AM: Vince popped into the studio an hour ago on his way to the Party conference in Brighton and I asked him first about his own future.

VC: I want to see the party through the whole of this Brexit argument. If there is a general election in the turbulence generated by Brexit next year I will be there to lead us into the election, out through it. I want to see through these internal party reforms. We’ve got local elections next year. And I’ve got a big programme of work.

AM: But you’re not going to be leader of the Liberal Democrats by the end of next year.

VC: I think that’s uncertain. I have a series of tasks to do, I’m going to do them, I’m not setting a time horizon. I think it would be foolish to do so with so much uncertainty flying around.

AM: Certainly the tone has changed. When we talked in February you said you were really loving the job and you were certainly going to be Lib Dem leader for the next general election in 2022. It doesn’t feel that way now.

VC: Well, 2022 is a long time off and I think it’s improbable actually that I will be leading us then. But there is a big programme of work to do. It may take some time. I’m getting on with it. But I’m also looking to hand-help a professional transition to a next generation.

AM: So your predecessor, Menzies Campbell, said, ‘he’s running out of road.’

VC: I’m not running out of road. There’s a lot of road ahead. I mean, I think there’s sort of massive opportunities for us here. I mean, we’ve got this – you know, the chaos that’s generating
around Brexit, it’s a complete mess and neither of the major parties offering solutions. Something - people increasingly are looking to us to provide it, and I want to lead us through that.

AM: And as you yourself have said in both of the main parties, the Tories over Brexit and Labour over Jeremy Corbyn and other issues, there is great unhappiness in the parliamentary parties. Lots and lots of unhappy Labour and Tory MPs. How many of them have defected to you?
VC: They haven’t.
AM: Why not?
VC: Well, I think, you know, tribal loyalty in Britain is quite deep. It is actually very difficult to cross over. But I mean, what is happening at the moment is that a lot of Tory and Labour MPs are reconsidering their position and they’re not going to stay in the parties if they remain as they are. I think they’re waiting to see which of the parties change over Brexit. We’re certainly talking to them. We’re happy to co-operate and work with them.

AM: I’m not just asking this to be mean. There is a genuinely puzzling issue here. Because lots of people say there needs to be a centre party, there needs to be a new strong force. Then someone says, ‘ah, yes, there’s the Lib Dems,’ and it’s always as an afterthought. Somehow your party hasn’t attracted the attention and the glamour and the glitz necessary to reshape British politics. Something has gone wrong. And I think everybody’s puzzled as to what.
VC: Well, what went wrong is we had two difficult general elections, as you know. But we’ve been rebuilding since. We’ve had the best local election results for 15 years. Poll ratings are probably now 4-5 per cent up on when I took over. Now, you know, we should be doing a lot more. But I think we’re heading very much in the right direction. And the whole purpose of these party reforms I’ve been talking about is to take us on to the next level.
AM: Indeed. And you’ve talked about a movement for moderates. What is that?
VC: Well, it’s – a lot of people don’t classify themselves as moderate, but then, you know, these are sort of progressive, radical people but in the centre of politics who don’t embrace the extremes of left and right who are waiting in a way for a movement that will lead them, and I want our party to provide it.

AM: But if they’re not already Lib Dem members, they’re not on their way down to your party conference in Brighton already, how do you bring people in?
VC: Well, we already are. I mean, we’ve got 100,000 members, 200,000 supporters. It’s growing at a rapid rate. I mean, it is happening. And the question is about how fast. And I think that with our very clear position on the big issue of the day, supporting the People’s Vote on the Brexit issue, our very clear opposition to Brexit, the programme I’m going to be setting out this week in terms of a positive view about when we get past the Brexit controversy, I think people will start to come to us in much greater numbers.

AM: And you’ve talked about a new way of choosing the next leader, going beyond the parliamentarians. I think if I was a Lib Dem parliamentarian I might be a little bit miffed at this. But nonetheless this allows people who are not even party members at the moment – you know, it could be Chuka Umunna, it could be Anna Soubry, it could be almost anybody, could stand as next leader of the Lib Dems. Why is that a good idea?
VC: Well, I have some excellent MPs and they know that and they’re a very good team and if I fall under a bus tomorrow there’d be admirable replacements. But I think it’s good practise to have the widest possible talent pool. We don’t know who might come forward. I’m not thinking of the names you mentioned, but
you know, there may be people from other walks of life who have leadership quality. Let’s at least look at it.

