

Liberal Democrats Policy Consultation

A Balanced Working Life

Consultation Paper 108



Background

This consultation paper is presented as the first stage in the development of new Party policy in relation to a balanced working life. It does not represent agreed Party policy. It is designed to stimulate debate and discussion within the Party and outside; based on the response generated and on the deliberations of the working group a full policy paper will be drawn up and presented to Conference for debate.

The paper has been drawn up by a working group appointed by the Federal Policy Committee and chaired by Baroness Claire Tyler. Members of the group are prepared to speak on the paper to outside bodies and to discussion meetings organised within the Party.

Comments on the paper, and requests for speakers, should be addressed to: Adam Pritchard, Balanced Working Life Working Group, Policy Unit, Liberal Democrats, 8-10 Great George Street, London, SW1P 3AE. Email: adam.pritchard@libdems.org.uk

Comments should reach us as soon as possible, and no later than 31st October 2012.

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Contents

Contents	3
Introduction	4
Family Friendly Public Services	7
Childcare	8
Flexible Work Patterns for All	9
Work-Life Balance	10
Young People	11

Introduction

1.0.1 This consultation paper focuses on a group of people who have seen their living standards stagnate in recent times, even during periods of sustained economic growth. Following the financial crisis, people on low- and middle-incomes are concerned about the pressure on household budgets and what they perceive as cuts to support and services that they deem vital.

1.0.2 Providing the opportunity for a healthy work-life balance is an important part of helping low-and middle-income earners but it is by no means the only area of policy which needs addressing.

1.0.3 In 2007, Liberal Democrats committed to a series of policies aimed at helping those people struggling to get by on low incomes. The Party's 2010 Manifesto contained several policies that were designed to make the lives of those on low- and middle-incomes easier. Specific policies included:

- Restoring the link between the basic state pension and earnings and up-rating pensions annually by whichever is highest out of growth in earnings, growth in prices or 2.5%.
- Increasing the income tax threshold to £10,000.
- Introducing fair pay audits for every company with over 100 employees to combat discrimination in pay, for example against women. We will also require all public companies to declare in full all remunerations of £200,000 per year or more.
- Allowing parents to share the allocation of paternity and maternity leave between them in whatever way suits them best.
- Protecting existing childcare support arrangements until the nation's finances can support a longer term solution: a move to 20 hours free childcare for every child, from the age of 18 months.
- Changing the tariffs used by energy supply companies so that the first, essential, energy used is the cheapest. We'll ensure that effective energy efficiency measures are introduced to keep bills low and that 'social tariffs' are available to guarantee the best price for all those in most need. We will seek to extend protection and support to 'off-gasgrid' consumers.
- Cutting rail fares, changing the contracts with Train Operating Companies so that regulated fares fall behind inflation by 1 per cent each year, meaning a real-terms cut.

1.0.4 Since the General Election, Liberal Democrats have had substantial success in Government implementing some of the policies outlined above; most striking has been the success in lifting the tax threshold and the re-linking of the state pension with earnings.

1.0.5 This policy paper aims to build on the work done previously, most recently in policy paper 102 *A New Purpose for Politics: Quality of Life* (2011).

Questions

1. *What are the barriers to a balanced working life and what are the most effective policies to overcome them?*
2. *What do you feel are the most important areas of policy to those on low- and middle-incomes?*
3. *How much of a role do you think government has in assisting people on low- and middle-incomes?*

1.1 Economic Background

1.1.1 The Coalition Government came into power to tackle the deficit. Therefore, since 2010 all Coalition Government policy has operated under the financial constraints associated with tackling the deficit. According to most present estimates, further deficit reduction measures will be necessary for at least the first couple of years of the next Parliament. Policies considered by the group will be assessed with the tight spending situation in mind.

1.1.2 Existing policies like the Liberal Democrat commitment to raise the Income Tax threshold show that it is possible to marry the twin concerns of improving the quality of life of low – and middle -income earners whilst benefitting the wider economy.

