



Out of touch and out of date

The world has changed. The Tories haven't.

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A year ago, the Tories gathered for their conference as a party of government for the first time since 1996.

They may not have won the election but they were in confident mood. Despite having announced cuts which went further and faster than those the last government had planned, the economy was still growing and unemployment was still falling.

Britain, they told us, was out of the danger zone. Nothing could possibly go wrong.

This year, the world looks very different. The doubt is beginning to surface, not only among their coalition allies but even in the minds of some Conservatives, about whether David Cameron and George Osborne are following the right path.

Stock markets around the world are falling, people in Britain are losing their jobs, consumer confidence has been wrecked by the cuts, economic crisis is threatening to return, the austerity programme is failing and the Government is beginning to wobble.

Families across Britain are worried about how they will make ends meet, anxious about what the future holds for their children and disgusted by the way irresponsibility is tolerated across our society.

But the Conservatives have no idea about how to restore growth in the economy and dogmatically refuse to consider a Plan B. Instead, cuts that go too far, too fast are choking off the economic recovery with the consequence of flatlining growth and more unemployment.

Their priorities are clear from the way they are cutting corporation tax for the banks while trebling tuition fees for young people dreaming of a better future. This Government is further restricting opportunities for the next generation by slashing back support for training and job opportunities.

The Tories won't help families who face a cost of living crisis by *standing up to vested interests*. Middle-income families are being squeezed but there is no action on energy bills and rail fare rises. Instead, they are cutting childcare support and raising VAT. Proof of their distorted values can be seen in the way they are now straining at the leash to cut the 50p tax rate for people earning more than £150,000 a year.

The Tories won't tackle irresponsibility at the top because they promise "business as usual" to a minority of company executives pursuing the fast buck and damaging the long term health of the economy. Nor will they help tackle irresponsibility in the welfare system - instead punishing people who do the right thing and seek work.

The Tories are of the past and out of date. They are for the few and out of touch.

On issue after issue, the Tories show that far from offering anything new, they are the last gasp of the old ways which don't work for most people and benefit only a privileged few.

- Their *refusal to make banks pay their fair share* to clean up the mess they caused, and their continued desire for tax cuts for those earning £3,000 a week - while small businesses suffer from the failure of the banks to lend, and our manufacturing industry suffers from a lack of Government support.
- Their *abandonment of Britain's young people*, with the Future Jobs Fund and EMA scrapped and tuition fees trebled - opportunities taken away just as youth unemployment hits record levels.
- Their *reckless and chaotic NHS reorganisation* which shows their determination to impose free market free-for-all dogmas on our health service while standards for patients slip and a new bureaucracy springs up.
- Their willingness to take risks with our communities, with *20 per cent cuts to policing*.
- Their refusal to *stand up to vested interests* - taking no action as energy bills and rail fares rise, and doing nothing to help families hit by the rising cost of living, by cuts to childcare support and by a rise in VAT.

Out of touch and out of date on the economy

- **Last year:** David Cameron and George Osborne boasted they had brought Britain “out of the danger zone”.¹
- **The world has changed:** Growth is flatlining, unemployment is rising and the same international bodies and business leaders they claimed as their supporters are urging a change of course.
- The UK economy has grown just 0.2 per cent since last autumn.² In the last 12 months, the UK has grown more slowly than any G7 country other than earthquake-hit Japan.³ In Europe, Romania and Portugal are the only EU countries that have grown more slowly than the UK.⁴
- Since George Osborne’s June 2010 Budget, UK GDP for this year has been downgraded twice by the Office for Budget Responsibility – and three times since the OBR analysed Labour’s plans.⁵ And the Chair of the OBR, Robert Chote, has said that it is now looking increasingly likely that the Government will miss the current forecast of 1.7 per cent growth this year.⁶
- Unemployment is rising. The latest figures show that the number of people who are unemployed increased by 80,000 in the last quarter, and now stands at over 2.5 million. The number of unemployed women is at its highest since 1988 and almost one million young people are still unable to find a job.⁷ The worsening economic situation means the Tory-led Government is now set to borrow £46 billion more than it expected last autumn.⁸
- The same international bodies that George Osborne used to defend his deficit reduction plan are now warning that fiscal consolidation alone is not enough to get our economic recovery back on track. The International Monetary Fund has argued that going too far and too fast can have a negative impact on growth and jobs, with IMF Managing Director Christine Lagarde saying that “slamming on the brakes too quickly will hurt the recovery and worsen job prospects”.⁹
- Christine Lagarde has called on countries to “act boldly” in order to steer their economies through the “dangerous new phase”.¹⁰ In its latest World Economic Outlook, the IMF has said that the UK should consider delaying some of the cuts if the outlook continues to deteriorate.¹¹ And the OECD has said a “short term fiscal stimulus” could be needed.¹²
- Until recently George Osborne was keen to highlight how PIMCO, “the world’s largest bond fund”, backed his strategy.¹³ Yet in the last month PIMCO has called on the Government to change course and has warned the Government is likely to miss its deficit reduction target.¹⁴
- Meanwhile, business organisations are calling on the Government to do much more to stimulate growth.¹⁵ The Federation of Small Businesses says that its “policies to kick-start growth and incentivise job creation are too timid and out of touch with the reality of the UK’s sluggish economy”.¹⁶
- **The Tories haven’t:** George Osborne and David Cameron continue complacently to argue that Britain remains a “safe haven”¹⁷ and refuse to even contemplate a Plan B.

Out of touch and out of date on **supporting businesses**

- **Last year:** George Osborne announced a regional National Insurance Contributions (NICs) holiday, claiming that it would benefit 400,000 businesses.¹⁸
- Meanwhile, the Tories scrapped the Regional Development Agencies and effectively cut regional growth funding by around two thirds.¹⁹
- **The world has changed:** The regional NICs holiday has been a failure. It was launched in September 2010²⁰ but the latest figures show that only 6,316 businesses - less than 2 per cent than expected - have so far benefited from the measure, even though it has now been in place for over a year.²¹
- All regions are feeling the effects of the Tory-led Government's economic policies. The latest Labour Market Statistics show that in the last quarter, unemployment in the North East increased by 18,000 and in London it rose by 26,000. Employment levels in the South East fell by 43,000 in the same quarter.²² Yet the Regional Growth Fund remains significantly oversubscribed and hasn't even paid out any money yet.
- The first round of bidding to the Regional Growth Fund received 464 bids, with a combined total value of £2.78 billion.²³ The second round has seen 492 bids received totalling £3.302 billion.²⁴ Only £1.4 billion is available in total. And the businesses and projects that have been successful still haven't even received their money yet.²⁵
- Businesses across the country are feeling the effects of the Tories' disastrous policies. The decision not to award the Thameslink upgrade contract to Derby-based Bombardier has been followed by the loss of 1,400 jobs at the company²⁶ and the news that Bombardier is now reviewing its UK operations.²⁷
- **The Tories haven't:** They have refused to make any changes to their regional NICs policy, despite its clear failure so far.²⁸ They have no solution to the fact that their reduced Regional Growth Fund is hugely oversubscribed and not yet paying out. And they continue to ignore the plight of Bombardier and its workers, failing to take action to reconsider the decision and secure the future of British train manufacturing.²⁹

