the House of Lords. We have retained our system of having Party whips led by my deputy, Dominic Addington, assisted by John Lee, Diana Maddock and Roger Roberts. We have also elected a Convener of the Liberal Democrat peers, John Alderdice, with Jane Bonham-Carter as his deputy, to assist in the cohesion of our group whether in government or serving on the backbenches.

Academies Bill

Joan Walmsley, Sue Garden, Margaret Sharp, Shirley Williams, Tony Greaves and Andrew Phillips have all been working on this Bill, which at the time of writing is about to pass from the Lords to the Commons.

The Bill has two principle functions: to allow schools which wish to become Academies to apply to the Secretary of State for permission, and to allow the Secretary of State to make an order to convert a school eligible for intervention into an Academy.

We have worked to amend a number of areas of the Bill. We were successful in getting Government concessions to ensure that a school's governing body consults with appropriate people before applying to become an Academy, for an annual report to Parliament on the progress and effect of the Bill, and a duty on the Secretary of State to consider the effect of making an Academy Order on other schools in an area.

Local Government Bill

Graham Tope, Ros Scott and Chris Rennard have worked on this Bill, which at the time of writing is still before the Lords and which we support. The Bill revokes the structural changes which were passed late in the last Parliament to create unitary authorities in Exeter and Norwich. We opposed these as they were rushed and badly thought through, a view which was later confirmed by a judicial review which struck down the orders.

Press comment during both sessions

Royal Parks, Unitary Authorities and Fatal Motions

Local press in the West Country and East Anglia reported that Conservative peers ‘sat on their hands’ rather than support **Graham Tope**’s “fatal amendment” which aimed to torpedo the Labour Government’s move to turn Exeter and Norwich into unitary authorities (23 March). Despite vociferous opposition to the measure in the run-up to the debate, the Conservatives would only vote for a “regret motion” which the Government predictably ignored. Graham’s fatal motion could have thrown out the plans permanently – instead the Coalition has now introduced a Bill to stop them. The same thing happened 2 weeks before when **Jenny Tonge** tabled a fatal amendment to regulations introducing parking charges in all the Royal Parks. Also opposed to parking charges which had become a pre-election issue in the Lib Dem-Tory marginal seat of Richmond, London, the Conservatives supported a regret motion to express their dislike of the measures but refused to support Jenny’s amendment which would have blocked the parking charge plans permanently.

Digital Economy unrest

Controversy over **Tim Clement-Jones**’ amendment to the Digital Economy Bill continued as the Bill moved from the House of Lords to the House of Commons. The Guardian, Guardian Online and ZDNet UK (online) kept up a running commentary on the issue, which was also covered by the FT and Metro, and specialist media such as Computer Weekly.

Lord Ashcroft and the Privileges Committee

Following Lord Ashcroft’s admission that he was a ‘non-dom’, **Dick Taverne** wrote to the Sub-Committee of Lords’ Interests asking that House of Lords standards watchdog investigate whether Ashcroft had breached the “principles of standards in public life” meaning he was potentially unsuitable for public office. The Independent, Guardian, FT, Evening Standard and Western Mail were among the newspapers which ran the story.

Reform of Libel Law

There was widespread coverage of **Anthony Lester**’s defamation private members’ bill which was introduced in the Lords on 27 May. Anthony wrote an article for the Times (24 May) spelling out why reform of libel laws is needed. Articles discussing the issue followed in the Times, Guardian, Telegraph, Daily Mail, Guardian Online, Morning Star Online, Spectator, Economist, Sunday Times, and The Lawyer. The new Bill had its second reading on 9 July.

Academies Bill

Joan Walmsley and **Margaret Sharp** spoke to the Times Educational Supplement about the Academies how the plans for any school to apply for academy status will work in practice (11 June).

