

Please note: there is no **Federal Appeals Panel report** within this report, because no Federal Appeals were held in the year running up to this conference.

REPORTS TO CONFERENCE AUTUMN 2014 CONTENTS

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Federal Conference Committee

York 2014

This spring we held our conference in York for the first time. It proved to be a very popular venue receiving excellent feedback. Just over 25% of attendees completed the online questionnaire which is sent to all members attending. This document is incredibly useful to the conference office and FCC and I would urge all members to take the time to complete it.

FCC continues to keep a close eye on the number of debates on the agenda against non-debate items such as Ministerial speeches and Q&A items. Feedback from York showed that this had the highest satisfaction rating since 2007. Getting the balance right is always difficult and we will continue to monitor the feedback received from attendees.

We are continuing to develop the conference App. 47% of those that returned the questionnaire used it and of those that used it 81% rated it three or more out of five. We are continuing to develop ways to make this even better and more useful.

FCC Changes

Since last conference two members of FCC have stood down. I was sorry to lose both Kelly-Marie Blundell and Susan Gaszczak. Kelly-Marie in her short time on the committee did some excellent work on disability access issues and Susan, who was on the committee for a number of years, carried out numerous roles not least providing an essential link between FCC and the stewards team.

They have been replaced by Pauline Pearce and Shas Sheehan.

Glasgow 2014

This autumn we have returned to Glasgow. We were intending to be in Liverpool but following the setting of the Scottish Referendum we needed to move the date of our conference. Liverpool was fully booked for the alternative dates but we are delighted that Glasgow can host us again. Glasgow proved to be popular with those attending last autumn and following the amazingly successful Commonwealth Games I am sure that we are all keen to revisit the City.

As part of a two year experiment we will finish earlier on the Wednesday to make it easier for those travelling long distances to get home. At both this conference and autumn 2015 (Bournemouth) we will not break for lunch before the final session but just run through until approximately 2.00pm. We will include a question in the post-conference questionnaire to gauge attendees' feedback.

One major change since we visited Glasgow last year relates to access to the main conference hotel. The Crowne Plaza will not be within the 'secure zone' this time. This means that those going from the Crowne Plaza to the main conference venue must go through the search procedure. Please leave sufficient time to get from the hotel, through security and into the auditorium and exhibition.

Motions

As always, every item on the agenda is still open to amendment. The deadline for submitting amendments – and also emergency motions and questions to reports – is 13.00 on 22nd September.

We continue to provide a drafting advisory service, and I would encourage all emergency motion and amendment submitters to make use of it – those who have used it in the past have had a much higher chance of having theirs accepted. The deadline for the advisory service for amendments and emergency motions is 13.00 on 8th September, please do use the service; drafts should be sent to motionsadvice@libdems.org.uk.

Agenda

This conference sees the continuation of conference's involvement in the manifesto process. As well as the 'pre-manifesto' paper there are a number of important FPC policy papers.

We have also selected a wide range of motions, speeches and presentations. Many of these have a real relevance to the forthcoming General Election and the conference agenda, along with the full programme of training and fringe, makes coming to conference the ideal preparation for May 2015.

We have organised a presidential hustings which will take place 10.00-11.30, Saturday 4 October in the Crowne Plaza. This will give all members the opportunity to question declared presidential candidates. Do come along and hear what they have to say before deciding who to vote for.

Venues for 2015

Next year we will return to Liverpool for our spring conference and Bournemouth for the autumn. Both venues have received positive feedback in the past and preparations are well underway for these two conferences which will straddle the General Election.

We will be in Liverpool from 13-15 March 2015 and Bournemouth 19-23 September 2015.

Stewards

As always, conference can only take place due to the massive contribution and efforts of the volunteer stewarding team, who look after the exhibition, fringe, information desk, stage and auditorium, and ensure that we all get the most out of conference.

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 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 page 2 of the Agenda and Directory.

FCC members are assigned to state and English regional parties, and SAOs. The idea is that they provide advice and assistance on submitting motions and when requested attend 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 the Conference Office at HQ: Lucy Hope and her team Emma Price, Siân Waddington and Joe Edwards. 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 all the staff at HQ, in particular the Policy Team, led by Christian Moon, who process the motions and prepare much of the agenda material; and of course to the stewards' team.

Conference is a fantastic event to be involved in and I'm proud to chair your FCC. I look forward to seeing you in Glasgow.

Andrew Wiseman

Chair, Federal Conference Committee

August 2015

Regional and SAO reps 2012-14

Region	FCC Rep	Email
Devon & Cornwall	Justine McGuinness	mcguinness.jez@gmail.com

East of England	Geoff Payne	geoff@geoffpayne.org
East Midlands	Andrew Wiseman	andrewdwiseman@gmail.com
London	Chris Maines	cmaines@cix.co.uk
Northern	Andrew Wiseman	andrewdwiseman@gmail.com
North West	Qassim Afzal	qassim.afzal@ntlworld.com
South Central	David Rendel	davidrendel@btinternet.com
South East	Louise Bloom	louise.bloom@eastleigh.gov.uk
West Midlands	Paul Tilsley	paul@ptilsley.freemove.co.uk
Western Counties	Justine McGuinness	mcguinness.jez@gmail.com
Yorkshire & the Humber	Andrew Wiseman	andrewdwiseman@gmail.com

The FCC has also appointed representatives to Party SAOs:

SAO	FCC Rep	Email
ALDES	Evan Harris	drevanharris@gmail.com
ALDC	Sandra Gidley	sandra.gidley@sky.com
LGBT+	David Rendel	davidrendel@btinternet.com
WLD	Sandra Gidley	sandra.gidley@sky.com
Liberal Youth	Gareth Epps	garethepps@googlemail.com
PCA	Liz Lynne	liz_lynne@yahoo.co.uk
Liberal Democrat Lawyers	Evan Harris	drevanharris@gmail.com
EMLD	Gareth Epps	garethepps@googlemail.com
LDDA (AO)	Liz Lynne	liz_lynne@yahoo.co.uk

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 Duncan Hames MP.

Policy Development

Since the Spring Conference, policy papers on Public Services, Crime and Criminal Justice, Age ready Britain and Equalities have been produced and are presented for discussion at Glasgow this autumn 2014.

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.

FPC Work Programme

The policy groups for Autumn 2014 complete the programme of policy development for this Parliament set out in the *Facing the Future* review which was adopted at the Birmingham Conference in 2011. From this summer the FPC will heavily concentrate on the development of the 2015 General Election Manifesto.

Conference	Consultation Papers	Policy Papers
Autumn 2014		Public Services. Equalities. Crime and Criminal Justice. Ageing Society.

It is not planned to bring any policy papers to the Spring Conference next year. The new FPC to be elected after the Glasgow conference will consider planning further policy working groups to report after the general election.

Equalities Impact

The Policy Equalities Impact Assessment Group, chaired by Gareth Epps, has been working with all policy working groups to ensure full account is taken of the equalities impacts of their

proposals. They give feedback both at the consultation paper stage, in particular to highlight any significant areas of omission within the policy working group's remit which result in a equalities issue failing to be addressed, and also to provide comments on the draft of the final paper, which are made available to FPC when signing it off.

European Election Manifesto

The European Election Manifesto Group was chaired by Martin Horwood MP. Following the debate in York, the European Election Manifesto was published in April.

General Election Manifesto

Following the Manifesto themes paper debate at Glasgow in autumn 2013, the Manifesto group undertook a wide-ranging consultation with party members. This has included manifesto roadshow events in Yeovil, London, Birmingham, Reading, Leeds and Macclesfield. In addition, the Manifesto Group has held a consultation session at the Welsh Party Conference last November and the Scottish Conference this April.

We have also been running since last autumn a manifesto consultation website at <http://www.manifesto2015.org/>. This includes discussion threads and the opportunity for members to make their own manifesto submissions. We have received over 1,500 such submission so far.

Taking into account input received via the consultation, the Manifesto Group chaired by David Laws MP has produced a Pre-Manifesto setting out our key policy priorities for 2015. The

Pre-manifesto is being presented for debate at conference this autumn 2014 in Glasgow.

Following the Pre-Manifesto debate and further consultation input received in the autumn, the Manifesto group and the FPC will then draw up the General Election Manifesto for publication at the beginning of the election campaign.

FPC Links

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

Region	
Devon & Cornwall	Julia Church
East of England	Geoff Payne
East Midlands	Lucy Care
London	Mark Pack
Northern	Stan Collins
North West	Stan Collins
South Central	Dinti Batstone/Gareth Epps

South East	Kelly-Marie Blundell
West Midlands	Lucy Care
Western Counties	Duncan Hames
Yorkshire & the Humber	Duncan Brack

The FPC has also appointed representatives to Party SAOs:

SAO	
ALDES	Lucy Care/Mark Pack
ALDC	Stan Collins/Mark Pack
LGBT+	Evan Harris
WLD	Louise Bloom
Liberal Youth	Gareth Epps
PCA	Julie Smith
Liberal Democrat Lawyers	Geoff Payne
EMLD	Gareth Epps
LDDA	Kelly-Marie Blundell

In addition, there is a Liberal Youth observer on FPC (Morgan Griffith-David) and an EMLD observer (Tahir Maher).