Out of touch and out of date on banks

- **Last year:** The Tories claimed the actions they were taking would improve the banking system, by making the banks lend to small businesses and tackling excessively high bonuses in the sector.³⁰
- **The world has changed:** Despite all the rhetoric of last year the banks are returning to business as usual. The failure of the Government to repeat Labour's bank bonus tax and the corporation tax cut means that the banks are getting a tax cut this year.³¹
- They have refused to implement legislation passed by the Labour Government that would mean all bonuses over £1 million must be publicly disclosed.³² Instead, the only tax rise or spending cut they are prepared to reconsider is the 50p rate - a measure which only affects those people earning £3,000 a week.³³
- The Government's "Project Merlin" deal with the banks is virtually meaningless with small businesses still struggling to get loans. The Bank of England's most recent report on bank lending notes that the "stock of lending to UK businesses contracted in the three months to May"³⁴ and the latest figures from the Bank confirm that lending to business fell by £2.7 billion in August 2011.³⁵
- The Governor of the Bank of England is reported as saying the Merlin figures are misleading and the Bank's own "trends in lending" figures are more reliable. The Merlin figures also relate to gross rather than net lending.³⁶
- And the Business Growth Fund - another of the Government's flagship policies to help businesses - is also yet to make its first investment. The Business Department's August update on its Structural Reform Plan suggests the first investments from the Fund will be made in the autumn - a full year after the Fund was first announced.³⁷
- **The Tories haven't:** Despite the fact that net lending to small businesses are falling, George Osborne still says he is "confident" that the Project Merlin targets for an increase in small business lending will be met.³⁸
- The Government blames "reasons outside of the Department's control" for the failure of the Business Growth Fund to make any investments yet, despite George Osborne claiming in February that the Fund would be "front-loaded over the next couple of years, so that more help can be given to businesses sooner."³⁹ And they continue to refuse to implement the Walker Review proposals on bonus disclosure.

Out of touch and out of date on the next generation

- **Last year:** The Tories scrapped the Future Jobs Fund and the Education Maintenance Allowance – despite previously having said that they would not do so,⁴⁰ and even complaining about Labour’s warnings that they would.⁴¹ They cut funding for careers services.⁴² They trebled the cost of tuition fees, allowing universities to charge up to £9,000 per year. David Cameron said that universities would only charge £9,000 in exceptional circumstances.⁴³
- **The world has changed:** Youth unemployment has soared to record levels and the number of young people not in education, employment or training (NEET) has increased by 107,000 since the Tory-led Government took office.⁴⁴ While Labour’s Future Jobs Fund, which created over 100,000 jobs for 18-24 year olds who had been unemployed for six months or more,⁴⁵ was in place,⁴⁶ the number of young people NEET fell by 149,000.⁴⁷
- The Government’s arguments for scrapping EMA have been discredited, with the independent Institute for Fiscal Studies saying that its costs are “more than recouped by the increase in productivity that we expect to result from the 16- and 17-year-olds staying on in education for longer”.⁴⁸
- The total budget for EMA’s replacement scheme in 2011/12 is £180 million.⁴⁹ This is one-third the size of EMA, which cost £564 million in 2010/11.⁵⁰ The Institute for Fiscal Studies says that under the new bursary scheme the poorest students would be on average £370 worse off per year than they would have been under the EMA, and that “other EMA recipients not currently eligible for free school meals would in future receive nothing”.⁵¹
- Despite David Cameron’s claim that this would be “exceptional”, two thirds of universities announced plans to charge the maximum £9,000 tuition fee – and the average fee approved by the Office for Fair Access is £8,393.⁵²
- **The Tories haven’t:** They have still produced no serious proposals to cut youth unemployment, and refuse to change their tuition fees policy even though the assumptions on which it was based have been proved wrong.

Out of touch and out of date on **standing up for squeezed families**

- **Last Year:** The Coalition Agreement claimed that the Government would act to protect consumers while promoting greater competition.⁵³ George Osborne claimed that the Government was a “progressive alliance” that would not put the burden of deficit reduction on the poorest.⁵⁴
- **The world has changed:** Families up and down the country are facing a cost of living crisis but the Government refuses to help them and is actually making the situation worse.
- The Governor of the Bank of England has warned that people in the UK are facing the biggest squeeze on their living standards since the 1920s.⁵⁵ Inflation is high - at 4.5 per cent - and wages are struggling to keep up,⁵⁶ but the Government has increased VAT to 20 per cent, which costs families with children £450 a year,⁵⁷ and also cut tax credits and frozen child benefit.
- Almost half a million families claim the childcare element of the Working Tax Credit,⁵⁸ but the Tories’ decision to cut the amount of support that parents can claim, from 80 per cent to 70 per cent, will cost some of the families who receive it up to £1,560 a year.⁵⁹ The Resolution Foundation has found that the benefit is mostly claimed by families on household incomes below £30,000.⁶⁰ Over 60 per cent of the recipients are single parents.⁶¹ These cuts hurt those who contribute to the system, further undermining responsibility.
- And on top of this, all of the “big six” energy suppliers have announced sharp rises in energy prices,⁶² while rail fares are due to rise by on average 8 per cent in January.⁶³
- **The Tories haven’t:** The only tax rise or spending cut the Tories are prepared to consider is the 50p rate - a measure which only affects those people earning £3,000 a week.⁶⁴
- Ministers have sat on their hands and failed to take any action to rein in the energy companies - even though before the General Election David Cameron promised to act against excessive price increases.⁶⁵
- They have given the rail operating companies more, not less freedom to increase their fares - despite having previously said that fare rises of 3 per cent over inflation - the new ceiling they set - would “price people off the railways”,⁶⁶ and even though Transport Secretary Philip Hammond says that “the railway is already relatively a rich man’s toy”.⁶⁷

Out of touch and out of date on the NHS

- **Last year:** The Tories, in a clear breach of their pre-election promises,⁶⁸ announced a massive top-down reorganisation. They claimed that this would cut bureaucracy in the NHS and put patients and clinicians in control.⁶⁹ They promised to protect the NHS budget⁷⁰.
- **The world has changed:** After months of serious public concern, criticism from Labour and leading health organisations, and a BMA vote against the reforms, the Government were forced to halt the passage of the Health and Social Care Bill to “pause, listen and engage”⁷¹ – even after a consultation which received over 6,000 responses and after the Bill had completed its Second Reading and Committee stages.
- Far from cutting bureaucracy, the Tories are making the structure of the NHS more complex. According to the Royal College of GPs, the number of statutory organisations in the NHS will grow from 163 to 521.⁷²
- Treasury figures show that the Tory-led Government cut spending on the NHS in its first year in real terms from £102,751 million in 2009-10 to £101,985 million in 2010-11.⁷³
- Meanwhile, standards for patients are getting worse. The latest waiting time figures published by the Department of Health show that in July 2011 28,382 patients waited longer than 18 weeks for treatment. This is an increase of 7,262 from July 2010, when 21,120 patients waited longer than 18 weeks for treatment⁷⁴.
- **The Tories haven’t:** While the Tories say that the Health and Social Care Bill has changed significantly as a result of the “pause”, the reality is that many of the features which caused most concern remain unchanged. The new regulator, Monitor, will still have the power to enforced UK and EU competition law – putting competition ahead of patient care.⁷⁵
- The Tories are allowing hospitals to prioritise private patients over NHS patients by scrapping the Private Patient Income (PPI) cap. Even Steve Field, chosen by the Tories as the chair of the Future Forum, has said that the PPI cap should stay.⁷⁶
- Despite the changes, the Royal College of Nursing believes the NHS will be more expensive after the reorganisation, with more red tape and bureaucracy.⁷⁷
- Even when experts like the Royal College of GPs and the Royal College of Nursing criticise David Cameron’s Health Bill, he doesn’t just ignore them – he pretends they support him. They say that “the Bill could still potentially destabilise the NHS as we know it”,⁷⁸ and yet he continues to claim they’re on his side.⁷⁹

Out of touch and out of date on **policing**

- **Last year:** The Tory-led Government said they could cut the police budget by 20 per cent without affecting frontline policing,⁸⁰ further and faster than the 12 per cent cut which Her Majesty's Inspectorate of Constabulary (HMIC) said could be made while maintaining police availability.⁸¹
- **The world has changed:** A report by Her Majesty's Inspectorate of Constabulary (HMIC) published in July estimates that over 16,000 police officers will be lost over the Spending Review period.⁸² Home Office Statistics show that in March this year there were already 4,625 fewer police officers in England and Wales than in March 2010.⁸³
- HMIC was told by eight police forces that the police officer cut they face is greater than the number of non-frontline officers in their force.⁸⁴
- Several police forces have had to invoke regulation A19 whereby police officers with 30 or more years' experience can be made to retire - and some forcibly retired officers have been sent letters inviting them to work for free as special constables.⁸⁵ There were over 3,000 police officers in England and Wales with 30 years service or more as of March 2010.⁸⁶
- During the riots in August this year the Metropolitan Police deployed 16,000 police officers on the streets of London - including many drafted in from other forces - almost three times the usual amount.⁸⁷
- **The Tories haven't:** They continue to press ahead with their 20 per cent police cuts.