Also

David Steel became the de facto Party spokesman on hung parliaments and coalitions governments in the run up to and during the Election Campaign. He regularly put a strong case against the argument that a ‘balanced parliament’ would cause financial instability. Likewise, **William Wallace** showed great prescience in an interview with Bloomberg News in April when he said “Some of the most fiscally responsible Governments have been coalition”. The accompanying table compared the levels of debt of Denmark and Germany with those of Greece and the UK. William is now a ‘Lord in Waiting’ to the Queen and, in this guise,

occasionally appears in the Times and Telegraph Court Circular columns. Most recently he and his wife met President Sarkozy and Carla Bruni-Sarkozy at Heathrow at crack of dawn. The Sarkozys were arriving in London to celebrate the 70th anniversary of de Gaulle's famous BBC broadcast on 18 July 1940 rallying the French to answer his call and resist the Nazi invaders. **Tom McNally's** position as Justice Minister means he features regularly in the media giving the Government response on issues such as the age of criminal responsibility, reform of the House of Lords, whether prisoners should be able to vote and the hot potato of electoral reform. Similarly, **David Shutt** now speaks for the Government in the Lords on Culture, Media & Sport, Transport and Northern Ireland although the media have focused mainly on his role as spokesman on the Olympics. **Matthew Oakeshott** has been frequently quoted deriding Labour's terrible legacy regarding pensions and housing. He also contributed an article to Investors Chronicle (11 June) on property values. **John Alderdice** was interviewed on the Today Programme (19 June) following the publication of the Saville Inquiry Report into the events of Bloody Sunday.

Debates introduced by Liberal Democrats

Celia Thomas – an amendment to the motion to approve the draft Jobseekers' Allowance regulations

Archy Kirkwood – a regret motion on Social Security (housing costs) regulations

Jenny Tonge – a fatal motion on the regulations for car parking charges in Richmond Park

Hugh Dykes – the state of Israel

Archy Kirkwood – workplace pensions

Archy Kirkwood – tackling poverty

Bill Rodgers – the after-care of stroke patients

David Chidgey – Eastern and Central Africa

Graham Tope – a fatal motion on regulations to turn Exeter and Norwich into unitary authorities

Private Members' Bills

Joan Walmsley -Children's Rights Bill

Anthony Lester – Defamation Bill

FINALLY

It has been a time of great change. We have welcomed new additions to our ranks, taking our number to 80. By the end of July Richard Allan, Floella Benjamin, Meral Hussein-Ece, Mike German, Ken Macdonald, Kate Parminter, John Shipley, Matthew Taylor and Phil Willis will have been introduced as new Liberal Democrat peers. But there is a downside – one consequence for the party of entry into government is the loss of the government funding for opposition parties in the House of Lords, the loss of nearly £250,000 'Cranborne money'. This has meant that we have had to reduce the staffing of our Liberal Democrat office from 6 to 3 and say farewell to Anne-Marie Christoffersen-Deb, Matthew Hindle and Natasha Kirwan. We thank them sincerely for the considerable service to our cause and wish them well in the future. We continue to be well served by our Head of Office Carolyn Rampton and our experienced Parliamentary and legislative Advisers, Elizabeth Hanna and Tom Kiehl. Their continuing employment is only possible thanks to the serious generosity of Liberal Democrat peers and we are reliant on a continuation of that generosity. I give grateful thanks to all involved in our House of Lords team at this time of transition.

David Shutt
(Lord Shutt of Greetland)
Chief Whip (Lords)
July 2010

Parliamentary Party (Europe)

It has been a successful time for Liberal Democrats in the now strengthened European Parliament. Our 85-strong political group, ALDE (Alliance of Liberals and Democrats for Europe), has been on the winning side of more than 90% of votes, being independently judged as 'the kingmakers' most likely to determine the outcome when the chamber is divided. The group position very closely coincides with that of the UK Liberal Democrats, and our position has been given further weight by the welcome addition to our numbers of former Conservative MEP Edward McMillan-Scott. With 12 MEPs the UK delegation (LDEPP) is the second largest in ALDE and, thanks to the fissiparous ways of UKIP, is now restored as the 3rd largest from the UK within a parliamentary group.