AM: Now, you’ve been in the job for a while. What qualities does the next leader of the Liberal Democrats have to have do you think to succeed?
VC: Well, I think they’ve got to build on what I and my colleagues have been doing. We’re talking about –
AM: I’m not talking about qualities, I’m talking about what’s inside them, what do they need?
VC: Well, I know from having done the job that the kind of things I have to do I need a lot of stamina, a lot of energy. I need a vision for what’s happening next. I think we’re getting there, and whoever comes next is going to build on it.

AM: Now, there was a vote in the Commons on the customs union that you said was a very important staging point. Did you take part in that vote?
VC: Well, I think if you’re talking about the missed vote in June, I mean, it wasn’t actually as crucial as people argued. The crucial vote was the following, it was the following day I think. But you know, there was a mix-up, it was unfortunate. I regretted it. But it hasn’t fundamentally changed anything.

AM: Why weren’t you there?
VC: Well, I was, as it happens, I was sort of meeting with people who are thinking about new directions in British politics, which is the kind of thing, as a leader of the Liberal Democrats, I should be doing.

AM: Tony Blair has just said that he doesn’t think another centre party is a good idea. Is there any sign at all that you’re beginning to reshape the centre of British politics?
VC: Yes. I think the intervention of Tony Blair, his comments were interesting. I mean, I think what he and others are
acknowledging, that setting up something new, a new party with all the practical problems that entails, is just not a practical proposition.

AM: It’s not going to happen.

VC: It’s not going to happen. But we are there and, you know, we can build on our existing strengths.

AM: I’ve quoted back at you some of the things you’ve said in that chair in the past, but going back quite a lot way, before the 2008 financial crash, I can remember you saying, ‘things are not looking good, I’m very worried about what’s about to happen.’ And you were right then. Now, there’s lots of economists and indeed other political voices, Gordon Brown amongst them, saying that we are heading towards really dangerous economic waters. Nothing to do necessarily with Brexit, we’re talking about the overborrowing in the British economy, we’re talking about the international trade atmosphere. What is your current prognostication of where we’re going economically?

VC: I share the worries. I think the relevance of Brexit is that it’s providing a big shock at a time when the system is very vulnerable. I mean, I think what’s happening at the moment is the banks are safer, they’ve been required to hold more capital, they’re not going to collapse the way they did before. But there’s a lot of other financial institutions which haven’t remembered the lessons of the crash, and there’s a lot of irresponsibility. There’s very high levels of debt, the leverage in the jargon in the financial system. And the British economy is you know, households, companies, government, much higher levels of debt that before –

AM: Dangerously high?

VC: I would say dangerously high.

AM: Let’s ask about one other financial and household budget issue, you want to shake up the tax system radically, including expanding inheritance tax to include all gifts made during the
course of a lifetime. That means a lot of people will be paying a lot more in inheritance tax. Why?
VC: Well, no, actually we’re proposing getting rid of inheritance tax and replacing it with a tax on people’s gifts through their lifetime. I mean, the problem we’re trying to address here is that the inequalities of wealth are massive and growing and one of the major sources of underlying dissatisfaction. So we’re suggesting that if we have a fairer distribution, we don’t splash all the receipts of taxation, which could be as much as 15 billion – we can argue about the number – and put it into a sovereign wealth fund that can be used to invest in the longer term.

AM: So it’s not inheritance tax any more, it’s a new name. This is gift tax.
VC: Yes, and the Irish have this model and it works quite well. But actually of those tax changes, you know, having capital gains tax at the same level as income tax, treating pension tax relief equally between high earners and low end – it’s all part of it – and you know, we’ve had radical ideas for abolishing business rates, which are having a crippling effect on small business in the high street, and replacing it with a tax on land, which is something we’ll be talking about.

AM: Which your party’s been talking about for hundreds of years now.
VC: Yes, well we’ve now set out a practical programme, with numbers, about how exactly this could be done.
(ends)