Out of touch and out of date on **immigration**

- **Last year:** The Conservatives pledged to cut net migration to the tens of thousands.⁸⁸
- **The world has changed:** Migration statistics show net long-term migration to the UK in the year to December 2010 had risen to 239,000.⁸⁹
- Since an immigration cap was introduced by the Government, the number of work-related visas issued has gone up.⁹⁰ Two of the biggest factors affecting immigration numbers are migration from the EU and students. The cap will not affect either of these.
- The chair of the independent Migration Advisory Committee says that Ministers have no control over their immigration target.⁹¹
- **The Tories haven't:** Despite the growing evidence that they will not succeed, the Tories continue to say they will reduce net migration to the tens of thousands by the end of this Parliament.⁹² Their own immigration adviser says that they are afraid of changing this target because they are "concerned that if they alter the target they could be accused of moving the goalposts".⁹³
- They are continuing to press ahead with 20 per cent cuts to the UK Border Agency that will lead to the loss of over 5,000 staff⁹⁴ - making it harder not easier to enforce the rules we have and tackle illegal immigration.

Out of touch and out of date on the **Armed Forces**

- **Last year:** The Tories promised that they would produce a Strategic Defence and Security Review which would be “strategic, cross-government and comprehensive, covering all areas of defence and security.”⁹⁵
- **The world has changed:** The assumptions on which both the Strategic Defence and Security Review and the National Security Strategy were based are now out of date. A review which did not mention Egypt, Tunisia or Libya⁹⁶ is not fit for purpose in today’s world.
- The “Arab Spring” has fundamentally and irrevocably changed the global security landscape. The UK has spent the last six months involved in events Ministers did not foresee, using resources Ministers planned to scrap as part of the SDSR.
- In Libya, the evacuation of UK citizens was reliant on a frigate, HMS Cumberland,⁹⁷ which was due to be scrapped. Military operations were reliant on extending the lives of two Nimrod planes,⁹⁸ and the Sentinel surveillance aircraft,⁹⁹ both due to be retired. Operations in Libya have also involved Tornado jets, whose fleet is set to be reduced.¹⁰⁰
- The First Sea Lord, Admiral Sir Mark Stanhope, has said the deployment of the scrapped Ark Royal and the Harrier fleet in Libya would have made the operation more reactive and cheaper.¹⁰¹ The decision to scrap Ark Royal and the Harrier fleet means Britain does not have aircraft carrier strike capability for a decade.
- The Conservatives have continued with Armed Forces redundancies throughout the year, with RAF redundancies announced only hours after the Government threatened plans for a “no-fly zone”¹⁰² in Libya. Sailors, including some from HMS Cumberland, were told only this Friday that they no longer have jobs in the Royal Navy.¹⁰³
- **The Tories haven’t:** Liam Fox and David Cameron have refused to reopen the Strategic Defence and Security Review.¹⁰⁴ Instead of taking responsibility for his decisions, this week Liam Fox blamed the Ministry of Defence and senior military figures for the budget cuts leading to redundancies in the Armed Forces.¹⁰⁵

Notes

1 David Cameron, *Speech to Conservative Party Conference, 6 October 2010*

“The Government have taken Britain out of the financial danger zone and set our economy on the path to recovery.”
George Osborne, Hansard, 29 November 2010, Column 532

2 Office for National Statistics, Second estimate of GDP – Q2 2011, 26 August 2011, http://www.ons.gov.uk/ons/dcp171778_228161.pdf

3 OECD, quarterly accounts, 22 August 2011, <http://www.oecd.org/dataoecd/42/9/48539187.pdf>

4 EU growth figures published on 6 September show that where data is available, over the last 12 months (*Eurostat, EU GDP, 6 September 2011, p. 3, http://epp.eurostat.ec.europa.eu/cache/ITY_PUBLIC/2-06092011-AP/EN/2-06092011-AP-EN.PDF*)

5

	GDP growth		
	2011	2012	2013
OBR Pre-Budget Report	2.6	2.8	2.8
June 2010 Budget	2.3	2.8	2.9
November Update	2.1	2.6	2.9
March 2011 Budget	1.7	2.5	2.9

Source: *June 2010 Budget, Table C3, p. 85; OBR, Economic and Fiscal Outlook, November 2010, Table 1.1, p. 6; OBR, Economic and Fiscal Outlook, March 2011, Table 1.1, p. 8*

6 Back in March our central forecast was for 1.7 per cent growth this year, which at the time was fractionally more pessimistic than the average of the outside forecasters.

Since then obviously we’ve had weaker out-turns in the first and second quarters than most people, including us, anticipated. For the second quarter the ONS [Office for National Statistics] explained a variety of one-off factors that contributed to that.

As a simple matter of arithmetic, in order to get to 1.7 per cent now you’d be looking for quarter-on-quarter growth rates of 1 per cent in the second and third quarters of 2011, and there aren’t many people out there expecting that.

Robert Chote, The Independent, 4 August 2011, http://www.independent.co.uk/news/uk/politics/osbornes-watchdog-sounds-alarm-on-economy-2331437.html

7 Office for National Statistics, Labour Market Statistics, 14 September 2011, http://www.ons.gov.uk/ons/dcp171778_232238.pdf

8

	Public sector net borrowing (£ billions)				
	2011-12	2012-13	2013-14	2014-15	2015-16
November Update	117	91	60	35	18
March 2011 Budget	122	101	70	46	29
Change	4.3	9.6	9.6	11.1	11.0

Source: *OBR, Economic and Fiscal Outlook, March 2011, Table 4.25, p. 145*

9 "At the same time we know that slamming on the brakes too quickly will hurt the recovery and worsen job prospects. So fiscal adjustment must resolve the conundrum of being neither too fast nor too slow."
Christine Lagarde, Managing Director of International Monetary Fund, Financial Times, 15 August 2011, <http://www.ft.com/cms/s/0/315ed340-c72b-11e0-a9ef-00144feabdc0.html#axzz1XjwCU2jn>

10 "The key message I wish to convey today is that countries must act now—and act boldly—to steer their economies through this dangerous new phase of the recovery."
Christine Lagarde, "The Challenges for the Global Economy": Opening Remarks at the Royal Institute for International Affairs - Chatham House, 9 September 2011, <http://www.imf.org/external/np/speeches/2011/090911.htm>

11 "If activity were to undershoot current expectations, countries that face historically low yields should also consider delaying some of their planned adjustment (Germany, UK)."
International Monetary Fund, World Economic Outlook, 'Slowing Growth, Rising Risks', September 2011, p.79, <http://www.imf.org/external/pubs/ft/weo/2011/02/pdf/c2.pdf>

12 "Medium-term consolidation plans, however, must be accompanied by growth-friendly structural reforms. Credible fiscal frameworks may create room for short term fiscal stimulus if needed."
OECD, Interim Economic Assessment, 8 September 2011, http://www.oecd.org/document/25/0,3746,en_2157136_1_44315115_48633433_1_1_1_1,00.html

