

Briefing
20th May 2010

‘The Coalition: Our Programme for Government’

Where Design and Innovation fit into the new coalition government’s agreement

Overview

Following an initial seven-page outline agreement, the Government this week published a fuller coalition agreement document. Read the full text here:

http://www.cabinetoffice.gov.uk/media/409088/pfg_coalition.pdf

The agreement asserts that tackling ‘our record debts’ is the most ‘urgent task’, upon which all other promises and policies are conditional. The foreword, co-written by David Cameron and Nick Clegg, expresses a shared conviction that the days of ‘big government’, top-down control and centralisation are over; and that recent rapid technological advancement has facilitated a new kind of decentralisation. And in terms of industry – they say that building a new economy must be based on sustainable, balanced growth and enterprise; they cite ‘green industries’ as a key component, and later in the document agree to ‘consider the implementation’ of the ‘Ingenious Britain’ recommendations for making Britain the leading hi-tech exporter in Europe. However, there is no explicit acknowledgement of the ‘creative industries’ or ‘knowledge economy’.

Both parties have had to make concessions, but notably permission to abstain on issues only applies to the Lib Dems, not the Tories. The document insists that there is much they agree on, and the fusion of Con-Dem ideas has resulted in the concept of ‘a Big Society matched by Big Citizens’.

Edited highlights

1. BANKING

‘In recent years, we have seen a massive financial meltdown due to over-lending, over-borrowing and poor regulation. The Government believes that the current system of financial regulation is fundamentally flawed and needs to be replaced with a framework that promotes responsible and sustainable banking, where regulators have greater powers to curb unsustainable lending practices and we take action to promote more competition in the banking sector. In addition, we recognise that much more needs to be done to protect taxpayers from financial malpractice and to help the public manage their own debts.’

- 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.

2. BUSINESS

‘The Government believes that business is the driver of economic growth and innovation, and that we need to take urgent action to boost enterprise, support green growth and build a new and more responsible economic model. We want to create a fairer and more balanced economy, where we are not so dependent on a narrow range of economic sectors, and where new businesses and economic opportunities are more evenly shared between regions and industries.’

- We will cut red tape by introducing a ‘one-in, one-out’ rule whereby no new regulation is brought in without other regulation being cut by a greater amount.
- We will end the culture of ‘tick-box’ regulation, and instead target inspections on high-risk organisations through co-regulation and improving professional standards.

- We will review IR 35, as part of a wholesale review of all small business taxation, and seek to replace it with simpler measures that prevent tax avoidance but do not place undue administrative burdens or uncertainty on the self-employed, or restrict labour market flexibility.
- We will find a practical way to make small business rate relief automatic.
- We will reform the corporate tax system by simplifying reliefs and allowances, and tackling avoidance, in order to reduce headline rates. Our aim is to create the most competitive corporate tax regime in the G20, while protecting manufacturing industries.
- We will give the public the opportunity to challenge the worst regulations.
- We will make it easier for people to set up new enterprises by cutting the time it takes to start a new business. Our ambition is to make the UK one of the fastest countries in the world to start up a new business. We will reduce the number of forms needed to register a new business, and move towards a ‘one-click’ registration model.
- We will promote small business procurement, in particular by introducing an aspiration that 25% of government contracts should be awarded to small and medium-sized businesses and by publishing government tenders in full online and free of charge.
- We will consider the implementation of the Dyson Review to make the UK the leading hi-tech exporter in Europe, and refocus the research and development tax credit on hi-tech companies, small firms and start-ups.
- We will support the creation of Local Enterprise Partnerships – joint local authority-business bodies brought forward by local authorities themselves to promote local economic development – to replace Regional Development Agencies (RDAs). These may take the form of the existing RDAs in areas where they are popular.

4. COMMUNITIES AND LOCAL GOVERNMENT

‘The Government believes that it is time for a fundamental shift of power from Westminster to people. We will promote decentralisation and democratic engagement, and we will end the era of top-down government by giving new powers to local councils, communities, neighbourhoods and individuals.’