The Parliamentary party committees have invited participation by members of the FPC. These are currently:

Committee	
Co-Chairs Liaison	Duncan Hames MP
DCLG	Stan Collins
DECC & Defra	Duncan Brack & Andrew Wiseman
DWP	Kelly-Marie Blundell & Louise Bloom
Education & Culture	Evan Harris
Health	Prateek Buch
Home, Justice & Equalities	Geoff Payne & Lucy Care
International (inc Foreign, Defence, DFID)	Peter Price & Julie Smith
Political & Constitutional Reform (inc Scotland, Wales, NI)	Dinti Batstone & Evan Harris
Scotland Only meetings	Jeremy Purvis

Wales Only meetings	Peter Price
Transport	Lucy Care
Treasury & BIS	Julie Smith & Gareth Epps

Policy Staffing and Volunteers

The Policy Unit consists of Christian Moon (Head of Policy), Steve O'Neil (Policy Development Manager), Ed Simpson (Direct Communications Manager), Kelsey Smith (Correspondence Assistant) and Rosie Gray (Correspondence Assistant). We have also benefitted from the support of secondees from PWC, Lucy Webb and Mark Vaughan and secondees from KPMG, Rosalind Huish and Tom Hooper. Interns since the Spring Conference 2014 have included: Nicolette Strickland, Daniel Irvin, Leon Jiang, Michael Paul and Adam Bennett. The FPC is grateful for the hard work of staff, and for the contribution of volunteers and interns.

Rory Belcher has left the Policy Unit, moving to a new role with the London Assembly. We wish him well in his new role.

Duncan Hames 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 (Chair), three Vice-Presidents, the Leader, two additional MPs, one peer, one MEP, two councillors, three State Party reps and fifteen members elected directly by Federal Conference Reps.

Introduction

This is my final report to conference on behalf of the FE. After four years, my second term as president is drawing to a close. It's been a tremendous experience, both challenging and fulfilling. I'd like to thank the committee members for the dedication and service they put in.

Elections

The General Election is now barely half a year away and let's make no bones about it – our party is facing one of the toughest challenges it has ever come up against. The recent European and local election results were disappointing – there's no point putting a gloss on that. Hundreds of valued colleagues are no longer councillors, and if there was any justice in the world that

simply wouldn't be the case. There were some areas that bucked the national trend: Sutton, Cheltenham and Eastleigh all delivered great results, and in the north we held onto seats in areas like Hull, Burnley and Redcar. Lessons must of course be learned. Nick Clegg and the FE commissioned James Gurling, Chair of the Campaigns and Communication Committee, to conduct a review of the election results. The panel, which included experienced campaigners Abi Bell, Ruth Dombey and George Lyon, received hundreds of insightful and well thought out views and suggestions from local campaigners from across the country.

The FE is signed up to making the panel's recommendations happen, and I'd like to take this opportunity to thank James, Abi, Ruth and George for their hard-work on this important project. This is so important to make sure that after several years of difficult elections; we learn and make changes to enable us to hold more seats next year.

Abridged copies of the review were sent to all members who had contributed their views and can also be found on the members' only section of the website. The FE, Party Leader and Party President received a full copy of the review.

Thanks must be paid to the tireless efforts of campaigns staff across the country, who work well beyond their contracted hours to help our volunteers deliver the best possible results. Your enthusiasm, expertise and sheer hard-work do not go unnoticed.

Pastoral Care and Members Code of Conduct

The FE has also focussed on implementing the recommendations in Helena Morrissey's report last year. Jeanne Tarrant, our Pastoral Care Officer is now settled into her post and you can already see the effects of her work – it is now far clearer how to register concerns on the party website. Nick Clegg also asked the FE look into reviewing the party's disciplinary rules to ensure that we are in line with current best practice. Earlier this year, FE commissioned a non-party lawyer to look into our rules and disciplinary procedures.

The Chief Executive, Tim Gordon, and representatives from the three State Parties – it is a State and not a Federal matter - have now received the recommendations which have arisen from this review, and will be working to implement these.

Work on the members' code of conduct, a further recommendation by Helena Morrissey, has continued apace over the last six months. In April, FE agreed a final version of the Code of Conduct and draft implementation plan, led by the expert stewardship of Peter Ellis, Chair of the English Party. The code will function as a natural extension of the code of conduct which MPs and councillors already follow.

As a member you have the right to be treated fairly, equally, and within the bounds of party rules. You also have the responsibility to behave in a way that does not negatively impact other members, staff, volunteers, people who interact with the Party in a professional capacity, or the party's reputation. Striking a

balance between providing an inclusive environment for new members and meeting the requirements of the Report is a tough call. The code approved by FE aims to tread this line carefully.

Internal Democratic Reform

One Member One Vote – Under the expert guidance of Sue Doughty, the Internal Democratic Reform Group have put forward a motion to be debated at this conference on introducing “One Member One Vote.” This change would be for two distinct aspects of engagement – one for who gets to vote at conference, and one for electing members of our Federal Committees. We pride ourselves on our democratic structure as a party, and it’s only natural that we review this process periodically. I am sure the debate on the conference floor will be lively, from both sides of the argument.

Party Elections 2014

FE agreed the following timetable for elections.

Presidential Timetable

- Nomination papers available from 15th September 2014
- Close of Nominations 15th October 2014
- Freezing of Membership Data 30th September 2014
- Dispatch of ballot papers 29th October 2014
- Close of ballot 26th November 2014
- Count 29th November 2014

Committees Timetable

- Nomination Papers available from 15th September 2014
- Close of Nominations 15th October 2014
- Dispatch of ballot email 24th October 2014
- Close of ballot 12th November 2014
- Count 15th November 2014

Party Elections are one of the best ways for party members to get involved in choosing those that have an active role in determining what we do with our Party. If you are an elected Conference Representative, you will be able to vote for members of Federal Executive, Federal Policy Committee, Federal Conference Committee, and the International Relations Committee. If there is a contested Presidential election, **all** Party members will be able to cast a ballot. We urge you to use your vote, because one of the best things about being a Liberal Democrat is having a genuine say in the way your Party is run.

Additionally, the timetable includes proposals to ensure that our obligations are fulfilled under the Equality Act 2010. To this end, FE has agreed that half of the elected positions to Federal Committees must be filled by women. Additionally, applicants from other underrepresented groups will be proactively encouraged to apply for committee positions and applications will be monitored. Once we have monitoring information about these other groups, further proposals for quotas will be made for the 2016 round of elections - a task my successor will need to pick up.

Liberal Democrats Limited

The Liberal Democrats Limited is the new name for the Party Trustees, which has been in place since 1988 as “a *company*”

limited by guarantee to acquire, hold and dispose of such assets of the Federal Party.” (Article 8.3 of the Federal Constitution).

I would like to welcome Elizabeth Vallance and Zahida Manzoor as members of the Liberal Democrats Limited. Zahida is a former legal services Ombudsman for England and Wales and Elizabeth is Chairman of the Centre of Mental Health; CAN, the national children’s communications charity and CEDR, the Centre for alternative dispute resolution.

FE approved their appointment in March, and I have every confidence that they will fill their new roles successfully.

Membership

Membership continues to be a great success story for the Liberal Democrats. 2013 was the first time in recent history a governing party has increased its membership over a year while in power. 2014 has continued the trend with membership rising above 44,000. It was 42,501 at the start of 2013, and momentum continues to build.

I’d like to extend my thanks to Austin Rathe and his team at LDHQ. Without their hard-work and determination to make membership a priority this rise simply would not be happening. But just as important is the work that so many of you are doing in your constituencies in signing up new members. This is your success story, and I’d like you all to give yourselves a big pat on the back for making it happen!

Tim Farron MP
Chair, Federal Executive

Federal Finance & Administration Committee

2013 financial results

The annual accounts of the Federal Party appended to this report show that 2013 was a highly successful year in terms of the financial out turn and membership growth.

There have been some small changes to the classification of certain income & expenditure lines to improve users understanding of the accounts; these were mainly to show more clearly the impact of inter-party transactions.

The more significant change has been the establishment of a separate legacy fund to separate out the windfall benefit of legacies, which otherwise distort financial performance. The intention is that, in the long run, this fund will provide a buffer against short term in-year deficits, generate an income and fund projects for the long term development of the Party.

Of the combined surplus of £439,000 almost half (£211,000) related to the legacy fund and the balance (£228,000) to the general fund.

This combined surplus reduced the Party's accumulated deficit from £1,152,000 to £713,000 by the end of 2013.

Income

Total income increased by approx. £1.28m (21%) largely due to much higher donation and legacy income. Other income includes the proceeds of fundraising events, which also

increased significantly from 2012 as a result of the 25th anniversary ball.

The Federal Party's membership income (the federal levy) was reduced by its share (£31,000) of the cost of the Membership Incentive Scheme. This highly successful scheme involved paying a larger proportion of membership subscriptions to local parties that increased their membership quarter on quarter. The result of this scheme was that party membership increased by almost 1,000 over the course of the year with this increase being broadly spread across the country. The scheme is still running and local parties are encouraged to take part as more members = more money = more activity.