So far as arrangements between Liberal Democrats and Conservatives are concerned the European Parliament is a coalition-free zone. However, informal discussions take place from time to time between the leaders and whips of the two delegations to try and identify any conflicts that may require explanation in the UK. A softening in some aspects of the Conservative position towards the EU has become apparent, reflected in the support they now offer to the new European External Access Service, an organisation that pools the diplomatic resources of the EU institutions and that is likely to be of growing importance to the UK as the number of our own embassies and consulates overseas declines. Also, there is evidence of a more cooperative stance on EU justice matters. The voices of Tory Europhobes are delightfully muted.

Recognising that opportunities exist for increasing our collective influence over the shaping of EU legislation, LDEPP leader, Fiona Hall, has sought to establish good channels of communication with the Coalition Government, and to further this a staff member has been appointed who will work from the Whip's Office in the House of Commons. Fruitful partnership will depend on reciprocation by Ministers and Special Advisors, and while developments are taking place the issue of communications between representatives within the party is still work in progress.

Proof that the Lisbon Treaty has given the Parliament across-the-board equal rights with governments in the law-making process was forcefully demonstrated by its rejection of the SWIFT agreement on transatlantic data transfers. Sarah Ludford, active on data protection issues, contributed strongly to the refusal by MEPs to accept that EU citizens should not have equal protection to that awarded to their US counterparts. Having led on this issue, Liberal Democrats were eventually able to recommend approval of a revised agreement after new safeguards had been incorporated. Sarah Ludford followed this achievement by steering through landmark legislation that will give people arrested or on trial in EU countries the right to free translation and interpretation. Working closely with ALDE leader, Guy Verhofstadt, Andrew Duff used his position as Parliament's rapporteur for the approval of the new European Commission to improve both its composition and its political programme, and was later closely involved in the task of ensuring that the External Action Service shall be both ambitious in scope and accountable to the Parliament.

The financial crisis, and the indebtedness of some Member States, has sent shockwaves through the European Union. As Chair of the Economic and Monetary Affairs Committee Sharon Bowles has played a lead role in developing the EU's legislative response, notably through negotiations to determine new rules for overall European financial supervision and particularly for hedge funds and private equity. Named as "the most powerful woman in European finance," she has also been instrumental in putting into place controls on bankers' bonuses.

Reform of the Common Agricultural Policy is one of the priorities for the current mandate, with MEPs now sharing the decision-making with ministers, and George Lyon has helped shape the forthcoming debate by taking through the Parliament proposals that would, if implemented, go a long way towards meeting Liberal Democrat ambitions. The desire of many MEPs to support continued payment of subsidies for unsustainable practices should not be underestimated, but George managed to negotiate compromises that secured majorities in favour of linking direct payments to farmers with support for efforts to reduce global warming emissions, and for the goal of ensuring that the vast majority of European farmland is included within agri-environmental schemes to improve biodiversity and protect water quality.

In her capacity as Vice President with specific responsibility for transparency, Diana Wallis is preparing a new joint register for lobbyists to be shared by the Parliament and the Commission. She intends to increase pressure on the Council to share in this initiative and allow some light to be shed on its involvement in the European legislative process. Both she and Andrew Duff are closely involved in work to introduce the European Citizens' Initiative, a procedure by which the support of 1 million people could initiate formal political debate and possible legislation.

While the LDEPP is not large enough to follow every aspect of the Parliament's work, its members are amongst the most active and have sought to develop policy in a huge range of additional areas.

