

Weekend Brief Supplement

For the week ending 19 September 2014.

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Key Messages

We are working to a long-term economic plan that will secure a better and brighter future for Britain, and help us care for future generations.

Thanks to the ongoing sacrifices and determination of the British people, our country is starting to recover after tough economic times. But we must continue to take the difficult decisions to help us build a better Britain – one that rewards those who have put in, who contribute and who play by the rules.

This way we can deliver a brighter future for our country – with Britain standing tall in the world again and its people more secure at home.

Our long-term economic plan

- 1. **Reducing the deficit** so we deal with our debts, safeguard our economy for the long term and keep mortgage rates low.
- 2. <u>Cutting income taxes</u> and freezing fuel duty to help hardworking people be more financially secure.
- 3. <u>Creating more jobs</u> by backing small business and enterprise with better infrastructure and lower jobs taxes.
- 4. <u>Capping welfare and reducing immigration</u> so our economy delivers for people who want to work hard and play by the rules.
- 5. <u>Delivering the best schools and skills for young people</u> so the next generation can succeed in the global race.

On Labour

Ed Miliband is just not up to it. He is weak and short-termist. His opportunism will hurt Britain's economy - and put the future of our children and grandchildren at risk.

He cannot stand up for Britain against the noisy demands of unions and his own party for more spending, borrowing and taxes. Abroad he cannot stand up for our interests in Brussels nor stand tall alongside other world leaders.

This all means Labour have not changed – they have no plan to secure our future. Instead they would take Britain backwards, creating more uncertainty just at a time when the sacrifices of the British people are beginning to pay dividends. Their only plans are to spend, borrow and tax more – exactly what got us into a mess in the first place, and putting our financial security at risk.

It's the same old Labour: no leadership and no long-term plan for the future of the country.

UKIP

UKIP are not the answer. They are a one man band that is just not up to dealing with the challenges our country faces. They have no plan and they cannot deliver anything but a Labour Government with Ed Miliband as Prime Minister.

Liberal Democrats

We went into coalition with the Lib Dems 5 years ago to tackle the economic emergency left by Labour. But today as the recovery takes hold, the Lib Dems want to tax the family home, oppose further welfare reform, and are the Party of 'in' in Europe.

They are a vote for instability, insecurity and no accountability – taking power away from the voters. It is not a vote to secure a better and brighter future for our country.

Scottish independence referendum result

- The people of Scotland have spoken. It is a clear result. They have kept our country of four nations together.
- This result has delighted millions of people, not just across our country, but also around the world because of what we've achieved together in the past and what we can do together in the future.
- So now it is time for our United Kingdom to come together, and to move forward.

Total Result: NO: 2,001,926 (<u>55.30%</u>). YES: 1,617,989 (<u>44.70%</u>). TURNOUT: <u>84.59%</u>¹.

Council	Electorate	Yes	No
Aberdeen City	175,745	41.39%	58.61%
Aberdeenshire	206,486	39.64%	60.36%
Angus	93,551	43.68%	56.32%
Argyll & Bute	72,002	41.48%	58.52%
Clackmannanshire	39,972	46.20%	53.80%
Eilean Siar	22,908	46.58%	53.42%
Dumfries & Galloway	122,036	34.33%	65.67%
Dundee City	118,729	57.35%	42.65%
East Ayrshire	99,664	47.22%	52.78%
East Dunbartonshire	86,836	38.80%	61.20%
East Lothian	81,945	38.28%	61.72%
East Renfrewshire	72,981	36.81%	63.19%
Edinburgh	378,012	38.90%	61.10%
Falkirk	122,457	46.53%	53.47%
Fife	302,165	44.95%	55.05%
Glasgow	486,219	53.49%	46.51%
Highland	190,778	47.08%	52.92%
Inverclyde	62,481	49.92%	50.08%
Midlothian	69,617	43.70%	56.30%
Moray	75,170	42.44%	57.56%
North Ayrshire	113,923	48.99%	51.01%
North Lanarkshire	268,704	51.07%	48.93%
Orkney Islands	17,806	32.80%	67.20%
Perth & Kinross	120,015	39.81%	60.19%
Renfrewshire	134,735	47.19%	52.81%
Scottish Borders	95,533	33.44%	66.56%
Shetland Islands	18,516	36.29%	63.71%
South Ayrshire	94,881	42.13%	57.87%
South Lanarkshire	261,157	45.33%	54.67%
Stirling	69,033	40.23%	59.77%
West Dunbartonshire	71,109	53.96%	46.04%
West Lothian	138,226	44.82	55.18%

¹ BBC News Online, 19 September 2014, link.