13 "So it is a Tory plot, is it, and the Bank of England is part of it? What about the IMF; is it part of this Tory plot? The right hon. Gentleman probably thinks the CBI is part of it.
"What about PIMCO, the world's largest bond fund: is it part of the Tory plot? It is based in Los Angeles, so it must represent the international branch of the Tory plot."
George Osborne, 22 June 2011, Hansard, column 355

14 "The economy in the UK is worse off than it was when the plan was developed, so there should be at a minimum fine-tuning and perhaps re-routing of the plan... the problem becomes if it is too quick and swift and leads to an economic contraction, which it appears close to doing in the UK. Bond investors obviously want not just low inflation but some type of positive growth. An economy that doesn't grow, like Japan, ultimately can't resolve its debt crisis, either... The UK is actually in the best position of all to make a mid-course correction... a mild re-adjustment that might keep the economy out of recession would be viewed very favourably".
Bill Gross, Managing Director of PIMCO, The Times, 5 September 2011, <http://www.thetimes.co.uk/tto/business/economics/article3154414.ece>

"We don't believe that UK real GDP is going to average 2.75pc in 2012 to 2015. We think if things work out reasonably well it will be more like 2pc, which is going to make it quite hard to get the unemployment rate down. Realistically we think they are going to push the deficit closure out by a year or two."
Mike Amey, PIMCO Managing Director, Daily Telegraph, 28 September 2011, <http://www.telegraph.co.uk/finance/financialcrisis/8792511/Chancellor-George-Osborne-to-miss-deficit-reduction-target-says-Pimco-managing-director-Mike-Amey.html>

15 "The UK's economic recovery is more anaemic than most expected at the start of the year."
John Longworth, Director General of the British Chambers of Commerce, 26 September 2011, http://www.britishchambers.org.uk/zones/policy/press-releases_1/bcc-government-must-look-towards-plan-a.html

"However, we urge the government to look to a Plan A+, which would see more growth-enhancing policies introduced in the Autumn Statement. It must also consider the potential of more radical measures within the spending envelope, should the situation worsen. The coalition has yet to display enough urgency on tackling those issues facing businesses. While the government has identified many of the right policies, they must be delivered as a matter of priority."
John Longworth, Director General of the British Chambers of Commerce, 26 September 2011, http://www.britishchambers.org.uk/zones/policy/press-releases_1/bcc-government-must-look-towards-plan-a.html

16 "The Government's policies to kick-start growth and incentivise job creation are too timid and out of touch with the reality of the UK's sluggish economy, the Federation of Small Businesses (FSB) said today."
Federation of Small Businesses, press release, 30 September 2011, <http://www.fsb.org.uk/News.aspx?loc=pressroom&rec=7316>

17 "While other countries struggled to command confidence in their fiscal forecasts, we created the internationally admired and respected independent Office for Budget Responsibility. Those bold steps have made Britain a safe haven in this sovereign debt storm."

George Osborne, Hansard, 11 August 2011, Column 1107

"Britain will stick to the deficit plan we've set out. It's the rock of stability on which our recovery is built."

George Osborne, The Guardian, 9 September 2011, <http://www.guardian.co.uk/business/2011/sep/09/george-osborne-deficit-plan-imf>

18 "For the next three years anyone who sets up a new business outside London, the South East and the Eastern region will be exempt from up to £5,000 of employer national insurance payments, for each of their first 10 employees hired.

"We aim to have the scheme up and running by September, but any qualifying new business set up from today will also receive help.

"And the Treasury estimate that some 400,000 businesses will benefit - ensuring all parts of our country contribute to a more balanced and sustainable economic future."

George Osborne, Budget statement, 22 June 2011, http://www.hm-treasury.gov.uk/junebudget_speech.htm

19 The total budget of the Regional Development Agencies for 2010/11 had been set at £1.4 billion for 2010/11. (BIS, Regional Development Agencies, <http://www.bis.gov.uk/policies/economic-development/englands-regional-development-agencies/rda-finance-and-governance>). The Spending Review confirmed that the Regional Growth Fund will pay out £1.4 billion over three years from 2011 (Spending Review, October 2010, Table 1, p. 10)

20 *HM Treasury, press release, 6 September 2011, http://www.hm-treasury.gov.uk/press_40_10.htm*

21 Natascha Engel: To ask Mr Chancellor of the Exchequer how many businesses (a) in North East Derbyshire constituency, (b) in Derbyshire and Nottinghamshire and (c) nationally have participated in the regional employer National Insurance Contributions holiday for new businesses since it was introduced. [70105]

Mr Hoban: As of 5 September 2011, HMRC has received 8 successful applications for the NICs Holiday form businesses in North East Derbyshire constituency and 6,316 successful applications nationally.

Information about applications is not available for Derbyshire and Nottinghamshire as data is not provided on a county level.

Hansard, 9 September 2011, column 857W

22 *Office for National Statistics, Labour Market Statistics, 14 September 2011*

23 *Department for Business, Innovation and Skills, Regional Growth Fund, <http://www.bis.gov.uk/policies/economic-development/regional-growth-fund/additional-information>*

24 *Department for Business, Innovation and Skills, Regional Growth Fund, <http://www.bis.gov.uk/policies/economic-development/regional-growth-fund/summary-of-rgf-2nd-round-bids>*

25 "The successful bids are currently undergoing due diligence (apart from one which has completed the due diligence and has been provided with a final offer letter) before a final offer of funds can be made."

Letter from Philippa Lloyd, Director Economic Development Directorate, Department for Business, Innovation and Skills, 21 September 2011, <http://www.scribd.com/doc/65905256/BiS-FOI-Request>

26 *BBC News, 5 July 2011, <http://www.bbc.co.uk/news/uk-england-derbyshire-14019992>*

27 *BBC News, 18 June 2011, <http://www.bbc.co.uk/news/uk-england-derbyshire-13821935>*

28 "This scheme is quick and easy to apply for and can give an instant boost to new businesses, but there are hundreds in the North West that could be missing out on up to £50,000. I'd encourage all new businesses and their advisers to find out more."

David Gauke, Treasury Minister, HM Treasury press release, 8 September 2011, http://www.hm-treasury.gov.uk/press_102_11.htm

29 "It would be perfectly possible, as I have just said, for me now to call a pause and order a review into whether the Thameslink project is affordable, desirable and appropriate. But my judgment is that, with billions of pounds of taxpayers' money already committed, a series of other projects dependent upon it and the long time delays, that would not be appropriate in this case."

Phillip Hammond, evidence to the Transport Select Committee, 7 September 2011, <http://www.publications.parliament.uk/pa/cm201012/cmselect/cmtran/uc1453-i/uc145301.htm>

30 "We will bring forward detailed proposals for robust action to tackle unacceptable bonuses in the financial services sector; in developing these proposals, we will ensure they are effective in reducing risk."

Coalition Agreement, p. 9

"We will develop effective proposals to ensure the flow of credit to viable SMEs. This will include consideration of both a major loan guarantee scheme and the use of net lending targets for the nationalised banks."

Coalition Agreement, p. 9

31 According to the Office for Budget Responsibility, Labour's bank bonus tax raised £3.5 billion in the financial year 2010-11. The OBR has also said that the new bank levy - introduced by the Government this year - will bring in £1.9 billion in 2011-12, rising to £2.7 billion in 2013-14. That is a tax cut this year.

