

# Policy Motions

## 1. Privatisation of Royal Mail

**Proposer:** Gordon Lishman

**Summator:** tbc

### 1 Conference acknowledges

- 2 a) the important role that employee ownership has always played in liberal thought going back to John
- 3 Stuart Mill in his "Principles of Political Economy"
- 4 b) that Preamble to the Party Constitution states that "We want to see democracy, participation and
- 5 the co-operative principle in industry and commerce...
- 6 c) the support from the Deputy Prime Minister for the benefits of collective employee ownership such as
- 7 the John Lewis partnership as set out in his Mansion House speech in January 2012, which led to the
- 8 establishment of the Nuttall review on employee ownership
- 9 d) that the Party as recently as the Autumn Conference 2012 approved a policy paper "Mutualisation,
- 10 Employee ownership and Workplace democracy" which recognised the important benefits which
- 11 employee ownership can bring to economic performance and set out radical proposals for boosting
- 12 employee ownership throughout the economy

13 **Conference therefore sees** the planned privatisation of Royal Mail, a company which is critically  
14 reliant on its workforce for its future success, as an ideal opportunity to put these long held Liberal  
15 Democrat principles into practice as set out in the policy agreed at the Spring Conference 2006 of 25%  
16 of the shares of Royal Mail being placed in a trust for Royal Mail staff.

### 17 Conference therefore regrets that

- 18 a) the recent announcement of the privatisation of Royal Mail contained provision for only 10% of
- 19 shares to be distributed to employees.
- 20 b) It is proposed that the shares should only be distributed to employees as individuals. Although some
- 21 individual share ownership should be encouraged it should be recognised that it is short-term with
- 22 limited benefits, and in the medium term many employees may sell their shares.

23 **Conference therefore calls** on Liberal Democrat Ministers to press for at least a further 10% of shares  
24 to be held in trust for employees. This will help to ensure that they feel part of a business having an  
25 economic interest without being able to transfer ownership when they leave, and enables them to be  
26 able to use their voting power to help to influence the strategic direction of the company.

## 2. Public Services Mutuals

**Proposer:** Matthew Donnelly, Wirral South

**Summator:** tbc

### 1 Conference notes:

- 2 a) the potential to radically reshape public services through the creation of 'Public Service Mutuals'
- 3 allowing frontline public sector workers the power to take control of their service or department.
- 4 b) that, according to figures released by Co-operatives UK in August 2013, around 70 Public Service
- 5 Mutuals have been formed, controlling public expenditure of over £1 billion and that the Cabinet Office
- 6 has publicly announced its aspiration that, by 2015, 1 million public sector workers will be employed by
- 7 Public Service Mutuals

# Policy Motions

8 the growing body of evidence which indicates that properly established, constituted and governed  
9 Public Service Mutuals can:-

- 10 • Free public service workers from command and control top-down management and processes,
- 11 • Empower public services workers,
- 12 • Increase employee engagement,
- 13 • Contribute to reductions in absenteeism
- 14 • Encourage the co-production of services with end users.
- 15 • Allow innovation for the benefit of service users.

16 **Conference believes** that in principle, Public Service Mutuals are to be applauded and should receive  
17 the support of Liberal Democrats.

18 **Conference however expresses** its concern that many of the recently established Public Service  
19 Mutuals resemble private businesses in the way that they are established, constituted and governed;  
20 For example 'MyCSP', the civil service pension scheme management organisation, has been formed as a  
21 private business without a ballot for staff on the transfer and operates without the genuine  
22 accountability that would make it a true mutual as defined by Co-operatives UK

23 **Conference therefore believes**

24 a) that the Government's current definition of a Public Service Mutual is leading to the creation of  
25 companies that are controlled by private-investors and which do not display any of the positive  
26 governance arrangements of traditional mutuals; For example the Government's entry definition of  
27 mutual ownership require only a paltry 25% ownership for staff, give no rights for service users, and  
28 give no guarantee of member control.

29 b) that this is leading to the creation of 'mutuals in name only' that are investor controlled, for-profit,  
30 businesses that put the pursuance of profit ahead of consideration for staff and service users.  
31 that by adopting the definition, used for Public Service Mutuals to that used by the Co-operative  
32 movement as follows: *"Co-operatives and Mutuals are independent businesses that exist to meet and fulfil  
33 the needs of their members. They provide flexible models based on member ownership, control and self  
34 determination that are used to deliver a wide range of products and services. All co-operatives adhere to a  
35 unique set of internationally agreed principles that define their difference from other forms of entity. They  
36 are the most distinct and long-established form of social enterprise, owned by their members and operating  
37 on a democratic basis of one member, one vote rather than an investor model of one pound, one vote."* we  
38 will ensure that public services can be radically transformed in a manner which is beneficial to staff and  
39 service users rather than private investors.

40 **Conference therefore resolves** that Government ministers seek to change the definition to the one  
41 above.

# Policy Motions

## 3. Federalism

**Proposer: Gordon Lishman**

**Summator: tbc**

1 **1. Conference notes that:**

- 2 1.1. The forthcoming referendum in Scotland, the outcome of the referendum in Wales in 2011 and  
3 the creation of devolved assemblies in Scotland, Wales and Northern Ireland have created  
4 uncertainty about the future governance of the United Kingdom;
- 5 1.2. There are no similar arrangements for government in England, which contains about 80% of the  
6 population of the UK, other than in London;
- 7 1.3. There is therefore a major democratic deficit and undue centralisation of Parliament,  
8 government and administration;
- 9 1.4. The absence of strong devolved government in the UK is a major reason for the over-  
10 concentration of economic power and resources in London and the South-East of England and  
11 the consequent lack of development in other regions;
- 12 1.5. There is no effective system for managing major policy decisions and legislation in areas which  
13 overlap reserved and devolved powers; and
- 14 1.6. Federalism is the most common structure for the government of large countries throughout the  
15 world, including all the major democracies

16 **2. Conference asserts that:**

- 17 2.1. The long-standing Liberal and Liberal Democrat commitment to federalism is the most stable,  
18 democratic and effective form of government for a modern nation-state;
- 19 2.2. The established regions of England form an obvious and broadly acceptable starting-point for  
20 the governance of England within a federal system; and
- 21 2.3. Liberal Democrats in the North West of England believe that our region will be better governed  
22 within the Region than from Westminster and Whitehall.

23 **3. Conference therefore calls for:**

- 24 3.1. Liberal Democrats in the United Kingdom to commit themselves again to the principles of  
25 federalism, including elected regional governments in England, as part of a new constitutional  
26 settlement which includes the whole of the UK;
- 27 3.2. A commitment by the Party to include the principle and practice of federalism in its next  
28 election manifesto and any subsequent negotiations on government formation;
- 29 3.3. A programme of consultation throughout the regions of England, led by Liberal Democrats in  
30 government, to settle the details of regional boundaries;
- 31 3.4. Legislation to enable regions, in consultation with the federal government, to agree on  
32 appropriate powers for each regional authority; and
- 33 3.5. A commitment to review the boundaries and structures of local government to ensure that  
34 decisions are made at the lowest appropriate level (the principle of subsidiarity) and that the  
35 overall costs of the new structure, including the repatriation of powers and resources from  
36 Whitehall, are broadly neutral.