1.2 What is Actually Happening to Income Levels and Household Budgets?

1.2.1 The purpose of this policy paper is to create a number of policies which are specifically designed to help those on low- and middle- incomes. This group of people saw their standard of living stagnate even in times of sustained economic growth and have been particularly hard hit since the onset of the financial crisis.

1.2.2 One simple way to achieve that is to ensure that they are not paying more than they need to on the goods & services they rely upon. Energy, tax, insurance, food and mortgage/rent represent only some of the regular costs faced by working people which can cause a serious drain on their resources.

Questions

Household Budgets

4. *What do you see as the main issues affecting everyday household budgets?*
5. *Which groups are particularly feeling the squeeze on their household budgets?*
6. *Which areas do you feel a future Liberal Democrat government should focus on to help control price rises?*
7. *How effective do you think websites that advise people to control their household budget more efficiently are? Have you ever visited one? Were you satisfied?*
8. *What more would you like to see the Government do to tackle high energy prices?*
9. *Do you feel that good food is affordable? What could be done to promote healthy eating in low-income families?*

Consumer Rights

10. *How effective do you consider consumer champions like Which? to be in saving consumers money? Do you visit their websites? Were you satisfied?*
11. *How effective do you think collective switching is? Have you participated in collective switching? How effective was it at saving you money?*
12. *How can we encourage people to make their money go further?*

A Balanced Working Life

13. *How effective do you think money spending advice services are? Have you ever used one? Were you satisfied?*
14. *Are there any ways in which you feel the service offered by money spending advice services could be improved?*
15. *Is there any thing else that the Government could be doing to raise awareness amongst consumers of their rights?*
16. *Are there any specific changes in the taxation system, which you feel would be effective in helping people on low- and middle-incomes?*
17. *What do you see as the role of the voluntary sector in helping people with their household budgets?*

Family Friendly Public Services

2.1 People on low to middle incomes rely on public services, and yet a lot of those public services do not cater properly for their needs as individuals or as families.

2.2 In the 21st Century, it is important to recognise that families come in many shapes and sizes and Liberal Democrats wish to be fully inclusive in their approach to family life and how people chose to live their lives. There is a clear body of research demonstrating that what matters to people is the *quality* of their family relationships, rather than the precise form that the family takes or the formal status of those relationships. For children in particular, security and stability in family relationships – including when parents separate – can have a beneficial impact on a range of outcomes. The remit of this working group is particularly those people with caring responsibilities, whether for children or elderly or disabled family members.

Questions

18. *How can we improve accessibility to public services for those who need to work shifts or anti-social hours?*
19. *Which public services do you feel offer particularly restrictive opening times or appointment availability?*
20. *What more do you feel public services could do to take into account people's family commitments, especially those who care for children, or elderly relatives or both?*
21. *How important is public transport to the ability of low-and middle-income earners to find work and access services? How can it be improved? What lessons from London's public transport network can be rolled out to the rest of the country?*
22. *Are there any types of family that face particular obstacles to their work/life balance?*
23. *What problems in accessing services particularly affect people living outside big cities?*

Childcare

3.1 Childcare is often referred to by parents as a significant cost. The Government has already made progress in making it more widely available and through the Education Act 240,000 two-year-olds from deprived backgrounds will now get fifteen hours free nursery care a week. This is alongside the Fairness Premium which guarantees 15 hours early-years education for all three to four year olds, for 38 weeks a year.

3.2 Liberal Democrats aim to ensure that childcare is affordable, flexible and good quality.

Questions

24. *Do you think that it is important for early years workers or child-minders to have qualifications and if so, what level do you think those qualifications should be?*
25. *Given the financial circumstances the country finds itself in, do you feel SureStart should be universal or targeted at those families in the greatest need?*
26. *What can be done to make childcare more affordable?*
27. *How can parents play a more active role in organised childcare? Have you ever taken part in a parent's mutual?*
28. *Where should future increases in funding by government be targeted?*
29. *What can be done to diversify providers of childcare and to increase the gender balance amongst the early years work force?*
30. *What further support do you think could be given to help people understand what their entitlements are when it comes to childcare?*

Flexible Work Patterns for All

4.1 We want to see flexible working made available for all, especially those on low incomes. We believe that flexible working will create a happier, more productive workforce and be beneficial to employers in the long term.

