

ANDREW MARR SHOW, 8TH MARCH 2015, I/V CAROLINE FLINT

THE ANDREW MARR SHOW

INTERVIEW:

CAROLINE FLINT,

SHADOW SECRETARY OF STATE FOR

ENERGY AND CLIMATE CHANGE

MARCH 8TH 2015

Headlines:

- **Refused to rule out post-election pact with SNP.**
- **Every vote for the SNP makes it more likely that David Cameron will return to number 10.**

9:19

AM: Given that you want to really heavily re-regulate the energy industry and break up some of the companies and bring in freezes and so forth, will the big six still exist in their current form after five years of a Labour government?

CF: There is an opportunity for the big six to continue, but I want to have it bigger than the big six, but you know it's not a numbers game about how many companies, it's about making sure that bill payers get a good deal. That's why we will freeze energy prices for 20 months but we'll also give the regulator the power that when wholesale costs fall, if they don't pass it onto their customers first, the regulator will have the power to do so.

AM: And would force companies to cut prices –

CF: Absolutely.

ANDREW MARR SHOW, 8TH MARCH 2015, I/V CAROLINE FLINT

AM: Because you could end up freezing current energy prices at a higher level than subsequently they come in the market?

CF: Look, we've said we will freeze prices for 20 months but we've said from day one, from the day of Ed Miliband's speech in 2013, that does not stop bills being cut. And the truth is, is what we've had over a number of years –

AM: It's not really a freeze is it in that case?

CF: It is a freeze against rising prices. But the truth is in 2011 and 2014, Ofgen produced two reports in which they identified that when wholesale costs fell there was evidence to show that these companies were not passing that on to their customers. And in fact in their 2014 report they said it was getting worse. So we need to reform this market to make sure people feel confident they're paying a fair bill, and the truth is over the last five years we've seen bills go up by over £300 and we've seen people, working people and families still suffering from this cost of living crisis.

AM: And you would what, fine the companies if they didn't pass on the full cost of the fall in the price to the consumer, or just some of it?

CF: We wouldn't have to fine because we'd give the regulator the power to force them to pass it on, and that is an important part of what we need in the future. That people feel they're paying a fair price for their bills. So a freeze for 20 months while we reform the energy market and give the regulator the power that if they don't do it first they will force them to pass on wholesale cost falls.

AM: I just come back, it might seem fiddly, to this word 'freeze' cos freeze suggests that it won't move, but you're saying that's no longer the case.

CF: Andrew, we were clear from day one and you can look at the Green paper we've produced on energy reform in which I clearly said it's a freeze against rising bills but that does not stop them falling, and we need to make sure we get to a better place where people have confidence in this energy market. The other part of helping people with their bills is to make sure we insulate our homes. In Sweden their prices are higher, their winters are colder but their bills are smaller and that's because they have more energy efficiency and that's why I've also announced that over ten years we'll make five million homes warmer. But can I just go back to this cost of living? The truth is bills have gone up £300 over the last few years, that at the end of this parliament for the first time since the 1920s families are going to be worse off and that is not a cause for celebration.

ANDREW MARR SHOW, 8TH MARCH 2015, I/V **CAROLINE FLINT**

AM: Though, according to the IFS, independent body and all the rest of it, wages are back to their 2008 level. You don't contest that?

CF: But they also that working people are worse off. In fact they're not better off than before the financial crisis and the truth is we've seen families be given opportunities on one hand but tax is imposed on them in another way, and in terms of bills they've gone up 4 times as fast as wages, twice the rate of inflation and as I've said at the end of this parliament families are going to be over one thousand pounds worse off.

AM; And yet things are going in the right direction, are they not? According to Lord Ashcroft's poll 60% of people either feel better off or think they're about to feel better off.

CF: Look, I think the public recognise that there is a recovery but I do believe Andrew, that actually most people don't feel that they are benefitting from it, and the reason they don't feel that –

AM: That's not what the polls say.

CF: Well, actually you know, if I look at polls around household incomes and household bills, energy bills is the top of people's concerns and in Doncaster and when I campaign around the country ordinary working people do not feel that they are benefitting from this recovery, and the truth is a strong economy doesn't work unless working people are being successful as well and what they have seen is actually this government give with one hand and take with another, but also prioritise tax cuts for millionaires over ordinary people.

AM: Would Labour maintain the freeze on petrol duty?

CF: We will look at making sure we keep costs down as much as possible, what we've said we would do is freeze energy prices and clearly petrol prices are part of that – it's separate to my brief but we are committed to freezing energy prices for 20 months.

AM: I mean the reason that I'm asking is of course climate change is also part of your brief. We've had warnings in the papers today about us not hitting our targets and so forth and there is a case to say well if prices are going down anyway actually you could keep that, keep the fuel duty as a kind of green measure.