Expenditure

Year on year expenditure rose £430,000 with the biggest increases being campaign expenditure (up £456,000) and staff costs (up £167,000) as the Party increased its campaign capacity. These were offset by lower conference and newspaper costs. The latter was due to the move from a weekly newspaper to a monthly magazine. Fundraising expenditure increased due to the cost of the 25th anniversary ball. Other expenditure was down due to a lower irrecoverable VAT charge and the absence in 2013 of the cost of federal committee elections.

Cash

During 2013 there was a cash inflow of £694,000 reducing net borrowings to £199,000. The inflow largely reflects the surplus generated in the year but there was also a substantial benefit from the increase in creditors at the year end, which will reverse

in 2014. Legacy receipts in 2014 are expected to result in a net cash inflow so that the Federal Party will end the year with no net borrowings.

Interim 2014 financial review

To the end of June the general fund is somewhat behind budget due to lower than expected appeals income and the continuing higher than budgeted cost of the Membership Incentive Scheme. In addition there have been unavoidable additional costs of £90,000. Overall it is forecast that the general fund will be approx. £200,000 in deficit for the full year but that the elections fund will be broadly in balance.

The Party has been notified of two substantial legacies (in addition to one already received earlier in the year) that should result in the Legacy Fund reaching at least £1,100,000 by the year end.

With effect from 1 April 2014 the party has reduced its overdraft facility to £500,000 and expects this to be sufficient for the day to day needs of the organisation.

2015 budget

The Party's constitution requires the FFAC to present an outline budget for the following year to Conference for its approval. This outline budget has to be prepared several months before senior staff or the FFAC have started the detailed work required on the budget and at a point when only the first half of the current year's activity is known. The budget in appendix A is therefore only an indication of what the final budget will look like and only

covers its core activities. A separate budget will be prepared for the general election.

For both budgets the fundamental principles will be that they should be no worse than break-even and that the Party will only spend on the general election what it raises.

PPERA compliance

Thank you to all local party treasurers for their continuing support in ensuring that the Party complies with all the PERA requirements. This is an especially busy period with the additional European Election expenditure return, Scottish Referendum return and forthcoming General Election return to be completed.

Many local parties have started taking up the electronic reporting system in the new Salesforce database and it is hoped everyone else will transfer from the paper forms by the end of the year. The electronic accounts template continues to make life easier for treasurers doing their accounts although sadly a small number of local parties will be fined for being late with their accounts this year.

As part of its routine operations the Electoral Commission conducted a comprehensive audit of the Party's administrative and compliance processes for the acceptance of donations, as a result of which the Party was delighted to receive a clean bill of health without a single donation failing to pass the thorough checks conducted by the Commission's team.

Membership & development

As noted above, in 2013 the Party reversed its previous trend of declining membership and reported an increase of just over 1,000. This trend has continued with the Party's membership increasing every quarter for the last 12 months. This has been driven by an increase in membership retention, the Party now retains around 90% of its members year on year, and an increase in new members joining the Party. This is largely due to the new membership incentive scheme referred to above.

The roll out of the new membership database has been completed allowing the Party to reduce the amount of staff time spend on administration. This saving has been re-invested in three new full time posts which will directly support the Party's campaign in 2015.

The Liberal Democrats Limited

The Liberal Democrats Limited are established by the FE under article 8.3 of the Federal constitution. The accounts of the Liberal Democrats Limited are included in the reports to conference. The FFAC would like to thank the Directors, chaired by Duncan Greenland, for their advice and assistance throughout the year as the Audit Committee for the Party.

Party business

Conference is asked to approve the outline budget for 2015, adopt the audited accounts for 2013 and to reappoint the Party's auditors, Mazars LLP.

Conference is further requested to confirm that:

- 1) The Party renew its overdraft facility of £500,000 with the Royal Bank of Scotland.
- 2) The President and 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.
- 3) 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.

Peter Dunphy
Chair, Finance & Administration Committee
Registered Treasurer
August 2014

Appendix A

2015 outline budget & 2014 budget

	2015 Outline budget £	2014 Budget £
Income		
Appeals income	763,500	780,000
Fundraising income	1,139,500	970,000
Federal levy	765,500	765,500
Conference	1,489,500	1,783,000
Ad Lib	100,000	100,000
Cross charges to party bodies	681,500	681,500
Policy Development Fund	453,500	453,500
Connect/Nationbuilder income	133,000	133,000
Other income	123,000	123,000
	5,649,000	5,789,500
Expenditure		
<u>Staff costs</u>		
Commercial	496,500	504,000
Elections & Field	987,000	980,000
Digital	365,000	365,000
Political Communications	700,000	700,000
Finance & Operations	370,000	370,000
Vacancy factor	(87,500)	(90,000)
	2,831,000	2,829,000
<u>Departmental non-staff costs</u>		
Commercial	604,000	758,000
Elections & Field	607,000	614,500
Digital	575,500	561,500
Political Communications	341,500	365,500
Finance & Operations	689,000	700,500
	2,817,000	3,000,000
Total expenditure	5,648,000	5,829,000
Surplus/(deficit) for the period	1,000	(39,500)



The Liberal Democrats (The Federal Party)

Reports and Financial Statements

Year Ended

31 December 2013

"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 2013

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Party Officers

Registered Officers under PPERA

Leader:	Rt Hon. Nick Clegg MP
Registered Treasurer:	Peter Dunphy
Nominating officer:	Sarah Morris
Campaigns officer:	Tim Gordon
Deputy campaigns officer:	Adam Stachura
Deputy campaigns officer:	Richard Thomas

Other Officers

Party President:	Tim Farron MP
Vice President:	Peter Ellis
Vice President:	Craig Harrow
Vice President:	Prof John Last CBE
Treasurer:	Lord Wigglesworth
Chief Executive:	Tim Gordon

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

2nd floor, 8-10 Great George Street, London, SW1P 3AE

Auditor

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 2013

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.

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 419 accounting units.

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.

1. *Administrative information*

Committees

The following committees operate within The Liberal Democrats (The Federal Party) ('the Federal Party', '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 – Tim Farron MP
Campaigns & Communications – James Gurling
Federal Policy – Duncan Hames
Federal Finance and Administration – Peter Dunphy
International Relations – Robert Woodthorpe-Browne
Federal Conference – Andrew Wiseman

Conference is the sovereign representative body of the Party with the power to determine its policies. 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

The Liberal Democrats (The Federal Party)

Report of the Party Officers for the year ended 31 December 2013

and Referendums Act 2000 as amended by the Electoral Administration Act 2011. The FFAC is also responsible for the appointment of the Federal Party's auditor 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 biannually by the FE, the Party President, Party Leader, Chief Whip and two 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, Liberal Youth, Liberal International British Group, European Liberal Democrats and Reform Group and individuals elected by Conference representatives.

The Directors of The Liberal Democrats Ltd are appointed by the Federal Executive and during the year the following have served:

Duncan Greenland*	
Eric Lowry*	
Michael Jeans*	
Lord Dholakia of Waltham Brooks	
Baroness Parniter*	
Lord Vallance of Tummel*	(resigned 21 January 2014)
Baroness Kramer*	(resigned 26 November 2013)
Lord Wigglesworth	(resigned 26 November 2013)
Peter Dunphy	(appointed 16 April 2013)
Lady Vallance*	(appointed 29 April 2014)
Baroness Manzoor*	(appointed 29 April 2014)

Those marked with an asterisk perform the role of an Audit Committee including meeting with the auditor and receiving its 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 and legal compliance with the Political Parties, Elections and Referendums Act 2000 as amended by the Political Parties and Elections Act 2009.

Elected representatives

The Party's 56 elected members of the Westminster and 1 member of the European Parliaments are shown at Annex A. In addition there are 98 Liberal Democrat members of the House of Lords, five Liberal Democrat members of the Scottish Parliament, five Liberal Democrat members of the Welsh Assembly and two Liberal Democrat members of the Greater London Authority. As of June 2014 there were approximately 2,500 Liberal Democrat Councillors. There are also two directly elected Liberal Democrat Mayors.

Staffing

The principal permanent members of staff are:

- Chief Executive – Tim Gordon
- Director of Elections & Field – Hilary Stephenson
- Director of Finance & Operations – Nigel Bliss ACA
- Director of Political Operations – Tim Snowball

The Liberal Democrats (The Federal Party)
Report of the Party Officers for the year ended 31 December 2013

Digital Director – Steve Pitman
Chief Fundraiser – Ibrahim Taguri

Accounting Units

The Party has 419 accounting units registered with the Electoral Commission.

2. *Review of political activities*

During 2013 the public continued to see the impact of Liberal Democrats in government with specific manifesto pledges being implemented in areas such as continuing to increase personal tax allowances.

Conferences

The Party held two conferences during the year:

- Spring
- Autumn

Spring

The 2013 Spring Conference was held in Brighton with debates covering such issues as education, the rural economy and corporate tax avoidance.

Autumn

In the autumn of 2013 Conference was held in Glasgow where debates included racial equality, home care and human rights.