4.2 The Government has announced changes to maternity leave which would allow a mother to return to work after 18/20 weeks and from then on share the paternity leave with her partner.

Questions

31. *What additional support for mothers on maternity leave should we consider?*
32. *Should new parents be encouraged to work part-time or from home or even part-time from home?*
33. *Is there anything we can do to roll out these rights to families with caring responsibilities? If so what?*
34. *How could employment legislation be improved in order to recognise the demands on those with caring responsibilities, for example?*
35. *What can be done to create different types of workplaces which assist job progression and allow for full engagement by both employers and employees?*
36. *Do you feel that the government, public sector & voluntary sector do enough to make people aware of their rights in the workplace?*
37. *What can the government and employers do to promote flexible working patterns?*
38. *Do you think an adequate work-life balance should become a central part of employers' human resource strategy?*

Work-Life Balance

5.1 People on the lowest incomes are generally paid by the hour and often don't benefit from a good level of job security. Also, some people whose salary is closer to the national average, but who are feeling the squeeze, may feel compelled to work overtime in order to supplement their basic income.

5.2 Policy paper 102, *A New Purpose for Politics: Quality of Life*, made the association between a healthy work-life balance and a happy state of mind, and yet many leisure activities cost money and can represent an unwelcome drain on people's resources.

Questions

Work

39. *Is it possible to have a decent quality of life whilst working for the National Minimum Wage, without being pressured to work either overtime or multiple jobs? If not, what would be most effective in addressing this: raising the minimum wage, raising the tax threshold, or other options?*
40. *Should we incentivise part-time jobs through NI or other employment tax breaks, especially to encourage employers to create senior part-time roles?*
41. *What policies can encourage career development, particularly amongst low-to middle-earners?*
42. *What more can be done to help people at key points of their life like bereavement or divorce?*
43. *Do people have access to the resources they need to fulfil their potential?*
44. *Is the traditional concept of retirement outdated for those people on low- and middle- incomes who feel forced to keep working beyond the State Pension Age, and what can be done to help those people?*
45. *Are people able to make choices about how they plan their working life?*
46. *How can government best support people in maintaining their quality of life when they lose their job and are seeking a new one?*

Leisure

47. *Are local government owned leisure facilities of a good enough quality to tempt people to use them?*
48. *Are there opportunities to encourage people to exercise more as part of their normal daily routine, such as how they travel to work?*
49. *What can be done to make main stream leisure activities like watching top-level sport more accessible to individuals and families on low incomes?*
50. *Do you think that working long hours affects the amount of time you can spend ensuring you have a healthy diet and get enough exercise?*
51. *What can be done to encourage people to undertake activities outside of work, including those linked to family life?*
52. *How can the government act to bring mainstream sports within the scope of low- and middle-income household budgets?*

Young People

6.1 Young people are particularly affected by the economic downturn and youth unemployment offers the terrifying prospect of a generation of people being unable to find work. Those young people in work are often on low salaries and have had to compromise and settle for work which they are over-qualified for. At Spring Conference 2012 the Party adopted policy paper 103 *Giving Young People a Future* which set out a range of policies to tackle youth unemployment, including:

- Extending the Youth Contract for 18-year-olds beyond the current spending review period.
- Providing loans to help with the living and travel costs of young people on apprenticeships.
- Focusing JobCentrePlus on improving employability skills.
- Prioritising the New Enterprise Allowance on young people.

Questions

53. *What other policies to help the young unemployed should we consider?*

54. *What measures, alongside existing party policy such as making the minimum wage the same for everyone irrespective of age, do you think we should introduce to specifically help younger people on low- and middle-incomes?*

55. *What more can be done to help young people with caring responsibilities?*

56. *Which sectors and industries will be the main sources of employment for young people in the future?*

57. *Are there other things that the government should do to assist young people in the transition between education and employment?*