

Liberal Democrat Fairer Future Economic Recovery Plan

1. Action on the housing crisis – stop unnecessary repossessions and provide more social housing

- Allow families struggling with repayments to sell all or part of the equity in their house and rent it back from a housing association or private firm to help keep them in their home
- Introduce a statutory Code of Practice for mortgage lenders to ensure that repossession is only ever the last resort
- Allow councils and housing associations to borrow against their assets to buy up unsold properties and land from building companies in order to replenish the social housing stock

2. Action to put more money in people's pockets - tax cuts for people on low and middle incomes

- Cut basic income tax by 4p in the pound, paid for by upping taxes on pollution and closing tax loopholes used by the rich
- Get tough on unnecessary and wasteful government spending, and use some of the money saved to cut taxes even further for those on low and middle incomes

3. Action to limit the excesses of the City

- Firm up the policy of stopping destabilising short-selling of bank shares by hedge funds
- Require banks to hold more capital in periods of boom and less in recession, helping to prevent the boom and bust cycle characterised by extremes of irresponsible lending
- Decisive action to curb the bonus culture using regulation where necessary to stop large payments which destabilise the financial system by encouraging reckless risk-taking
- More effective regulation of those institutions, like hedge funds, that are not subject to the same degree of security and transparency as others.

4. Action to deliver future economic stability

- Include house prices in the considerations of the Bank of England when setting interest rates to manage inflation
- Independent monitoring of the Government's fiscal rules

5. Action to cut energy bills and fight fuel poverty

- Compel energy companies to re-invest the £9 billion profit they have made in kind from the Emissions Trading Scheme into cutting bills through -
 - The roll out of social tariffs to over two million vulnerable customers
 - Installation of smart meters, which show consumption costs
 - A £500 million a year rolling programme to make sure homes are properly insulated

6. Action to help people with debt problems

- Roll out a national network of free independent financial advice centres, to ensure that individuals with debt problems can seek assistance promptly and professionally
- Expand the social fund, increasing the amount of short term emergency affordable loans, to help low income families pay off high interest debt

7. Action to help people who lose their jobs

- Personalised help to suit jobseekers' individual needs
- Increase the cost of work permits for foreign workers, and direct the money to fund more training for low skilled and unemployed workers already in Britain

8. Action to deliver 'green-collar' jobs and energy independence

- Big investment in renewables, home insulation and railways will create thousands of jobs

9. Action to reinvigorate global trade

- Work within the EU to unlock the stalemate on agricultural trade between the rich and the developing world, and bring down prices worldwide

For more information on these proposals see: [‘A Response to the Housing and Mortgage Crisis’](#), motion passed at Lib Dem conference, 16th Sept. 2008 (point 1); [‘Clegg: We need big - and fair - tax cuts’](#), article in The Independent, 13th Sept. 2008 (point 2); [‘A New Deal for the City: Liberal Democrat Proposals’](#), launched 12th May 2008 (point 3); [‘Tackling Fuel Poverty’](#), launched 28th July 2008 (point 5); [‘A Generic National Financial Advice Service – A Liberal Democrat Proposal’](#), launched by 2nd March 2008 (point 6); [‘Freedom from Poverty, Opportunity for All’](#), Poverty and Inequality Policy Paper, passed by Lib Dem conference, Sept. 2007 (point 7); [‘Energy independence for the UK’](#), launched 21st August 2008 (point 8); [Nick Clegg's leader's speech](#), Lib Dem conference, 17th Sept. 2008 (general); [Nick Clegg speech on the economy](#), 8th Feb. 2008 (general)