Policy development

Since the move into Government the Party has retained its identity as a radical, progressive party and at the heart of this is its strong policy development function. This strength was in part evidenced by the consultative sessions covering such issues as housing and a zero carbon economy.

Campaigns and elections

The highlight of the year was the Party's successful campaign to win the Eastleigh by-election.

3. *Financial Review*

2013 was a very successful year for the Party with a substantial financial surplus and a growing membership.

The Federal Party recorded a surplus for the year of £439,030 with the result that net liabilities at the year-end reduced to £712,859. Of this surplus £227,703 related to the General Fund and £211,327 to the Legacy Fund that was launched during the year. Since the year end the Legacy Fund has increased to £400,000 and it is expected that it will be at least £750,000 by the end of 2014.

The Liberal Democrats (The Federal Party)
Report of the Party Officers for the year ended 31 December 2013

Unusually for a party in government the Party increased its membership by almost 1,000 over the course of the year. This increase was broadly based across the entire country and in every type of seat.

Peter Dunphy
Registered Treasurer
23 June 2014

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.

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.

The Registered Treasurer 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.

The Registered Treasurer has taken all steps he ought to have taken to make himself aware of any information required by the auditor for the purpose of their audit and to establish that the auditor is aware of that information. The Registered Treasurer is not aware of any relevant information of which the auditor is unaware.

Independent Auditor's 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 2013 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. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Respective responsibilities of the Registered Treasurer and auditor

As explained more fully in the Statement of Registered Treasurer's Responsibilities set out on page 6, the Registered Treasurer is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors. This report is made solely to the Federal Conference of the Liberal Democrats (The Federal Party), as a body, 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 Federal Conference of the Liberal Democrats (The Federal Party) those matters we are required to state to them in an auditor's 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 of the Liberal Democrats (The Federal Party) as a body, for our audit work, for this report, or for the opinions we have formed.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's web site at www.frc.org.uk/auditscopeukprivate

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of affairs of the Liberal Democrats (The Federal Party) as at 31 December 2013 and of its surplus for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- ~~have~~ been prepared in accordance with the requirements of the Political Parties, Elections and Referendums Act 2000.

William Neale Bussey (Senior Statutory Auditor)
for and on behalf of Mazars LLP
Chartered Accountants and Statutory Auditor
Tower Bridge House
St Katharine's Way
London
E1W 1DD

23 June 2014

The Liberal Democrats (The Federal Party)
 Statement of total recognised gains and losses
 For the year ended 31 December 2013

General Fund			Restated
	Note	2013	2012
		£	£
Income			
Donations		2,540,657	1,527,207
Membership and subscription fees		850,035	890,251
Newspaper income	11	106,899	99,397
Affinity income		27,964	29,599
Grants	5	794,664	817,787
Conference income	10	1,415,027	1,463,792
Investment income	6	67	66
Notional income	7	185,672	213,466
Recharges to party bodies	12	852,697	769,449
Other income	8	313,705	212,529
		<u>7,087,387</u>	<u>6,023,543</u>
Expenditure			
Conference expenditure	10	731,120	876,920
Newspaper expenditure	11	54,935	121,249
Fundraising expenditure		179,336	116,773
Depreciation and amortisation	4	80,597	81,624
Campaign expenditure		1,305,164	849,303
Staff costs	2	2,940,319	2,772,831
Premises & office costs		768,243	767,572
Interest payable and similar charges	9	65,252	55,312
Notional expenditure	7	185,672	213,466
Grants to party bodies	13	373,687	378,951
Expenditure recharged from other party bodies		54,193	56,159
Charges from other party bodies		27,000	15,438
Audit fees	4	16,327	16,227
Bad debt provision	10,26	50,724	58,994
Other expenditure		27,101	53,660
		<u>6,859,670</u>	<u>6,434,479</u>
General Fund surplus/(deficit) before taxation	4	227,717	(410,936)
Taxation	14	(14)	(15)
General Fund surplus/(deficit) for the year		<u>227,703</u>	<u>(410,951)</u>

The notes on pages 12 to 22 form part of the financial statements

The Liberal Democrats (The Federal Party)
 Statement of total recognised gains and losses
 For the year ended 31 December 2013

Legacy Fund	Note	2013	2012
		£	£
Income			
Legacies		<u>216,127</u>	-
		<u>216,127</u>	-
Expenditure			
Legal & professional costs		<u>4,800</u>	-
		<u>4,800</u>	-
Legacy Fund surplus before taxation		<u>211,327</u>	-
Taxation		-	-
Legacy Fund surplus for the year		<u>211,327</u>	-
Overall surplus/(deficit) for the year		<u><u>439,030</u></u>	<u><u>(410,951)</u></u>

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

There were no recognised gains or losses other than those included in the income and expenditure account.

The Liberal Democrats (The Federal Party)
Balance Sheet as at 31 December 2013

	Note	2013 £	2013 £	2012 £	2012 £
Fixed assets					
Tangible assets	15		405,214		472,882
Current assets					
Debtors	16	506,430		430,627	
Cash at bank and in hand		26,318		31,363	
		<u>532,748</u>		<u>461,990</u>	
Creditors: amounts falling due within one year	17	<u>(1,550,821)</u>		<u>(1,986,761)</u>	
Net current liabilities			<u>(1,018,073)</u>		<u>(1,524,771)</u>
Total assets less current liabilities			<u>(612,859)</u>		<u>(1,051,889)</u>
Creditors: amounts falling due after more than one year	18		<u>(100,000)</u>		<u>(100,000)</u>
Net liabilities			<u><u>(712,859)</u></u>		<u><u>(1,151,889)</u></u>
Reserves					
General Fund	19		(969,186)		(1,196,889)
Reserve Fund	19		45,000		45,000
Legacy Fund	19		211,327		-
Total Deficit			<u><u>(712,859)</u></u>		<u><u>(1,151,889)</u></u>

The financial statements were approved by the Federal Finance & Administration Committee on 23 June 2014

Peter Dunphy
Registered Treasurer

The Liberal Democrats (The Federal Party)
Cash Flow Statement
For the year ended 31 December 2013

	Note	2013 £	2012 £
Net cash inflow/(outflow) from operating activities	22	693,917	(210,277)
Returns on investment and servicing of finance			
Interest received		67	66
UK Tax paid		(13)	(11)
Capital expenditure and financial investment			
Payment to acquire tangible fixed assets		(26,220)	-
Increase/(decrease) in cash	23	<u>667,751</u>	<u>(210,222)</u>

1 Accounting policies

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.

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 419 accounting units. Details of these units are available from party headquarters.

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.

Basis of preparation

The Liberal Democrats (The Federal Party) is not incorporated in law and is thus not bound by the Companies Act 2006. The Party is required to prepare financial statements in accordance with the Political Parties, Elections and Referendums Act 2000 ("PPERA"). The financial statements have been prepared under the historical cost convention, and in accordance with applicable law and accounting standards in the United Kingdom (United Kingdom Generally Accepted Accounting Practice). The financial statements reflect the principles contained in the Statement of Accounts Guidance Notes issued by the Electoral Commission.

Going concern

The Federal Party relies on the receipt of donation income to meet a significant proportion of its expenditure, and an overdraft facility with the Royal Bank of Scotland to meet its working capital requirements. Donation income is inherently unpredictable, but the Finance & Administration Committee is confident that sufficient donations will be received and facilities will continue to be available to allow the Federal Party to meet its obligations.

The Finance & Administration Committee has taken steps to ensure that satisfactory surpluses will be achieved in 2014 and 2015, and has reviewed the cash flow projection to the end of June 2015. On the basis of these projections it is satisfied that the Federal Party will be able to meet its financial obligations within its available overdraft facility and, on this basis, it considers that it is appropriate to prepare the accounts on a going concern basis.

1 Accounting policies (continued)

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 item or service 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 of the grant 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. Legacies notified to the Party after 1 August 2013 are included in a separate Legacy Fund.
- 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:

Computer software	-	5 years
Fixtures and fittings	-	10 years

Campaign expenditure

The Party does not provide a breakdown of campaign expenditure between campaigns as the officers believe such an analysis would not be possible, given the continuous expenses incurred on multiple campaigns.

1 Accounting policies (continued)

Recharged expenditure

The Federal Party meets the majority of the overheads incurred by the English State Party and some of those incurred by 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.

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.

Tax

As a voluntary society, tax is only charged on investment income.

2 Employees

	2013	2012
	£	£
Staff costs consist of:		
Wages and salaries	2,231,093	2,017,639
Social security costs	223,623	219,719
Other pension costs	171,315	172,588
Other staff costs	314,288	362,885
	<u>2,940,319</u>	<u>2,772,831</u>

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

The Liberal Democrats (The Federal Party)
Notes forming part of the Financial Statements
For the year ended 31 December 2013

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

	2013 Number	2012 Number
	78	68
	<u>78</u>	<u>68</u>

3 Registered Party Officers

None of the Registered Officers under PPERA or Committee Chairs received any remuneration in that capacity in 2013 (2012 - £nil).