More powers for Scotland within the United Kingdom

Issue: Lord Smith of Kelvin has agreed to oversee the process of taking forward the cross party commitment on more powers for the Scottish Parliament.¹

- We are delighted that the Scottish people have voted to keep our Union together. It is time for our United Kingdom to come together, and to move forward.
- Lord Smith of Kelvin who so successfully led Glasgow's Commonwealth Games has agreed to oversee the process to take forward the devolution commitments with powers over tax, spending and welfare all agreed by November and draft legislation published by January.
- The three pro-union parties have made commitments on further powers for the Scottish Parliament. We will ensure that they are honoured.

Proposals for more powers

- **More powers over taxation.** All parties agree that the priority is <u>further devolution of tax powers</u>, in particular income tax, to increase the financial autonomy and accountability of the Scottish Parliament.
- More powers over welfare. All parties agree that there are benefits closely tied to devolved services which should be devolved such as Housing Benefit, while the core of the welfare state should continue to share risk and resources across the UK.
- A clear timetable. Immediate action the day after the referendum will start the legislative process which will see a Command Paper including all party proposals published on 30th October and a draft Scotland Bill published by the end of January. There will be the immediate introduction of a Scotland Bill after the general election, regardless of who forms the Government.

Key point

• There will be an opportunity for everyone to have their say. Lord Smith will speak to all the UK and Scottish political parties. He will engage with the institutions of Scotland, whether it be trade unions, businesses or voluntary organisations. He will also engage with those members of the public who are not all represented by political parties or institutions and make them an essential part of the process.

Hostile questions

Q: Is this 'Devo-max'?

No. Devo-max means Scotland having the power to raise all taxes – but we propose to transfer to Scotland the power to raise income tax.

Q: Will this mean the end of the Barnett Formula?

The Barnett Formula becomes less relevant the more tax powers Scotland gets. The further devolution we envisage will make the Scotlish Parliament responsible for raising half of what it spends. That means the amount of money transferred to Scotland under the Barnett Formula will decline as Scotland exercises its tax-raising powers under our enhanced devolution plans. So – while the overall amount of money Scotland has to spend would remain the same at the point of devolution – Barnett will become less important in the future, and Scotland will become more dependent on its own tax revenues.

¹ Scotland Office Press Release, 19 September 2014, link.

English votes for English laws

Issue: On 19 September 2012, following the No vote in the Scottish independence referendum, the Prime Minister announced that William Hague would chair a Cabinet committee to draw up plans for a fair settlement for the rest of the UK alongside new powers for Scotland.¹

- We are delighted that Scots have voted to keep our country of four nations together. We now have a chance to change the way the British people are governed for the better. The three pro-union parties have made commitments on further powers for the Scottish Parliament. We will ensure that they are honoured.
- Just as Scotland will vote separately in the Scottish Parliament on their issues of tax, spending and welfare, so too England, as well as Wales and Northern Ireland, should be able to vote on these issues and all this must take place in tandem with, and at the same pace as, the settlement for Scotland. We hope that is going to take place on a cross-party basis. The Prime Minister has asked William Hague to draw up these plans.
- Now it is time for our United Kingdom to come together, and to move forward. A vital part of that will be a balanced settlement fair to people in Scotland and importantly to everyone in England, Wales and Northern Ireland as well.