Bill Newton Dunn has highlighted the huge problems of cross-border crime and trade in counterfeit goods, and has worked to subject EU development aid to closer parliamentary scrutiny. Catherine Bearder has worked with inshore fishermen to contribute to the development of EU maritime policy, sponsored climate change initiatives together with African parliamentarians, used the proposed trade agreement with Colombia to raise human rights issues, and encouraged plans for a 2011 European Year of Volunteering (not yet described in Brussels as 'The Big Society!').

Liz Lynne continues to work on the review of the Working Time Directive, the revision of the Electromagnetic Fields Directive, and EU legislation on the posting of workers. She leads for ALDE on disability and age-related issues, pressing hard for implementation in the workplace of EU anti-discrimination legislation as well as for a new law to ban discrimination in access to goods and services, and is working closely with EU authorities to produce a code of conduct setting minimum standards for the treatment of older people in long term care. The European Manufacturing Forum and plans for an independents forum both owe much to her involvement and are intended to give a stronger voice in the drafting of EU laws, but she has also maintained her interest in various foreign affairs issues, recently gaining parliamentary support for a resolution seeking to control the use of cluster munitions.

The recent agreement to ban trade in illegal timber was welcomed by Chris Davies and Fiona Hall, who together took up the issue more than 5 years ago. Chris recently gained support for measures to curb the export of electronic waste to countries where it cannot be safely processed. Fiona continues to lead for LDEPP on energy and energy efficiency issues, to which can be added the role of Graham Watson in championing the development of a European 'supergrid' to interconnect renewable sources of energy across the continent. Graham, the party's longest serving MEP, serves as Chair of the Parliament's Delegation for relations with India, and is also battling hard to give Turkish Cypriots (EU citizens but with an administration that is not recognised) fairer treatment.

The financial crisis and economic recession have created tensions that some have predicted could lead to the collapse of the euro and the dismemberment of the European Union. Problems persist, and their resolution remains uncertain, but Member States have shown by their actions that they are prepared to take the steps necessary to resolve the difficulties and

progress together. With hindsight it may yet prove that this was a time when the bonds of Union were strengthened. The constructive role being played by Ministers of the UK's Coalition Government has, to the chagrin of some, been very much welcomed in Brussels and in European capitals.

Chris Davies MEP
Chief Whip (European Parliament)
July 2010

Campaign for Gender Balance

The Campaign for Gender Balance was established by the Federal Executive in October 2001, in response to the conference debate on gender balance in September 2001. Its role is to achieve the targets agreed by conference for increases both in the number of women on the list of approved candidates, and in the number of women candidates fighting target seats. It implements a range of training, mentoring and support activities for women standing, and considering standing, for parliament. It is currently chaired by Rosalyn Gordon.

Current approval / selection figures (as of 6th July 2010):

1030 approved, 258 women: 25% women

No selections have taken place for this electoral cycle yet

CGB is proud of the impact it has had on increasing the number of approved women candidates and the number of women in winnable seats since its inception. We have identified what works and we are very grateful to all those who help support/run our activities. The Campaign is now being run within the strategic framework of the Diversity Unit at Cowley Street. Much of the best practice that the Campaign has established is being replicated through other projects within the Unit, such as the New Generation initiative, and it continues to form a key central initiative for supporting and encouraging women within the Party.

The recent General Election has resulted in the election of 142 women MPs in total across all the political parties - only 22% of the total 649. The number of Liberal Democrat women MPs has fallen from 9 to 7 - a decrease from 15% to 12%. We were obviously very disappointed to see that the representation of women within the Parliamentary Party has fallen, especially since CGB worked hard to ensure that we had many strong women candidates standing in notionally winnable seats.