4 Surplus/(deficit) before taxation

	2013 £	2012 £
--	-----------	-----------

The surplus/(deficit) before taxation is stated after charging:

Auditors' remuneration	- audit services	16,327	16,227
Operating lease charge	- property	157,250	157,250
	- equipment	10,600	19,404
Depreciation		80,597	81,624
		<u>80,597</u>	<u>81,624</u>

5 Grants received

	2013 £	2012 £
--	-----------	-----------

Policy development grant	455,105	456,069
Home Office grant for conference security	339,559	361,718
	<u>794,664</u>	<u>817,787</u>

6 Investment income

	2013 £	2012 £
--	-----------	-----------

Interest receivable	67	66
	<u>67</u>	<u>66</u>

7 Notional income and expenditure

	2013 £	2012 £
--	-----------	-----------

Market value of services donated	185,672	213,466
	<u>185,672</u>	<u>213,466</u>

The Liberal Democrats (The Federal Party)
 Notes forming part of the Financial Statements
 For the year ended 31 December 2013

8 Other income

	2013 £	Restated 2012 £
Westminster Foundation for Democracy management fee	84,348	126,549
Events income	219,031	62,692
Miscellaneous income	10,326	23,288
	<u>313,705</u>	<u>212,529</u>

9 Interest payable and similar charges

	2013 £	2012 £
Bank charges	58,631	47,516
Interest payable	6,621	7,796
	<u>65,252</u>	<u>55,312</u>

10 Surplus on conferences

	2013 £	2012 £
Income	1,415,027	1,463,792
Expenditure		
Direct costs	731,120	876,920
Premises & office costs	20,531	28,077
Staff costs	151,666	153,362
Increase in bad debt provision	324	-
	<u>903,641</u>	<u>1,058,359</u>
Total expenditure	903,641	1,058,359
Surplus for the year	<u>511,386</u>	<u>405,433</u>

The Liberal Democrats (The Federal Party)
 Notes forming part of the Financial Statements
 For the year ended 31 December 2013

11 Surplus/(deficit) on Ad Lib (Liberal Democrat News)

	2013 £	2012 £
Income	106,899	99,397
Expenditure		
Direct costs	54,935	121,249
Premises & office costs	2,495	917
Staff costs	-	38,031
	<hr/>	<hr/>
Total expenditure	57,430	160,197
Surplus/(deficit) for the year	<hr/> <u>49,469</u>	<hr/> <u>(60,800)</u>

In January 2013 Liberal Democrat News was replaced with a monthly publication, Ad Lib, produced by staff in the Press Team. As a result Ad Lib no longer has any direct staff costs.

12 Recharges to party bodies

	2013 £	2012 £
Fixed cross charge to State Parties	680,930	526,565
Variable cross charge to State Parties	56,400	66,941
Charges to other party bodies	115,367	175,943
	<hr/>	<hr/>
	<u>852,697</u>	<u>769,449</u>

13 Grants to party bodies

	2013 £	2012 £
Grants to Specified Associated Organisations	70,270	79,802
Grants to other party bodies	303,417	299,149
	<hr/>	<hr/>
	<u>373,687</u>	<u>378,951</u>

The Liberal Democrats (The Federal Party)
Notes forming part of the Financial Statements
For the year ended 31 December 2013

14 Taxation on surplus/(deficit) from ordinary activities

	2013 £	2012 £
Prior year under provision	-	2
Taxation on party's investment income	14	13
	<u>14</u>	<u>15</u>

15 Tangible assets

	Computer Software £	Fixtures & fittings £	Total £
<i>Cost</i>			
At 1 January 2013	221,524	362,922	584,446
Additions	12,929	-	12,929
At 31 December 2013	<u>234,453</u>	<u>362,922</u>	<u>597,375</u>
<i>Depreciation</i>			
At 1 January 2013	63,564	48,000	111,564
Charge for the year	44,305	36,292	80,597
At 31 December 2013	<u>107,869</u>	<u>84,292</u>	<u>192,161</u>
<i>Net book value</i>			
At 31 December 2013	<u>126,584</u>	<u>278,630</u>	<u>405,214</u>
At 31 December 2012	<u>157,960</u>	<u>314,922</u>	<u>472,882</u>

16 Debtors

	2013 £	2012 £
Trade debtors	112,016	5,032
Amounts owed by Liberal Democrat related entities	108,027	157,113
Other debtors	77,835	156,519
Prepayments and accrued income	208,552	111,963
	<u>506,430</u>	<u>430,627</u>

The Liberal Democrats (The Federal Party)
Notes forming part of the Financial Statements
For the year ended 31 December 2013

17 Creditors: amounts falling due within one year

	2013 £	2012 £
Bank overdraft	125,618	798,414
Amounts owed to Liberal Democrat related entities	91,954	168,453
Trade creditors	59,745	13,867
Other taxation and social security	10,298	-
Corporation tax	14	13
Other creditors	74,496	372,986
Accruals and deferred income	1,188,696	633,028
	<u>1,550,821</u>	<u>1,986,761</u>

18 Creditors: amounts falling due after more than one year

	2013 £	2012 £
Other loans	100,000	100,000
	<u>100,000</u>	<u>100,000</u>

The other loan is interest free and repayable on 30 June 2015.

19 Reconciliation of movements in reserves

	General Fund £	Reserve Fund £	Legacy Fund £	Total £	2012 £
At 1 January 2013	(1,196,889)	45,000	-	(1,151,889)	(740,937)
Surplus/(deficit) for the year	227,703	-	211,327	439,030	(410,952)
At 31 December 2013	<u>(969,186)</u>	<u>45,000</u>	<u>211,327</u>	<u>(712,859)</u>	<u>(1,151,889)</u>

The Reserve Fund represents an amount set aside for designated activities determined by FFAC.

The Legacy Fund was established in 2013 to separate the windfall benefit of legacies from the normal activities of the Party. The amount transferred into the fund represents the monies received from legacies notified to the Party since the fund was set up. The intention of the Legacy Fund is to provide an income to the Party and to fund projects for the long term development of the Party.

20 Capital commitments

There are no contracted capital commitments not provided for in the accounts (2012: £nil).

21 Lease commitments

As at 31 December 2013, the party had annual commitments under non-cancellable contracts as follows:

	2013 £	2012 £	2013 £	2012 £
	Land & Buildings	Land & Buildings	Other	Other
Operating leases which expire:				
Within 1 year	-	-	-	-
Within 2 to 5 years	-	-	10,600	10,600
After 5 years	259,250	131,750	-	-
	<u>259,250</u>	<u>131,750</u>	<u>10,600</u>	<u>10,600</u>

22 Net cash inflow/(outflow) from operating activities

	2013 £	2012 £
Operating surplus/(deficit) before taxation	439,044	(410,937)
Depreciation	80,597	81,624
(Increase)/decrease in debtors	(75,803)	320,606
Increase/(decrease) in creditors due within one year	250,146	(201,504)
Net cash inflow/(outflow) from operating surplus/(deficit) before tax	<u>693,984</u>	<u>(210,211)</u>
Investment income	(67)	(66)
Net cash (outflow)/inflow from operating activities	<u>693,917</u>	<u>(210,277)</u>

23 Reconciliation of net cash inflow/(outflow) to movement in net debt

	2013 £	2012 £
Increase/(decrease) in cash in the year	667,751	(210,222)
Opening net debt	(867,051)	(656,829)
Closing net debt	<u>(199,300)</u>	<u>(867,051)</u>

24 Analysis of net debt

	At 1 January 2013 £	Cash flow £	At 31 December 2013 £
Cash at bank and in hand	31,363	(5,045)	26,318
Loans	(100,000)	-	(100,000)
Bank overdraft	(798,414)	672,796	(125,618)
Net debt	<u>(867,051)</u>	<u>667,751</u>	<u>(199,300)</u>

25 Pensions

The Party formerly sponsored the Liberal Headquarters 1975 Retirement Fund. As at the year end the scheme was in surplus and had only one deferred member and no active members. In January 2014 the scheme purchased a deferred annuity for the one remaining member and in June 2014 the Party commenced the winding up of the scheme. It is anticipated that the wind up of the scheme will be completed by February 2015.

Once the scheme is wound up any remaining surplus will be returned to the Party and treated as a return of the additional contributions made.

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 £171,315 (2012: £173,526). At 31 December 2013, contributions amounting to £70,169 (2012: £88,398) were payable to these funds and are included within other creditors in note 17.

26 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 £5,137 (2012: £2,661).

The Federal Party is 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 £850,035 (2012: £890,251) and recharged expenditure totalling £852,697 (2012: £769,449). Expenditure includes grants to party bodies, expenditure recharged to other party bodies and charges from other party bodies totalling £454,880 (2012 - £450,548).

The amount owed by related entities at 31 December 2013 was £108,027 (2012: £157,113) and the amount owed to related entities was £91,954 (2012: £168,453).

Significant balances owed by related entities are as follows:

South East Cornwall Liberal Democrats	£20,100
London Liberal Democrats	£20,263
The Welsh Liberal Democrats	£20,837
East Midlands Liberal Democrats	£13,706
West Midlands Liberal Democrats	£11,694
Devon & Cornwall Liberal Democrats	£11,301

An amount of £50,400 (2012: £58,994) has been provided against amounts owed by related entities.