	<i>£ billion</i>					
	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
Bank payroll tax	3.5	0.0	0.0	0.0	0.0	0.0
Bank levy	0.0	1.9	2.6	2.7	2.7	2.7

Office for Budget Responsibility, Economic and Fiscal Outlook, March 2011, Table 4.7 p. 103

The Government has also confirmed in a Parliamentary answer that the financial services sector will recoup £.04bn in 2014/15 as a result of the cuts to corporation tax

Andrew George: To ask the Chancellor of the Exchequer what estimate he has made of the effect on (a) banks and (b) the banking sector of the measures proposed in the June 2010 Budget in respect of (i) the banking levy, (ii) changes to corporation tax, (iii) the rise in the rate of value added tax and (iv) other relevant measures. [7682]

Mr Gauke: The cost to the Exchequer from the reduction in the main rate of corporation tax for financial sector companies is £0.1 billion in 2011-12, £0.2 billion in 2012-13, £0.3 billion in 2013-14 and £0.4 billion in 2014-15. There is a negligible impact in 2010-11. The financial sector covers companies classified as 'Banking and Finance', 'Insurance and Pension funds' and 'Auxiliary Financial Services'.

The yield from the bank levy is estimated to be £1.15 billion in 2011-12, £2.32 billion in 2012-13, £2.5 billion in 2013-14 and £2.4 billion in 2014-15.

A robust estimate of the impact of the rise in the standard rate of VAT on the financial services sector is not available. Such estimates are subject to wide margins of error in terms of behavioural responses.

The key assumptions applied in all major policy costings announced in Budget 2010 are set out in the following document: http://www.hm-treasury.gov.uk/d/junebudget_costings.pdf

Hansard, 26 July 2010, column 722W

32 "But senior Treasury officials have told the FT that Mr Osborne is no longer committed to implementing the plan as originally envisaged because of the lack of international agreement on transparency.

"The government is obviously interested in Sir David's views,' said one official. 'When he wrote his report in 2009 he envisaged his plan would be part of an international consensus. Doing this in the absence of international co-ordination could leave the UK exposed.'"

Financial Times, 22 November 2010

"Well I think David Walker who wrote this report about requiring greater disclosure of bank bonuses has just written an article in today's Financial Times which I've just had the chance to read. Now he says in that article that it would be a mistake for the UK to act unilaterally. I mean since he is the person who came up with the proposal I think we should at least listen to what he's got to say and make our decisions. But the first thing we've got to do is listen to what he's got to say, consider his new insight into this I mean he points out that he had expected other countries in Europe and indeed in North America to follow suit, they haven't. There are European rules being developed in this area and it might be better for Britain to promote this internationally rather than just unilaterally."

George Osborne, BBC Today Programme, 22 November 2010

33 "There is not much point in having taxes that are very economically inefficient. I have said with the 50p rate I don't see that as a lasting tax rate for Britain because it's very uncompetitive internationally, and people frankly can move. What is it actually raising? It's only been in operation for a year this tax."

George Osborne, The Independent, 15 August 2011, <http://www.independent.co.uk/news/uk/politics/withdraw-pointless-50p-tax-rate-says-george-osborne-2337884.html>

"Well on the 50p tax rate, George Osborne and the Prime Minister both made it clear it was never forever, so it's just a matter of when they decide that actually it's done whatever it's meant to do in terms of helping get the deficit down."

Iain Duncan Smith, The Andrew Marr show, 11 September 2011

34 Bank of England, Trends in Lending, July 2011, p.4, <http://www.bankofengland.co.uk/publications/other/monetary/TrendsJuly11.pdf>

35 Bank of England, statistics, 29 September 2011, Table b, <http://www.bankofengland.co.uk/statistics/fm4/2011/aug/index.htm>

36 "The governor suggested the figures were misleading because they measured the credit made available to businesses 'whether or not those credit facilities were drawn upon by borrowers.' The governor said the Bank's own figures 'by contrast' represented only those facilities that had 'actually been utilised by borrowers in any particular period'.

"The governor also noted in the letter that Bank data show net lending to companies - lending minus any repayments of debt - 'has continued to fall'"

Financial Times, 2 September 2011, <http://www.ft.com/cms/s/0/563b44ec-d571-11e0-bd7e-00144feab49a.html>

37 *Department for Business, Innovation and Skills, Structural Reform Plan Monthly Implementation Update. August 2011, <http://www.number10.gov.uk/wp-content/uploads/2011/09/bis-aug-srp-update.pdf>*

The British Bankers' Association (BBA) announced details of the Business Growth Fund in October 2010, stating that it would "strengthen the suite of financial options available to businesses and help re-establish the importance of equity investment for small to medium sized businesses." (BBA, The report of the Business Finance Taskforce October 2010, p. 36, <http://www.bba.org.uk/media/article/business-finance-taskforce>). The Report stated that the Fund would aim to be in "the position to start assessing investments by April 2011.

38 "On lending, briefly, we have the Merlin agreements and we are trying to protect small and medium-sized businesses as these huge banks deleverage, and the process has helped to do that. Indeed, the targets are for a big increase in small business lending, and I am confident that they will be met."

George Osborne, Hansard, 12 September 2011, Column 767

39 "The business growth fund contribution will be front-loaded over the next couple of years, so that more help can be given to businesses sooner."

George Osborne, 9 February 2011, Hansard, column 312

40 "We've looked at Educational Maintenance Allowances and we haven't announced any plan to get rid of them. They do often if you go to schools and ask people what they think of them and ask young people themselves, they get quite a mixed reception actually because some people can see them as a bit divisive, but no we don't have any plans to get rid of them."

David Cameron, Cameron Direct, 6 January 2010

41 "Ed Balls keeps saying that we are committed to scrapping the EMA. I have never said this. We won't."

Michael Gove, Q&A The Guardian, 2 March 2010

42 "Reduction in the overall available to local authorities through Area Based Grant from DfE" , *Department for Communities and Local Government, 10 June 2010, <http://www.communities.gov.uk/news/newsroom/1611369>*

43 "We will lift the current £3,290 a year cap on tuition fees to a basic threshold of £6,000. In exceptional circumstances, some universities will be allowed to charge £9,000. That's the absolute maximum. These are the headline figures, and they are the figures that I know people are concerned about."

David Cameron, speech to CentreForum, 8 December 2010

44

NEET Quarterly LFS series	16-24 year olds
Q2 2010	872,000
Q2 2011	979,000
Difference	+107,000

Source: Department for Education, NEET Statistics Quarterly Brief - August 2011, <http://www.education.gov.uk/rsgateway/DB/STR/d001019/osr13-2011.pdf>

45 "105,220 starts to Future Jobs Fund vacancies"

Young Person's Guarantee Official Statistics, 13 July 2011, http://statistics.dwp.gov.uk/asd/asd1/jsa/ypp/ypp_jul2011.pdf

46 The first FJF bids were awarded in July 2009, and the last day for referrals to FJF jobs was 18 March 2011. Source: <http://campaigns.dwp.gov.uk/campaigns/futurejobsfund/index.asp>

47

NEET Quarterly LFS series	16-24 year olds
Q3 2009	1,074,000
Q1 2011	925,000
Difference	-149,000

Department for Education, NEET Statistics Quarterly Brief - August 2011, <http://www.education.gov.uk/rsgateway/DB/STR/d001019/osr13-2011.pdf>

48 "The initial outlay of the EMA policy is likely to be more than recouped by the increase in productivity that we expect to result from the 16- and 17-year-olds staying on in education for longer".

Haroon Chowdry, IFS, Channel 4 News blog, 13 December 2010, <http://blogs.channel4.com/faisal-islam-on-economics/ema-costs-more-than-recouped-says-ifs/13536>

49 "The Government today announced a new £180 million bursary scheme to help the most vulnerable 16-19 years olds continue in full-time education."

<http://education.gov.uk/inthenews/pressnotices/a0076112/180-million-new-bursary-scheme-to-help-the-most-vulnerable-16-19-year-olds>

50 It is clear that with the total pot reduced from £560m to £180m, many existing EMA recipients will get less money than at the moment.