This is, to some extent, a reflection of the disappointing overall results for the Party across the country. Unlike the other major political parties, we obviously do not have the luxury of safe seats. However, the Party had significantly improved the number of women standing in strong seats - approximately a third of our most notionally winnable seats had women candidates, and half our retiring MPs were replaced with women candidates. Unfortunately, we didn't win any of these seats, and we also sadly lost three of our former women MPs. From the 10 newly elected MPs, just one new woman MP was elected - Tessa Munt in Wells. We are determined to continue focusing our efforts on increasing the numbers of women coming forward for approval and selection within the Party, and reduce the number of selections that move forward with all-male shortlists (this is particularly applicable in winnable seats). 136 new women have gone onto the approved list since the 2005 General Election (narrowly missing our target of 150 new approved women candidates). We have supported and invested in many excellent current and potential women candidates over the past years, and we anticipate many of these women applying for target seat selections this time. It is extremely important to start to identify good seats now and work with women, and other underrepresented groups, to get into good positions for these selections.

We thank the Party for its ongoing support of CGB and the vital work we are undertaking. We will be working closely with the Leaders Office, Campaigns department and Candidates Office (amongst others) to take action early in the parliamentary cycle to improve representation at the next election. We also welcome the current opportunity for the leadership to keep diversity issues on the political reform agenda, and drive forward diversity initiatives within the Party.

Key activities prior to General Election

- The **'Women Working for Women'** campaign was jointly led by CGB and Women Liberal Democrats for the General Election, proactively promoting action days run by women PPCs, and encourages potential candidates to get involved in campaigning. As part of this project, **targeted support days** were organised for various women MPs and candidates.
- **'Setting your Objectives for the General Election and Beyond'** training day was held in February, providing strategic advice and guidance for women who want to gain experience and stand in target seats next time round
- **Held seat selections** - all women applying for held seat selections have been offered full support by CGB

Current and planned activities

- Providing mentoring and support for women going for approval and selection for **Scottish Parliament and Welsh Assembly seat and list selections**
- **Identifying potential candidates for Westminster seat selections**, and ensuring that they are fully prepared when the approval and selection processes begin again after the General Election.
- **Mailing to new female party members** in July to encourage them to think about getting more involved in the Party.
- One of our key aims is to **increase our pool of mentors (men and women)** within the Party who can assist women with approval and selection. We are having a training session at Conference for those who are interested in this role.
- Follow up with **194 women who have requested application forms** and not returned them to offer help and encouragement.
- **A full training programme** at Federal Conferences, and sessions held at Scottish and Welsh Conference
- The annual **Future Women MPs Weekend** is planned for later this year, providing a targeted residential training opportunity for women who want to apply for winnable seat selections in the current electoral cycle.
- We are looking to appoint regional representatives in Scotland and Wales
- We are planning to conduct a **survey of approved women candidates who did not stand in the election** in order to identify reasons for non-participation.
- **CGB Open Meetings** are held annually to update supporters and encourage input and consultation on future activities.
- **An e-mail newsletter** is sent out every month to 892 subscribers which includes details of training events, relevant news items and PPC adverts.
- **Publications** – Committee members submit articles and features to various internal and external publications to highlight the issues which are faced by women entering politics
- The **CGB online 'Resource Centre'** provides an additional source of advice and support, containing downloadable documents that may be useful to candidates, such as sample manifestos, hustings speeches and tips on becoming a PPC.
- The Campaign closely **monitors information regarding approval and selection figures**, to gain an accurate picture of the gender balance within the Party.
- The Campaign actively participates in the Party's **Diversity Engagement Group**
- We are providing **input into the current candidate review, conducted by Sal Brinton**
- **Annual CGB Fundraising Auction** at Autumn Conference – please do come along and show your support!

Sincere thanks to our Vice-Chairs, Baroness Jane Bonham-Carter, and Dinti Batstone, who kindly stood in as Chair during my maternity leave. Thanks also to Candy Piercy, who is Head of Training for the Campaign; all our mentors, trainers and volunteers who generously give their time in support of the Campaign; and to Vicky Booth, our Campaign Coordinator.