We are doing this by:

- Creating a Cabinet Committee to draw up plans for a fair settlement for the rest of the UK alongside new powers for Scotland. William Hague will chair a cabinet committee which will draw up plans to the same timescale as the plans for more powers for Scotland.
- Taking a cross-party approach and engaging with civic society. We hope that is going to take place on a cross-party basis, with input from the Labour Party and others. It is important we have wider civic engagement about to improve governance in our United Kingdom, including how to empower our great cities. We will say more about this in the coming days.

Labour position: Ed Miliband: 'we will set out a process to begin before the next election with every region in the country engaged in a dialogue with the people about how power needs to be dispersed, including in England. That process will culminate next year with a Constitutional Convention.'2

Rebuttal: Ed Miliband's proposal would kick this vital issue into the long grass. If he is serious about delivering on our joint commitment to publish draft legislation on devolving more powers to Scotland by January, he must say whether he supports an equal settlement for England - English votes for English laws.

Hostile Questions:

Q: Have you ruled out having an English Parliament?

William Hague will look at this as part of his Committee. Separate votes for English MPs seem the best way forward. But we don't believe there is public appetite for a separate English Parliament which would increase the cost of politics and the number of politicians.

Q: What happens if there is no majority for your plans for the rest of the UK, does that mean you'll fail to legislate on your promise to give more power to Scotland?

We've committed to bring forward draft clauses on a set timetable. But we will seek to legislate after the next general election, allowing voters to express their view.

¹ Prime Minister's statement, 10 Downing Street website, 19 September 2014, link.

² Labour Party Press Release, 19 September 2014, link.

10 Conservative Achievements

- 1. We're <u>reducing the deficit</u> and have already cut it by more than a third. This safeguards our economy for the long-term and keeps mortgage rates low.¹
- 2. **We've <u>cut income tax</u> for over 25 million people.** We have delivered a typical tax cut of £705 for over 25 million people and taken over 3 million people out of tax altogether helping hardworking people to be more financially secure.²
- 3. We're <u>freezing fuel duty</u>. Fuel duty is now more than 13p per litre lower than it would have been without our action meaning that the average family saves over £7 every time they fill up their tank.³
- 4. **We're <u>creating more jobs.</u>** Because we have backed small business and enterprise with better infrastructure and lower jobs taxes there are 2 million more private sector jobs and 400,000 more businesses that's more people with the security of a pay packet.⁴
- 5. **We've <u>capped welfare</u>.** So that no out-of work household can claim more than the average working family earns, ensuring our economy delivers for people who want to work hard and play by the rules.⁵
- 6. **We are <u>reducing immigration</u>**, and building an immigration system that is fair to British citizens and legitimate migrants and tough on those who abuse the system or flout the law. We want to ensure that people come to the UK for the right reasons to work hard and contribute to our economy and society.⁶
- 7. We are <u>delivering the best schools</u> for young people. Over 4,100 schools are now benefitting from the freedoms of academy status, allowing them to help each child reach their full potential so that they can succeed in the global race.⁷
- 8. We are <u>delivering the best skills training</u>. There have been over 1.8 million new apprenticeships in this parliament giving young and old the chance to learn the skills they need to get on in life.⁸
- 9. We secured a cut in the EU budget and vetoed a new EU Fiscal Treaty, protecting British interests and saving British taxpayers' money.⁹
- 10. Crime is down by more than ten per cent, to its lowest level since records began, meaning people are safer on the streets and in their home. 10

¹ ONS, *Public Sector Finances*, 20 June 2014, <u>link</u>.

² HM Treasury press release, 2 April 2014, link.

³ HM Treasury, Autumn Statement 2013, 5 December 2013, link.

⁴ ONS, *Public Sector* Employment, 11 June 2014, <u>link</u>; BIS, *Business Population Estimates* 2013, 23 October 2013, <u>link</u>.

⁵ DWP press release, 8 May 2014, link.

⁶ ONS, Migration Statistics Quarterly Report, May 2014, <u>link</u>.

⁷ DfE website, 19 September 2014, link.

⁸ FE Data Library: Apprenticeships, April 2014, link.

⁹ Prime Minister's statement, 11 February 2013, link.

¹⁰ ONS, Crime in England and Wales, period ending March 2014, 17 July 2014, link.