Haroon Chowdry and Luke Sibieta, IFS, 29 March 2011, Many unanswered questions over EMA successor, <http://www.ifs.org.uk/publications/5529>

51 Under the current arrangements, children with household incomes less than £20,817 are entitled to a full EMA payment of £30 per week (or £1,170 per year). By comparison, to be eligible for free school meals, their household income cannot total more than £16,190. In other words, any children on free school meals are currently entitled to the full £1,170 for EMA, if their circumstances do not change. It must be the case that most such students would be worse off under the bursary scheme that they would have been under the EMA - on average, to the tune of £370 a year. Furthermore, allocating the bursary fund in this way implies that other EMA recipients not currently eligible for free school meals would in future receive nothing."

Haroon Chowdry and Luke Sibieta, IFS, 29 March 2011, Many unanswered questions over EMA successor, <http://www.ifs.org.uk/publications/5529>

52 "the estimated sector fee average is £8,393", *Office for Fair Access, 12 July 2011, <http://www.offa.org.uk/press-releases/universities-and-colleges-to-increase-their-spending-on-access-to-600-million-a-year/>*

53 "The Government believes that action is needed to protect consumers, particularly the most vulnerable, and to promote greater competition across the economy."

Coalition Programme for Government, p12

54 "Too often when countries undertake major consolidations of this kind, it is the poorest - those who had least to do with the cause of the economic misfortunes - who are hit hardest.

"Perhaps that has been a mistake that our country has made in the past.

"This Coalition Government will be different.

"We are a progressive alliance governing in the national interest."

George Osborne, Budget statement, 22 June 2010

55 "As a result, in 2011 real wages are likely to be no higher than they were in 2005. One has to go back to the 1920s to find a time when real wages fell over a period of six years."

Mervyn King, speech, 25 January 2011, <http://www.bankofengland.co.uk/publications/speeches/2011/speech471.pdf>

56 Office for National Statistics, Consumer prices indices, August 2011, 13 September 2011, http://www.ons.gov.uk/ons/dcp171778_231780.pdf

The whole economy earnings annual growth rate for total pay (including bonuses) was 2.8 per cent in the three months to July 2011. (Office for National Statistics, Labour Market Statistics, 13 September 2011, http://www.ons.gov.uk/ons/dcp171778_232238.pdf)

57 Vernon Coaker: To ask the Chancellor of the Exchequer if he will estimate the net effect (a) in cash terms on and (b) as a proportion of the average annual income of (i) the bottom income decile, (ii) the second bottom income decile, (iii) the top income decile, (iv) the second top income decile, (v) pensioner couples, (vi) single pensioners, (vii) couples with children and (viii) single parents with children of an increase of one percentage point in the standard rate of value added tax. [3288]

Mr Gauke [holding answer 21 June 2010]: In the Emergency Budget the Chancellor of the Exchequer announced a 2.5 percentage point increase in the standard rate of value added tax (VAT). Analysis of the impact of indirect taxes, of which VAT is the most significant change, is provided in Annex A of the Red Book on both an income decile and expenditure decile basis. The Office for National Statistics and others have suggested expenditure deciles may better represent a household's expected lifetime income, and therefore better represent the impact of changes in VAT on households. The analysis provided in the Red Book is scalable to give the impact of a one percentage point increase in the main rate of VAT.

For the requested household types, the estimated impact of a one percentage point rise in the standard rate of VAT is:

Household type	Cash terms (£ per annum)	Percentage of net income
Pensioner couple	110	0.4
Pensioner single	50	0.3
Couple with children	180	0.4
One-parent families	90	0.4

Hansard, 5 July 2010, Column 99W

58 House of Commons written answer, Hansard, 12 July 2011, Column 284W, <http://www.publications.parliament.uk/pa/cm201011/cmhansrd/cm110712/text/110712w0003.htm#1107131001258>

59 HMRC, Child Tax Credit and Working Tax Credit - an introduction, <http://www.hmrc.gov.uk/pdfs/wtc1.pdf>

60 "The changes relate to the childcare element of the Working Tax Credit, which is claimed by around 450,000 working households across the UK, mostly on household incomes below £30,000."

Resolution Foundation, press release, 15 March 2011, http://www.resolutionfoundation.org/media/media/downloads/Childcare_Survey_Press_Notice.pdf

61 HMRC, Child and working tax credit statistics, April 2011, table 4.4, p. 25

62 EDF Energy has become the last of the big six energy firms to announce a price rise, unveiling an increase in electricity and gas prices of 4.5% and 15.4% respectively, removing one of the few remaining lifelines for the millions of households edging closer to fuel poverty.

The Guardian, 15 September 2011, <http://www.guardian.co.uk/money/2011/sep/15/edf-energy-price-rise>

63 Rail commuters are facing ticket rises of about 8% next year, following the release of July's inflation figures. Regulated fares, such as season tickets, use formulas based on the RPI figure - unchanged at 5%.

This means the average season ticket in England Wales will rise by about 8%. Some fares might cost more.

BBC News, 16 August 2011, <http://www.bbc.co.uk/news/uk-14538167>

64 "There is not much point in having taxes that are very economically inefficient. I have said with the 50p rate I don't see that as a lasting tax rate for Britain because it's very uncompetitive internationally, and people frankly can move. What is it actually raising? It's only been in operation for a year this tax."

George Osborne, The Independent, 15 August 2011, <http://www.independent.co.uk/news/uk/politics/withdraw-pointless-50p-tax-rate-says-george-osborne-2337884.html>

"Well on the 50p tax rate, George Osborne and the Prime Minister both made it clear it was never forever, so it's just a matter of when they decide that actually it's done whatever it's meant to do in terms of helping get the deficit down."

Iain Duncan Smith, The Andrew Marr show, 11 September 2011

65 Of course we should regulate the privatised utilities properly and if they are charging outrageous prices they should be regulated and those prices should be controlled by the regulator.

David Cameron, BBC Radio Leeds, 19 August 2009

66 "At a time when personal budgets are tight and passengers are crying out for value for money, the Government have sanctioned a fare increase 3 per cent over inflation," she said. "It is now clear that the Government is trying to price people off the railways as a feeble attempt to deal with overcrowding which has resulted from their complete failure to deliver the new capacity on the railways that they have been promising for almost a decade."

Theresa Villiers, Daily Telegraph, 1 January 2009

<http://www.telegraph.co.uk/news/uknews/road-and-rail-transport/4060007/Rail-fares-soar-despite-inflation-drop.html>

67 "Uncomfortable fact number one is that the railway is already relatively a rich man's toy - the whole railway. People who use the railway on average have significantly higher incomes than the population as a whole - simple fact. The assumptions underlying the patterns of use of HS2 assume similar pricing to the West Coast Mainline, which I have said before ranges from eye-wateringly expensive to really quite reasonable, if you dig around and use the advance purchase ticket options that are available. And therefore the assumption is that the socio-economic mix of passengers will be broadly similar to those using the West Coast Mainline."

Phillip Hammond, Speaking at Transport Select Committee, 13 September 2011

68 "We will back the NHS. We will increase health spending every year. We will give patients more choice and free health professionals from the tangle of politically-motivated targets that get in the way of providing the best care. We will give patients better access to the treatments, services and information that improve and extend lives, boost the nation's health, and reform social care."

Conservative Manifesto 2010, p. 45

69 We will make the NHS more accountable to patients. We will free staff from excessive bureaucracy and top-down control. We will increase real terms spending on the health service in every year of this Parliament.

Our ambition is to once again make the NHS the envy of the world. *Liberating the NHS* - a blend of Conservative and Liberal Democrat ideas - sets out our plans to do this.

First, patients will be at the heart of everything we do. So they will have more choice and control, helped by easy access to the information they need about the best GPs and hospitals. Patients will be in charge of making decisions about their care.