Significant balances owed to related entities are as follows:

Parliamentary Office of the Liberal Democrats	£17,564
Association of Liberal Democrat Councillors	£14,531

27 Membership

As at 31 December 2013 there were 43,451 (2012 – 42,501) members of the Party.

28 Comparative information

In preparing the financial statements a number of reclassifications of income and expenditure principally relating to inter-party transactions have been made to improve users understanding of the accounts.

As of June 2014 the Party had the following elected representatives

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

The Liberal Democrats Limited

Directors' Report to the Members for the year ended 31 December 2013

The Directors submit their report for the year ended 31 December 2013, and the Company's balance sheet as 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 1169 of the Companies Act 2005 and does not prepare a profit and loss account.

The Directors of the Company during the year ended 31 December 2013 were:

- Duncan Taylor Greenland (Chairman)
- Lord Dholakia
- Peter Dunphy (Appointed 16 April 2013)
- Michael Jeans
- Baroness Kramer (Resigned 26 November 2013)
- Eric Lowry (Company Secretary)
- Baroness Parminter
- Lord Vallance (Resigned 21 January 2014)
- Lord Wrigglesworth (Resigned 26 November 2013)

Signed on behalf of the Board



Duncan Greenland
Chair

Registered in England
No. 2231620

Registered in England
No. 2231620

Registered Office
LDHQ
8-10 Great George Street
London
SW1P 3AE

Balance Sheet as at 31 December 2013

£

Assets	NIL
Liabilities	NIL

The Company is entitled to exemption from audit under sections 475 and 477 of the Companies Act 2006 for the period ended 31 December 2013. No members have required the company to obtain an audit of its financial statements for the period ended 31 December 2013 in accordance with Section 476 of the Companies Act 2006.

The Directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and preparation of accounts.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

Approved by the Board on *JULY 17th, 2014*

A handwritten signature in black ink that reads "Duncan Greenland" followed by a horizontal line.

Duncan Greenland
Director

Parliamentary Party (Commons)

Since we last met in York, the Parliamentary Party in the Commons has moved into the final session of this Parliament. We have achieved a lot in our four years in power. The economy has begun to show the indications that the worst of Labour's mess is behind us. Household income is yet to fully see the benefits of this improvement but we have carried out significant work to protect the most vulnerable through the raising of the tax free allowance; and improved the lives and opportunities of pupils from Britain's poorest families through the pupil premium and the introduction of free school meals for under 6s.

Whilst some commentators argue to the contrary, the Commons remains very busy and highly active. In the year just gone, we debated more legislation than Labour did in their penultimate year and we will debate more in this session than Labour did in their last. We're showing little sign of slowing down as a Government. Whilst passing law is not of itself the only measurement of an active Parliament, we can rightly celebrate some of the Business that we've passed and demonstrate the Lib Dem wins within each piece of legislation.

The Criminal Courts and Justice Bill for instance contains large segments of legislation aimed at prioritising the education of young prisoners. It is our hope that this will help them turn their lives around and away from criminal activity. To do this the Bill allows for the creation of secure colleges where offenders can stay and dedicate time to their learning and development.

In the current Parliamentary session, we have just had the second reading of the Modern Slavery Bill. This Bill will give more powers to the authorities to tackle people trafficking and protect those that are the victims of it. This includes the creation of a statutory defence for victims who are forced to commit a crime, which ensures that they are not treated as criminals by the justice system.

We also had the second reading of the Childcare Payments Bill, which will introduce a scheme to provide families with up to £2,000 per child to help with the costs of childcare. The scheme will be available to 1.9 million working families, meaning that it will be open to double the number of families currently using Employer Supported Childcare.

As was covered in the media during the final weeks before recess, we have also passed a piece of emergency legislation, the Data Retention and Investigatory Powers Bill. I would like to pay tribute to the work done by Nick Clegg and Norman Baker in Government, and from our backbenches too in the form of our highly capable Home Affairs Co-Chair, Dr Julian Huppert. As Liberals we are rightly always highly suspicious of attempts of the state to encroach upon civil liberties. Our negotiations and involvement have resulted in no new powers being assigned, a reduction in the number of agencies that can use the data, a commitment to examine the Regulation of Investigatory Powers Act (RIPA) and a 2015 sunset clause. In my opinion, the efforts of our colleagues in this process demonstrated not only our recognition for the work carried out by the courts and intelligence agencies but also our steadfast commitment to protecting civil liberties.

Outside of Government legislation, the Private Members Bill ballot was especially kind to us this year, awarding Andrew George (1), Mike Moore (2), Sarah Teather (7), John Hemming (16) and Martin Horwood (20) with slots in the top twenty. Andrew will present the Affordable Housing Bill, targeted at addressing the lack of affordable housing in constituencies like his across the UK; Mike is presenting a Bill aimed at securing the UK's commitment to spending 0.7% Gross National Income on some of the world's poorest through our international aid programme; and Sarah is taking forward a Bill, supported by Shelter, which will end retaliatory evictions and provide private renters with the confidence and security to complain about sub-standard accommodation without fear of reprisal. Although John and Martin's Bills have less chance of progressing they

are focused on reforms in relation to transparency and accountability and changes to pavement parking, respectively.

I am proud that our colleagues are pursuing reform in these areas and we will be working hard in the usual channels to secure their passages through the Commons. As a point of interest, the highest placed Conservative MP in the ballot, Robert Neill will re-introduce the EU Referendum Bill into the Commons. Like last year we will do our best to ensure that this goes no further.

In terms of our relations with the Conservatives, operations continue to be business like albeit with the conventions of parliament and government continuing to be tested by the unique tensions of coalition. This is perhaps best demonstrated by an incident in June, when our Conservative colleagues announced their intention not to oppose a Tory backbench amendment to put minimum sentencing for knife crime into the Criminal Justice and Courts Bill. As it was not agreed government policy, and because we believed it important to defend the independence of the judiciary in sentencing, we opposed the amendment but were defeated by a shameful alliance of Conservative backbenchers, Tory PPSs and an opportunistic Labour front bench.

At the time of my report to Spring Conference the parliamentary party had yet to appoint a Deputy Leader following Simon's promotion into the Ministry of Justice. Following an excellent set of hustings from all candidates Sir Malcolm Bruce was elected to the role of Deputy Leader. Both Malcolm and Annette (as Chair of the Parliamentary Party) were re-appointed to their roles at the start of the new parliamentary session.

The only change to report with regards to Co-Chairs is the appointment of John Hemming to the previously vacant role of Work and Pensions. The current list of Commons Co-Chairs is as follows:

Business, Innovation & Skills	Gordon Birtwistle
Communities & Local Government	Annette Brooke
Constitutional & Political Reform	John Thurso
Culture, Media & Sport	John Leech
Education	Simon Wright
Environment, Food & Rural Affairs	Roger Williams
Energy & Climate Change	Tessa Munt
Health	Paul Burstow
Home Affairs, Justice & Equalities	Julian Huppert
International Affairs (including MOD & DfID)	Martin Horwood
Northern Ireland	Stephen Lloyd
Scotland	John Thurso
Transport	Mike Thornton
Treasury	Ian Swales
Wales	Mark Williams
Work & Pensions	John Hemming

In July, it was announced that a number of colleagues have been appointed to the Privy Council. These are Norman Baker, Annette Brooke, Lynne Featherstone, Norman Lamb, John Thurso and Steve Webb and rewards them for their great service to Government and the Commons.

Parliamentary Office of the Liberal Democrats

POLD has remained in good shape since last conference. Both Jack Fletcher, as Head and Georgina Orso, as Deputy run the office diligently and with great humour following their both relatively recent appointments. As my Special Adviser, Ben Williams continues to be a terrific asset to the Parliamentary Party. In July, we said goodbye to our Hull University placement student, Maria Fritzsche who joined us in the New Year. I was

particularly pleased with Maria's progression, not least her increased confidence, during her time with us. We wish her well in her final year at Hull. Maria's successor is Deborah Bell, who will be in the Whips' Office from September through to Christmas.

The Whips' Office is a real team effort and I would like to welcome back Jenny Willott following her stint covering Jo Swinson in BIS during her maternity leave. During this period Mark Hunter picked up additional responsibilities and I thank him for doing so. Together with our wider whips team, Sir Robert Smith, Sir Bob Russell and Ian Swales, the office continues to link our backbenchers and Ministers together.

Parliamentary Staff

Last, but certainly not least, I would like to extend my thanks towards the Parliamentary staff of our MPs. As always, they are a fantastic asset to our party and provide a valuable role in supporting the work of our MPs in the House and in our constituencies.

Don Foster
Chief Whip

Parliamentary Party (Lords)

Legislation

Currently we are considering the following:

Criminal Justice and Courts

This is a wide ranging Bill. Lib Dem Peers have been using the Bill to seek the creation of a new offence against revenge pornography - the posting of intimate pictures without the person's consent. Revenge pornography is a despicable breach of trust and we hope to make good progress in making changes to the law.