- We will promote the radical devolution of power and greater financial autonomy to local government and community groups. This will include a review of local government finance.
- We will publish and present to Parliament a simple and consolidated national planning framework covering all forms of development and setting out national economic, environmental and social priorities.
- We will explore a range of measures to bring empty homes into use.
- We will require continuous improvements to the energy efficiency of new housing.
- We will provide incentives for local authorities to deliver sustainable development...

7. CULTURE, OLYMPICS, MEDIA AND SPORT

‘The Government believes that a vibrant cultural, media and sporting sector is crucial for our well-being and quality of life. We need to promote excellence in these fields, with government funding used where appropriate to encourage philanthropic and corporate investment.’

- We will introduce measures to ensure the rapid roll-out of superfast broadband across the country. We will ensure that BT and other infrastructure providers allow the use of their assets to deliver such broadband, and we will seek to introduce superfast broadband in remote areas at the same time as in more populated areas. If necessary, we will consider using the part of the TV licence fee that is supporting the digital switchover to fund broadband in areas that the market alone will not reach.

9. DEFICIT REDUCTION

‘The Government believes ... we need immediate action to tackle the deficit in a fair and responsible way, ensure that taxpayers’ money is spent responsibly, and get the public finances back on track.’

- We will significantly accelerate the reduction of the structural deficit over the course of a Parliament, with the main burden of deficit reduction borne by reduced spending rather than increased taxes.
- We will protect jobs by stopping the proposed jobs tax.
- We will hold a full Spending Review reporting this autumn, following a fully consultative process involving all tiers of government and the private sector.
- We will reduce the number and cost of quangos.

16. GOVERNMENT TRANSPARENCY

‘The Government believes that we need to throw open the doors of public bodies, to enable the public to hold politicians and public bodies to account. We also recognise that this will help to deliver better value for money in public spending, and help us achieve our aim of cutting the record deficit. Setting government data free will bring significant economic benefits by enabling businesses and non-profit organisations to build innovative applications and websites.’

- We will take steps to open up government procurement and reduce costs; and we will publish government ICT contracts online.
- We will require full, online disclosure of all central government spending and contracts over £25,000.
- We will create a new ‘right to data’ so that government-held datasets can be requested and used by the public, and then published on a regular basis.

18. INTERNATIONAL DEVELOPMENT

- We will ensure that UK Trade and Investment and the Export Credits Guarantee Department become champions for British companies that develop and export innovative green technologies around the world...

25. PUBLIC HEALTH

‘The Government believes that we need action to promote public health, and encourage behaviour change to help people live healthier lives.’

26. SCHOOLS

‘The Government believes that we need to reform our school system to tackle educational inequality, which has widened in recent years...’

- We will improve the quality of vocational education, including increasing flexibility for 14–19 year olds and creating new Technical Academies as part of our plans to diversify schools provision.

27. SOCIAL ACTION

‘The Government believes that the innovation and enthusiasm of civil society is essential in tackling the social, economic and political challenges that the UK faces today. We will take action to support and encourage social responsibility, volunteering and philanthropy, and make it easier for people to come together to improve their communities and help one another.’

30. TRANSPORT

‘The Government believes that a modern transport infrastructure is essential for a dynamic and entrepreneurial economy, as well as to improve well-being and quality of life. We need to make the transport sector greener and more sustainable, with tougher emission standards and support for new transport technologies.’

31. UNIVERSITIES AND FURTHER EDUCATION

‘The Government believes that our universities are essential for building a strong and innovative economy. We will take action to create more college and university places, as well as help to foster stronger links between universities, colleges and industries.’

- We will seek ways to support the creation of apprenticeships, internships, work pairings, and college and workplace training places as part of our wider programme to get Britain working.
- We will ensure that public funding mechanisms for university research safeguard its academic integrity.