Second, there will be a relentless focus on clinical outcomes. Success will be measured, not through bureaucratic process targets, but against results that really matter to patients - such as improving cancer and stroke survival rates.

Third, we will empower health professionals. Doctors and nurses must be able to use their professional judgement about what is right for patients. We will support this by giving frontline staff more control. Healthcare will be run from the bottom up, with ownership and decision-making in the hands of professionals and patients.

Equity and Excellence: Liberating the NHS, 12 July 2010, p. 1

70 "We are the only party committed to protecting NHS spending. I'll cut the deficit, not the NHS."

David Cameron, speech at Conservative draft health manifesto launch, 4 January 2010

71 "Our desire is to move forward with the support of doctors, nurses and others who work in the NHS and make a difference to the lives of so many of us, day in and day out. However, we recognise that the speed of progress has brought with it some substantive concerns, expressed in various quarters. Some of those concerns are misplaced or based on misrepresentations, but we recognise that some of them are genuine. We want to continue to listen to, engage with and learn from experts, patients and front-line staff within the NHS and beyond and to respond accordingly. I can therefore tell the House that we propose to take the opportunity of a natural break in the passage of the Bill to pause, listen and engage with all those who want the NHS to succeed, and subsequently to bring forward amendments to improve the plans further in the normal way."

Andrew Lansley, Hansard, 4 April 2011, column 767

72 "The bureaucracy with the new Bill, post-pause, means that we have gone—we have calculated this—from 163 statutory organisations to a proposed 521, not counting the commissioning support organisations. Clearly, we have massively increased the bureaucracy, if one calls it that, within the new, post-pause NHS. With respect to the national commissioning board and whatever, the current, post-pause Bill seems to be very incoherent. No matter what one felt about the pre-pause Bill, it was coherent. This is not. It is neither liberating nor controlling. It neither allows for GPs to be innovative, nor does it give them tight restraints."

Dr. Clare Gerada, Royal College of GPs, HoC Health and Social Care (Re-Committed) Bill Committee, Tuesday 28 June

"The only thing that I would add to what was just said is that the Bill is more complex and may therefore cost more."

Dr Jennifer Dixon, Nuffield Trust, HoC Health and Social Care (Re-Committed) Bill Committee, Tuesday 28 June

"Equally, it will lead to a more complex - you may want to call it more bureaucratic - structure than was originally proposed."

Professor Chris Ham, King's Fund, HoC Health and Social Care (Re-Committed) Bill Committee, Tuesday 28 June

"I think there is potential for significant bureaucracy"

Mike Farrar, NHS Confederation, HoC Health and Social Care (Re-Committed) Bill Committee, Tuesday 28 June

73 The data are from Chapter 1 Departmental Budgets (http://www.hm-treasury.gov.uk/pesa_july_2011_section1.htm), table 1.9 (see tab 1.9: http://www.hm-treasury.gov.uk/d/pesa_july_2011_chapter1.xlsx).

74 July 2011 Figures: <http://www.dh.gov.uk/en/Publicationsandstatistics/Statistics/Perfomancedataandstatistics/ReferraltoTreatmentstatistics/index.htm>

July 2010 figures:

http://www.dh.gov.uk/en/Publicationsandstatistics/Statistics/Perfomancedataandstatistics/ReferraltoTreatmentstatistics/DH_115422

75 659. To enable Monitor to tackle abuses and restrictions that act against patient interests, these clauses give it concurrent powers with the Office of Fair Trading ('the OFT') to apply the Competition Act 1998 ('the 1998 Act'). This could be used, for example, to allow Monitor to investigate practices by undertakings that might restrict, distort or prevent competition, such as actions to exclude competitors from providing services or agreements to restrict patient choice. It also provides for Monitor to have concurrent functions with the OFT under Part 4 of the Enterprise Act 2002 to make market investigation references in relation to health care services provided in England.

Health and Social Care Bill - Explanatory Notes as brought from the House of Commons on 8th September 2011 [HL Bill 92]

76 "If you wanted a gut feeling for what was happening in the listening, the feeling was that the private cap should actually stay, because people felt that that would provide a protection. However, it should be reviewed and set at a reasonable level, whereas it is unreasonable in some areas at the moment. We felt that that probably was not worth putting in the document, because it was divided."

Professor Steve Field, Health and Social Care (Recommitted) Bill, Public Bill Committee, 28 June 2011, <http://www.publications.parliament.uk/pa/cm201011/cmpublic/health/110628/am/110628s01.htm>

77 Now, after revision, amendments and further tweaks, the Bill goes back to Parliament. Be under no illusion, despite the changes, this Bill still promises to radically alter every part of our health service. Whilst the huge structural changes are obvious to see, it's the hidden ramifications that could have the most critical impact. The fact is that the 'new NHS' will be more expensive to run than the way things are done currently. What with the Clinical Commissioning Groups, Clinical Senates and the National Commissioning Board, we risk further tangling the NHS in so much red tape and bureaucracy that an attempt to simplify our health service actually makes it far more complicated, and costly.

Peter Carter, General Secretary, Royal College of Nursing, Telegraph, 5 September 2011, <http://www.telegraph.co.uk/health/healthnews/8738471/NHS-reform-expert-commentary-from-nursing-union-chief.html>

78 "Our organisations believe that the Bill could still potentially destabilise the NHS as we know it. This is despite some positive amendments that the Government made to the legislation. Though the language may have changed, the Government remains committed to opening up the NHS further to market forces as a priority."

Letter to The Times, 7 September, 2011

79 "He may not like the truth but that is the truth and I have to say to him that is why you now see the Royal College of GPs, the Royal College of Physicians, the Royal College of Nurses all supporting our health reforms."

David Cameron, Prime Minister's Questions, 7 September 2011

80 Andrew Marr: But you're cutting the central grant to the police and you're cutting the grants to local authorities. And it doesn't sound to me like you're taking responsibility for any cuts in police numbers as a result of either of those.

Theresa May: Well what I'm saying is that we know that it is possible for the police to make significant reductions in their budgets without affecting frontline policing.