Lib Dem Peers also took a stand against backbench Conservative proposals to create a mandatory prison sentence for a second offence of carrying a knife. We do not believe that these proposals give enough discretion to judges and risk criminalising young people. Despite winning the argument and getting support from the vast majority of Crossbench Peers, the Labour and the Conservative Parties opposed our attempts to remove these proposals from the Bill.

The Bill also contains a number of other areas of concern to Lib Dem Peers, particularly surrounding Judicial Review. Jonathan Marks, who is leading for the group, is working closely with Ministers to see what changes might be made.

Infrastructure Bill

This Bill is being taken through the Lords by Lib Dem Transport Minister Susan Kramer. It seeks to ensure that the law is updated to facilitate the huge changes we need to update the UK's infrastructure.

Lib Dem Peers, led by Robin Teverson, are particularly working to ensure that new measures on zero carbon homes, a major Lib Dem

achievement, are fit for purpose and that developers are expected to build zero carbon homes or make substantial off-site carbon reduction measures.

Consumer Rights Bill

This is a major piece of Lib Dem-inspired legislation aimed at radically simplifying consumer rights so that people are aware of what rights they have when buying goods and what responsibilities are placed on traders.

Much of the credit for the Bill is owed to Jo Swinson MP and Jenny Willott MP, who were the two Ministers most involved in its creation. Ben Stoneham and Cathy Bakewell are leading for the group on the Bill and are looking in particular at ensuring that new rights over digital content included on the Bill properly protect consumers.

Serious Crime Bill

The Serious Crime Bill seeks to improve the way we tackle serious crime, in particular by making it easier to confiscate proceeds of crime and to bring those who participate in organised crime to justice.

Lib Dem Peers particular welcome measures to ensure that psychological harm is included in the definition of child cruelty after Mark Williams MP's campaign on this issue. Our team on the Bill, led by Sally Hamwee, will seek to strengthen these measures even further.

Armed Forces (Service Complaints and Financial Assistance) Bill

This Bill will improve support for our troops by strengthening the complaints system in the Armed Forces through the creation of a Service Complaints Ombudsman. This is an important part of fulfilling our duty to our troops under the Military Covenant.

The Lib Dem team on the Bill has been led by Monroe Palmer. Thanks to Lib Dem work the Government has explicitly confirmed for the first time

that compensation will be available to complainants if the Ombudsman deems it appropriate at the conclusion of their investigation.

Wales Bill

This Bill is a vital part of strengthening devolution in Wales. It includes gives effect to many of the recommendations set out in the Silk Commission, which updates the working of the devolution settlement in Wales.

The Bill also includes provisions to implement long-term Lib Dem policy on overturning the current restriction on individuals standing as a candidate for both a constituency seat and a regional seat.

The Bill is being taken through the Lords by Lib Dem Minister Jenny Randerson. The Lib Dem team, led by Martin Thomas, will also use the Bill as an opportunity to probe on other issues of importance to Wales, including the size of the National Assembly.

Deregulation

The Deregulation Bill is a wide ranging Bill that has resulted in part for the Lib Dem Red Tape Challenge. It is being taken through the Lords by Lib Dem Government Whip William Wallace.

The Lib Dem team on the Bill, led by Ben Stoneham, will be looking to ensure that the deregulatory measures in the Bill do not have unintended consequences. In particular, they will focus on measure affecting the powers of local authorities.

Media

The Lords Group has continued to have a proactive media presence. Our website, (www.libdemlords.org.uk), has been significantly improved and is updated regularly with news and blogs from a wide range of the peer's group. Our social media presence is also going from strength to

strength with more Peers using Twitter and other social media tools than ever before. The group Twitter account has almost 2500 followers. Our weekly newsletter also continues to explain some of the detailed work we do to a wide audience: subscribe by emailing lordsmedia@libdems.org.uk

Visits

The peers are doing more constituency visits than ever before in the run up to May 2015. We continue to make significant progress towards our target of having undertaken 1000 constituency visits before the General Election and are well over the 500 mark.

If you would like a peer to meet with local members, businesses or organisations please do contact Polly in the Whips' office on martinpab@parliament.uk

Staff

The peers continue to be supported by a strong team in the Whips' Office. We have a new media and PR officer, Dave Shaw, who joined us in April. Polly Martin is our Parliamentary Assistant who also leads on events and visits for peers. Our Head of Office, Laura Gilmore, is departing at the end of August and I would like to pay tribute to the energy and professionalism which she brought to the role. Until the election her role will be filled by Giles Derrington and Humphrey Amos. Elizabeth Plummer continues as Jim Wallace's special adviser.

Dick Newby
Chief Whip, House of Lords
July 2014

Parliamentary Party (Europe)

Despite very disappointing results at the European Parliament elections, Liberal Democrat MEPs were proud to have fought a positive campaign that took on the anti-Europeans and made the case for Britain's place at the heart of Europe. As the only remaining Lib Dem MEP in the European Parliament, Catherine Bearder is determined to continue fighting to promote UK interests and liberal values.

Catherine has been appointed a member of the Environment Committee, where she will focus on sustainability and biodiversity loss and is set to play a leading role in negotiating new EU air pollution limits. She was also voted in by fellow MEPs as one of five Quaestors. This key position is responsible for managing the day-to-day running of the Parliament and representing MEPs on its top executive body, the Bureau. She plans to use her role to improve transparency and reduce the European Parliament's carbon footprint. Catherine has also been appointed as Liberal coordinator of the Women's Rights and Gender Equality committee, and will continue her work on development issues including fighting against the illegal wildlife trade as a member of the African, Caribbean and Pacific-EU Joint Parliamentary Assembly.

Liberal Democrat MEPs all played a major role during the final months of the European Parliament's mandate in finalising legislation that will strengthen the economic recovery and build a fairer society.

Sharon Bowles finished her term as Chair of the Economic and Monetary Affairs committee to widespread acclaim, drawing praise from the City, the UK Treasury and EU institutions alike for her ability to negotiate compromises and ensure UK concerns were taken on board. In the final months of her mandate she oversaw important legislation that will ensure that it is bondholders, not taxpayers, who will be responsible for absorbing losses if banks get into difficulty.

Liberal Democrat MEPs backed ambitious proposals to reform the EU's telecoms market, including calling for an end to mobile roaming charges in the EU by 2015 and for strong measures to safeguard a free and open

internet. The European Parliament also passed its position on the EU's updated data protection rules, on which Sarah Ludford worked hard to secure a balanced text that will guarantee substantive privacy rights across Europe while avoiding unnecessary restrictions on the use of data for innovation and medical research.

Phil Bennion got the backing of MEPs for tougher lorry design standards across the EU that will help prevent fatal collisions with pedestrians and cyclists, following a long campaign with road safety groups in the UK led by Fiona Hall. Chris Davies and Fiona Hall also succeeded in introducing requirements for acoustic warning devices to be fitted to new electric and hybrid cars to ensure they can be heard by partially-sighted and blind pedestrians.

Andrew Duff's report on the organisation of the elections of the European Parliament bore fruit when the concept of nominating lead candidates was accepted by all the mainstream EU level political parties, with Guy Verhofstadt standing for the ALDE party. This process led to the eventual nomination of the centre-right's lead candidate Jean-Claude Juncker as Commission President. However, this aspect of the European elections was little appreciated in the UK, where the Conservatives who are now no longer part of Europe's mainstream centre-right alliance were not represented by an EU-wide candidate.

Catherine as the only Liberal Democrat MEP encourages members not in her region to sign up to her regular [monthly newsletter](#) and to visit her Facebook Euromyth Buster [page](#) to keep up to date with what is happening in the European Parliament. With the possibility of a referendum in the foreseeable future and in the face of hostile media reporting of the EU it is important that we continue to feedback to our voters what is really going on at the European level.

Campaign for Gender Balance

The Campaign for Gender Balance was established by the Federal Executive in response to the conference debate on gender balance in September 2001. Since the launch of Liberal Democrat Women in June 2013, CGB's aims and objectives have been incorporated into the new LDW Constitution, with Candy Piercy (Coordinator, Representation of Women Group), taking forward the CGB remit.

The Representation of Women Group, working with the Diversity Team in LDHQ, continues to form a key central initiative for attracting and supporting women candidates within the Party, and it implements a range of training, mentoring and support activities in order to increase the number of women standing for Parliament.

Current approval / selection figures (as of 10th July 2014):

Prospective Parliamentary Candidates:

- 40% of candidates selected in strategic seats (including held seats) are women (Reaching our target)
- 29% of the currently selected candidates (excluding held seats) are women
- Out of the 7 seats where sitting MPs are standing down, 4 women have been selected and 2 are from a BAME community.

Many of these women have attended our annual Future Women MPs Weekend in the past and the others have benefited from CGB mentoring and support before and throughout their selection campaigns.