Rosalyn Gordon
Chair, Campaign for Gender Balance
July 2010

DIVERSITY ENGAGEMENT GROUP

The Federal Executive Committee meeting of 17 March 2008 agreed to accept the strategy document presented by the National Diversity Adviser: 'Meeting the Diversity Challenge – From Barriers to Benefits'. In addition, the Executive also agreed to set up the Diversity Engagement Group (DEG) to oversee achievement of the Party's equality and diversity priorities. This initiative was to involve nominated 'Champions' from all sections of the Party in leading the new strategic and accountable body responsible for every aspect of delivering our diversity agenda and for reporting back to FE.

Progress to July 2010:

National Diversity Unit

There is now a dedicated unit based at Cowley Street HQ which is responsible for coordinating and promoting diversity initiatives across the Party.

This Unit will work closely with departments, groups and committees across the Party, including SAO's concerned with diversity, the Campaigns Department, the State Candidates Committees, Federal Executive, and Regional and local parties. This approach is vital in order to ensure that best practice objectives are shared and implemented in all areas of the Party.

Regional Diversity Champions

Regional Diversity Champions have been appointed by each region and will work in partnership with the National Diversity Unit to encourage, promote and support initiatives, the diversity of the local parties and candidates in the region.

- The Unit will provide advice, mentoring, training and on-going support for all Diversity Champions, and work in partnership with them to provide support to Party members from under-represented groups. This will specifically focus on those who wish to become representatives of the Party
- Two training sessions for Diversity Champions have been held in London and Cardiff since the election, and further training will be held at all the Federal Conferences.
- This training focuses on action planning, and the Diversity Champions will be responsible for driving through the action plan within each region.
- They will also be forming teams working on these issues within each region and building up the networks in order to achieve the agreed objectives.

Central initiatives

New Generation Group

- The New Generation Group is a mentoring and training initiative that provides targeted support for up and coming BME party activists.
- Since its launch last year the group has grown to over 60 members. All members are now able to access tailored training on how to develop their campaigning and organisational skills, raise their profiles and promote their political careers.

- The group includes 17 current BME Parliamentary candidates, 18 councillors, and 6 women who participated in the Operation Black Vote BME councillor shadowing scheme
- Regular and on-going targeted support is being provided to BAME potential Parliamentary candidates, particularly those who wish to apply for selection in this electoral cycle.

Campaign for Gender Balance

- The Campaign for Gender Balance continues its programme of training, mentoring and support for potential women candidates.
- The full report to Conference gives further details of the Campaign's recent activities.

Feedback Opportunities for Candidates

- Two General Election feedback events have been held for BAME candidates in London and Birmingham, with a survey sent to all those unable to attend
- The aim of the events is to establish feedback from various seats, learn necessary lessons and to gain views on what next steps the Party should be taking.
- The outcomes will feed into a report being developed by the National Diversity Adviser providing recommendations to the Party for change and success in achieving Liberal Democrat BAME representation in the House of Commons in future elections.

Support for SAO's

- The Liberal Democrat Disability Association (LDDA) Review Group has now completed a comprehensive organisational review and has put forward its recommendations for further action by the Party in a report to the Diversity Engagement Group (DEG).
- Ethnic Minority Liberal Democrats will have an intern working within the Diversity Unit, assisting with other diversity initiatives as necessary.

Support and Guidance for Local Parties

- The Diversity Unit will be running training at Federal, Welsh and Scottish Conferences on widening participation and encouraging diversity within local parties
- This training will form the basis for written guidance that will be developed towards the end of the year.
- Support will be provided for local parties through the Diversity Unit and Regional Diversity Champions

Diversity Engagement Group

- The next meeting of the group will be at Autumn Conference in Liverpool
- A reception for all Diversity Engagement Group members was held at the 2010 Spring Conference in Birmingham, and another event will be held at Autumn Conference in Liverpool.
- Regional Diversity Champions will now form part of this group and will be reporting back on progress in each region.

Dr Vince Cable MP
Chair – Diversity Engagement Group
July 2010