Andrew Marr Show, 31 October 2010

- 81 Source: *Valuing the Police, Policing in an age of austerity*, HMIC, July 2010.
- 82 Source: *Adapting to Austerity: A review of police force and authority preparedness for the 2011/12-14/15 CSR period*, HMIC, July 2011
<http://www.hmic.gov.uk/media/adapting-to-austerity-20110721.pdf>
- 83 Source: *Police Service Strength England and Wales, 31 March 2011*; Table 9: *Police officer strength by English Government Office Regions and Wales (full-time equivalents)*, Home Office Statistical Bulletin, published July 2011, <http://www.homeoffice.gov.uk/publications/science-research-statistics/research-statistics/police-research/hosb1311/>
- 84 Source: *Adapting to Austerity: A review of police force and authority preparedness for the 2011/12-14/15 CSR period*, HMIC, July 2011, <http://www.hmic.gov.uk/media/adapting-to-austerity-20110721.pdf>
- 85 "West Midlands Police officers who have been forcibly retired due to budget cuts have been invited to return to policing and work for free.
 "Officers made redundant by West Midlands Police have been sent letters inviting them to apply to be Special Constables - volunteer police officers.
 "The officers left under regulation A19 through which police with 30 years service can be forced to retire."
BBC News, 4 May 2011, <http://www.bbc.co.uk/news/uk-england-birmingham-13282047>
- 86 PQ, Hansard, 16 November 2010
<http://www.publications.parliament.uk/pa/cm201011/cmhansrd/cm101116/text/101116w0003.htm#1011174002450>
- 87 "The Metropolitan police increased the number deployed on the streets of London from 6,000 to almost 16,000 officers, and this number will remain throughout the weekend"
David Cameron, Hansard, 11 August 2011, column 1051.
- 88 "If you elect a Conservative government on 6 May, we will:
 5. Control immigration, reducing it to the levels of the 1990s - meaning tens of thousands a year, instead of the hundreds of thousands a year under Labour."
Conservative Party, "A contract between the Conservative Party and you", 30 April 2010, <http://conservativehome.blogs.com/files/a-contract-with-the-voters-1.pdf>
- 89 The provisional estimate of net long-term migration to the UK in the year to December 2010 was 239,000, an increase of 21 per cent on the estimate of 198,000 in the year to December 2009.
Migration Statistics Quarterly Report, 25 June 2011, p. 4
- 90 "In the year to June 2011 a total of 158,180 work-related visas were issued, an increase of 2 per cent on 154,621 in the year to June 2010. The number of visas issued for the purposes of study was 358,388 in the year to June 2011, a fall of 1 per cent on 362,055 in the year to June 2010."
Migration Statistics Quarterly Report, 25 June 2011, p. 4, <http://www.statistics.gov.uk/pdfdir/mig0811.pdf>
- 91 "In a way, the target is unfair to ministers because they can't control it."
Professor David Metcalf, chairman of the independent Migration Advisory Committee, Financial Times, 7 April 2011
- 92 "If we take the steps set out today, and deal with all the different avenues of migration, legal and illegal, then levels of immigration can return to where they were in the 1980s and 90s, a time when immigration was not a front rank political issue. And I believe that will mean net migration to this country will be in the order of tens of thousands each year, not the hundreds of thousands every year that we have seen over the last decade. Yes, Britain will always be open to the best and brightest from around the world and those fleeing persecution. But with us, our borders will be under control and immigration will be at levels our country can manage. No ifs. No buts. That's a promise we made to the British people. And it's a promise we are keeping."
David Cameron, Speech, 14 April 2011, http://www.conservatives.com/News/Speeches/2011/04/David_Cameron_Good_immigration_not_mass_immigration.aspx
- 93 The government is afraid to change its widely criticised target of cutting net immigration into the UK to "tens of thousands" a year because it does not want to be seen to be carrying out a U-turn on one of its flagship policies, according to the government's chief immigration adviser.
 The coalition's aim of reducing net immigration has been attacked as "bizarre" because the measure used includes UK and other European Union citizens over whose movements it has little or no control. Ministers are "concerned that if they alter the target they could be accused of moving the goalposts", said David Metcalf, chairman of the

independent Migration Advisory Committee in an interview with the Financial Times on Thursday. Net immigration was 226,000 in the year to June 2010, up 35 per cent from 163,000 the previous year. The rise was driven by fewer Britons emigrating. However, although net immigration rose, it was about a fifth lower than in 2004-07. As part of its effort to cut net immigration to less than 100,000 by 2015, the government has capped work permits for some highly skilled workers, aims to reduce the number of non-EU student visas by 25 per cent and plans to issue fewer visas to family members of immigrants. The measures have been controversial in part because, critics say, turning away immigrants is likely to hold down growth and tax revenues at a time when the economy is struggling and the UK has a vast budget deficit. Prof Metcalf said the government could focus on immigration from countries outside the EU. "In a way, the target is unfair to ministers because they can't control it," he said. "It would be legitimate for ministers to consider targeting non-EU migration, which is what they have control over." *Financial Times, 7 April 2011*

94 "The agency's overall commitment is to cut its budget by up to 20% in real terms over the next four years and reduce headcount by around 5,200. Detailed budgets have not yet been finalised and so I cannot provide a four-year profile." *Theresa May, Written Answer, Hansard, 24 November 2010*

95 "The Strategic Defence and Security Review will make a clean break from the military and political mindset of Cold War politics. "It will be a strategic, cross-government and comprehensive, covering all areas of defence and security." *Liam Fox, RUSI speech, 14 June 2010*

96 <http://www.mod.uk/DefenceInternet/AboutDefence/WhatWeDo/PolicyStrategyandPlanning/SDSR/>

97 "As a contingency measure, British warship HMS Cumberland is en route to the Libyan coast ahead of a possible evacuation of Britons trapped by the unrest. The ship was on her way back to the UK to be decommissioned when she was ordered to stay in the eastern Mediterranean. The Foreign and Commonwealth Office is strongly encouraging British nationals to leave the country by civil transportation immediately." *Royal Navy website, 23 February 2011* http://www.royalnavy.mod.uk/operations-and-support/surface-fleet/type-22-frigates/hms-cumberland/news/hms_cumberland_deplo.htm

98 "Two spy planes due to have been retired at the end of March are now to be kept in service for at least another three months, the BBC has learnt." *BBC News, 11 March 2011*

99 "This operation [Libya] was supported by VC10 and Tristar air-to-air refuelling aircraft as well as E3D Sentry and Sentinel surveillance aircraft." *Liam Fox, Press Statement, 20 March 2011* <http://www.mod.uk/DefenceInternet/DefenceNews/MilitaryOperations/UpdatedBritishArmedForcesLaunchStrikeAgainstLibyanAirDefenceSystems.htm>

100 "The withdrawal of Nimrod MRA4 and Harrier, as well as the reduction in size of the Tornado fleet, will mean that Kinloss and two other bases will no longer be required by the RAF" *Securing Britain in an Age of Uncertainty: The Strategic Defence and Security Review, October 2010*

101 "If we had Ark Royal and Harriers in February, I feel relatively assured that we would have deployed that capability off Libya to conduct the ground [operations], not the air defence piece which the Harrier was not capable of achieving. "The pros would have been a much more reactive force. Rather than deploying from Gioia del Colle, we would deploy within 20 minutes as opposed to an hour and a half, so obviously there are some advantages there. "It's cheaper to fly an aircraft from an aircraft carrier than from the shore. "Do I feel bitter? No. It's a reality of where we are. I keep saying this. We have to look forward and go for what is in the pipeline which I have already indicated is challenging enough. There is far too much about what could have been as opposed to what is." *Admiral Sir Mark Stanhope, the First Sea Lord, Guardian, 13 June 2010*

102 "At a Ministry of Defence briefing, the RAF became the first of the services to set out in detail how it intends to cut its numbers in line with last year's strategic defence and security review. All RAF staff, including those currently serving in Afghanistan, have been told that the service intends to make 1,020 redundancies within six months. This first of four tranches will be made up of 170 trainee pilots, 200 weapons operators, more than 500 ground staff and 121 other officers up to the rank of air commodore." *Guardian, 1 March 2011*

103 "The navy is cutting numbers by 5,000 to 30,000 by 2015, as part of 22,000 armed forces cuts designed to help save £5bn. The navy staff losing their jobs are being informed throughout the day. A third of the redundancies are compulsory. Some 810 sailors applied for redundancy and 670 were accepted. RNAS Yeovilton base in Somerset has confirmed that it is losing 124 personnel."

BBC, 30 September 2011

"Only personnel not on or preparing for deployment, and who have taken all their operational leave, have been considered for redundancy from the Royal Navy.

This includes sailors who took part in the Libya campaign on HMS Cumberland and other ships now being decommissioned. Plymouth-based HMS Cumberland was the first UK warship sent to Libya earlier in the year."

BBC, 30 September 2011

104 "Those who wish us to reopen the strategic defence and security review, and who are looking at the same real world and at the same financial constraints, need to tell us whether they would provide a larger defence budget. If they continue with the same assumptions in the same real world but do not increase the budget, they will see the same outcome because they will be under the same constraints. Perhaps the right hon. Gentleman will finally tell us whether Labour intends to retain the same defence budget or to reduce the defence budget, because that is the key element in the equation."

Liam Fox, House of Commons debate, 16 May 2011

105 "I think the MoD consistently dug a hole for itself that it eventually found that it could not climb out of," he said. "It is irritating to hear some of those who helped create the problem criticising us when we try to bring in a solution."

Liam Fox, Guardian, 30 September 2011