Approved Candidates:

- 27% of approved candidates are women

One of our key aims in 2014 and in the run up to the General Election is to ensure that all potential women candidates have all the encouragement, skills and support necessary to become effective Parliamentary candidates. We continue to work closely with the Elections and Field team at HQ, and with the Candidate Leadership Programme to ensure that this happens. We continue to focus on increasing female representation in Parliament; in particular we are looking at how we can ensure that the policies and culture of the party and relevant Parliaments is conducive to electing more women Parliamentarians in addition to our on-going support for potential women candidates. In particular, Ros Gordon and Laura Gilmore attended the launch of the All Party Parliamentary Group for Women in Parliament, "Improving Parliament" report which highlights the barriers and issues women still face in becoming MPs which is supported by all party leaders. Our aim is to work across the parties to improve the culture and encourage more women to stand.

Whilst our training and mentoring programmes has ensured a high level of success for women candidates in strategic and held seat selections, more needs to be done to encourage more women to come forward for approval. We have increased the proportion of women on the Approved list from 23% ten years ago to the current level of 27%. We need a significant effort post 2015 to increase this to a minimum of 40% plus

Liberal Democrat Women

Liberal Democrat Women (LDW) was officially launched on 8th June 2013 in Birmingham. The new Constitution was approved by the Federal Executive and the first LDW Executive has been in place since August 2013.

The new organisation was formed by the merger of the existing Women Liberal Democrats and the Campaign for Gender Balance with the aim of

providing a single organisation to represent women in the Liberal Democrats.

CGB is now run by the Head of the LDW Representation of Women Group. This position is currently held by Candy Piercy.

The LDW Representation of Women Group is also concerned with getting more women elected to local government, other public bodies and to Lib Dem Party committees.

CGB activities are managed with the active support of the staff of the Diversity Unit in HQ, headed up by Vicky Booth. In particular Lucile Kamar and Arfan Bhatti. They provide extensive logistical and organisational support to the training, coaching and mentoring activities of the CGB project.

Recent Developments

- **Future Women MPs Weekend** was successfully held on 21st – 23rd February 2014. It was attended by 15 women, some of them having been elected/re-elected as councillors and are in the process of going through PPC selections. Excellent training was provided by Candy Piercy and Grainne Suter and participants had the opportunity to also hear from Layla Moran and Ros Gordon.
- **Training:** CGB ran three women only training sessions at the 2014 Spring Conference. Fifteen women only training sessions are planned for the 2014 Autumn Conference. Due to the stage of the electoral cycle, these sessions predominantly focused on key information and skills that help potential candidates to win target/winnable Parliamentary seat selections.
- **Road to Westminster:** The LDW CGB Road to Westminster Campaigns aims at bringing together volunteers to help and support women standing in our most competitive seats.
- **LDW stand at Glasgow Conference Stand 2013:** The LDW Silent Auction held on the stand raised over £1,400 that went towards the cost of the annual CGB Future Women's MPs Weekend.

- **LDW Appeal:** LDW also successfully raised money for the Future Women MPs Weekend through an Appeal Letter which added to the Silent Auction.
- **Selection mentoring:** CGB mentors advised and supported a number of women through their strategic seat selections. This mentoring is more intensive than the word normally implies. The women candidates who were mentored tell us it was a very important factor in their success.

Current and planned activities

- **Mentoring:** CGB provides ongoing mentoring to women candidates at different stages of their political careers, including a number who applied for the Leadership Programme. We view the Leadership Programme as complementary to the work of CGB. CGB focuses on encouraging women to become Westminster Parliamentary candidates, at whatever stage in their political career development they may be in.
- **Training:** A number of Inspiration Days are planned to be held across the States and Regions to encourage women to come forward as candidates for Westminster even at this late stage. We are also planning 'Cluster workshops' for women PPCs in seats close to each other and in LDHQ. These workshops will focus on resilience training, leadership and on team building.
- **Newsletter:** An e-mail newsletter is sent out every month to almost 1000 subscribers, this includes details of training events, relevant news items and seat adverts.
- **Approval and Selection of Women:** The Campaign continues to closely monitor information regarding approval and selection figures, to gain an accurate picture of the women's representation within the Party.
- **Glasgow Autumn Conference:** A full programme of training is planned for Spring Conference

We look forward to CGB working closely with Khloe Bailey Obazee the new LDW Administrator based at HQ and Olivia Blunn, the new Diversity and Outreach Officer- Youth.

As ever thank you to all our trainers, mentors, LDW members and other supporters without whom we wouldn't be able to continue our good work.

Ros Gordon
Chair, Liberal Democrat Women

Candy Piercy
Head of LDW Representation of Women Group CGB Project

DIVERSITY ENGAGEMENT GROUP

The Diversity Engagement Group (DEG) was established to oversee the achievement of the Party's equality and diversity priorities. The group brings together nominated 'Champions' from all sections of the Party in leading the strategic and accountable body responsible for delivering our diversity agenda and reporting back to every Federal Conference. DEG acts as a steering group for the Diversity and Outreach team based at Liberal Democrat HQ, and is chaired by Lord Navnit Dholakia.

New DEG Chair and structure

Lord Navnit Dholakia was appointed as the new Chair of the Diversity Engagement Group in April 2014. Lord Dholakia welcomed the challenges of the new role, and praised the outgoing Chair, Baroness Sal Brinton, for all the work she has done on this area to date.

A new structure has been put in place to facilitate the activities contained in the new diversity action plan (as approved by the Federal Executive in February 2014). It was agreed that DEG should be a smaller executive with three main sub-groups, which form the basis of how work is structured with DEG and the HQ Diversity and Outreach team at HQ.

I. Internal engagement:

This group will cover increasing representation within the party, including diversity awareness and unconscious bias training.

II. External engagement:

This group will cover campaigning in diverse communities, community outreach projects and other work that looks to build the influence and reputation of the Party more widely.

III. Communications:

Initiatives should include increasing the visibility of work being done within the Party and ensuring that internal and external communications reflect diversity and inclusion.

Internal Engagement:

- An SAO training day focusing on campaign skills and key messages was held in July 2014. Representatives from Liberal Youth, LDW, LDDA, LGBT+ and EMLD attended, and the day received good feedback
- **Unconscious Bias** training will be delivered as part of a package of training at Autumn Conference
- The team recently presented to the Parliamentary Party meeting in the House of Lords to increase awareness of the Diversity and Outreach team's work and encourage cooperation
- Regional Diversity Champions **continue to deliver activities at a regional and local party level.**
- **Approval and selection data** is regularly monitored and analysed in order to gain an accurate picture of candidate diversity within the Party.
- The HQ team continues to run key activities on behalf of **Campaign for Gender Balance** (*see separate report*), providing support for potential women candidates going for Parliamentary approval and selection. This includes a package of **women-only training** at Conference.
- Training and mentoring support continues as part of the **Candidate Leadership Programme** – Leadership Programme candidates attended the recent Wyboston training weekends for held and strategic seats, and will receive further training at Autumn Conference.
- **Twenty-two Leadership Programme candidates** have been selected as PPCs (*as of 31st July 2014*) - 15 women, 7 BAME candidates and 2 LGBT candidates.

Julia Cambridge

Lucy Hurds

Robin Meltzer

Layla Moran

Maajid Nawaz

Chesterfield

Hereford and South Herefordshire

Richmond Park

Oxford West and Abingdon

Hampstead and Kilburn

Shas Sheehan	Wimbledon
Vikki Slade	Mid Dorset and North Poole
Claire Thomas	Hull West and Hessle
Christine Tinker	Shrewsbury & Atcham
Lisa Smart	Hazel Grove
Julie Pörksen	Berwick
Jane Dodds	Montgomeryshire
Jackie Porter	Winchester
Terry Stacy	Islington South and Finsbury
Judith Bunting	Newbury
Justine Baker	Bridgewater and West Somerset
Abdul Malik	Bristol East
Ibrahim Taguri	Brent Central
Steve Bradley	Bath
Jane Brophy	Altrincham & Sale West
Zuffar Haq	Harborough
Christine Jardine	Gordon

External engagement

- **Meetings have been held with MPs and organisers in held and strategic seats with the most diverse populations** in order to identify and discuss best practice, and how further work can be done.
- **Olivia Blunn has recently joined the Diversity and Outreach team**, focusing on youth outreach. Olivia has been working closely with Liberal Youth to ensure a strong presence at **Freshers Fairs** across the country and will be working with specific seats to help drive outreach and recruitment work.
- **Links are being built and developed with a range of relevant external organisations**
- **Community briefings** have been produced and distributed to teams in held and strategic seats.

- Guidance on “**Whose Vote are you missing: Campaigning in Diverse Communities**” has been updated and is being distributed to key party stakeholders.
- The Diversity team has been working closely with the Government Equalities Office (GEO) to promote the **Access to Elected Office Strategy**, which aims to provide financial assistance and training to disabled individuals who want to stand as candidates for national or local elections.

Communications

- A monthly **Diversity Newsletter** highlighting key events, government announcements and SAO campaigns is being distributed to key stakeholders within the Party.
- A **Diversity and Outreach Twitter** feed was created in June 2014 – follow us @LibDemDiversity
- The Diversity team at HQ **works closely with the specialist press officer**, who monitors and promotes involvement in BAME and other specialist Press.

Lord Navnit Dholakia
Chair, Diversity Engagement Group
July 2014

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