CF: Look, part what we have to do in terms of meeting our climate change targets is get more investment in cleaner energy and I'm afraid to say we have to find something like a hundred billion

ANDREW MARR SHOW, 8TH MARCH 2015, I/V **CAROLINE FLINT**

pounds of investment in just electricity alone by 2020, and the rate of investment is half what it actually should be. That's why we've said to get investment in, in this important area, to meet our climate change targets we need to make sure we have a de-carb target to take carbon out of our electricity supply, give the green investment (bonds) foreign powers and I've said today we want green bonds so British people can invest in their sector as well. That's the way we can get the investment but also meet our climate change targets.

AM: Because if you were running a big energy company you're looking at all these new regulations and the freeze and so forth, this is not the mood that you'd be in for new investment, would you? You can understand their case. You want us to invest us in new energies, clean energies, green energies, all sorts of different and big projects, why would we when we're about to be regulated out of existence?

CF: I don't think that there is any contradiction between wanting to have policies that protect consumers from bad behaviour from these companies – and let's be honest about it. You know three quarters of bill payers are paying over the odds. And we have heard over the last few years time and time again of practices, customer practices that puts loyal customers at a disadvantage to new customers. So there is no contradiction between wanting to establish an energy market in which bill payers feel that they're being treated fairly and in doing so actually we get some confidence back into this market, but also what investors say to me, Andrew, is they want certainty. That's why the certainty that we're providing by having a de-carbonisation target by 2030 which says, yes, Britain is open for business when it comes to clean energy, you can count on that, is one of the best ways we get the money in.

AM: If the Chancellor is indeed about to give a big tax give away in the budget that is going to be a game changer for the election isn't it?

CF: Well, you know, we heard David Cameron at the Tory Party Conference promise £7 billion worth of tax cuts but we know from his record over the last five years, is often what they give with one hand they take with another. That's why working people are worse off at the end of this parliament.

AM: But there'll be a vote.

CF: These are unfunded, these are you know, being put out there with 60 odd days to go to the General Election and I think what the choice will be on May 7th is going to be between a failing plan that hasn't helped working people and a plan in which an economy can only be strong if working people are succeeding as well.

ANDREW MARR SHOW, 8TH MARCH 2015, I/V CAROLINE FLINT

AM: You keep talking about working people. If George Osborne puts down a vote on whether to raise the minimum level of National Insurance and thresholds, in effect giving a very, very large tax cut to a large number of working class voters, will Labour support that or not?

CF: Look, we're going to have to wait and see what he says, but what is clear is it has to add up and what we don't want –

AM: It's a heck of a trap for you, isn't it?

CF: Well, look, we are supporting a 10 pence starting rate, we're supporting strengthening the minimum wage, banding exploitive zero hour contracts. These are things that help working people.

AM: (But you'll have to vote with him or not.) He's got to I think has he not on this?

CF: Look, let's see the detail of what he's going to say. We are not against anything that is going to help working people. What we are against though is when you have politics, as we've seen over the last five years, where you give with one hand and take with another and the end result of it is, is ordinary working families are worst off. That is not good enough. We had the 7 billion promise at Tory Party Conference from David Cameron and he couldn't stack up how he was going to pay for it. And what we do know is over the course of this parliament ordinary working people have paid for the choices, the failed choices that this government has made.

AM: Are there any circumstances in which you would sit in cabinet with the SNP?

CF: Look, we are focused on winning a Labour majority government.

AM; That's not an answer.

CF: And let me say this. We do not want, we do not need and we do not plan to have any coalition with the SNP.

AM: Can you rule it out?

CF: We plan to make sure that we will focus on the issues and win a Labour majority government. And I'll say two things on this and Scots know this, that there is going to be a choice at this election between who will sit in Number 10 and it's a choice between either Labour or the Conservatives

ANDREW MARR SHOW, 8TH MARCH 2015, I/V **CAROLINE FLINT**

forming a majority government. The second point I would make is this. Is every vote that is cast for the SNP makes it more likely that David Cameron will retain the keys to Number 10.

AM: Nonetheless, the SNP is a party which loathes your austerity economics as they see it, it's completely against all of that, they want Ed Balls to change policy dramatically and is against Trident. Wants Trident abolished. Could you do a deal with them, that is the question?

CF: Andrew, the SNP is not the social conscience of the Labour Party. We are a party –

AM: That's how they see themselves.

CF: Well they might like to see themselves like that Andrew, but they are not the social conscience of the Labour Party. We are the party that will repeal the bedroom tax, we will raise the minimum wage. We will freeze energy prices, a policy that the SNP do not support, and we're a party based on our record over a hundred years of supporting social justice and success for working people. We are the party of the NHS, the national minimum wage and we are the party of equality and we're not going to take any lectures from the SNP about how they can somehow be more progressive than Labour. That is just not the case.

AM: So why not rule out a deal with them and be done with it? Forget all the arguments and the driving from David Cameron and all the rest and say we won't do it?

CF: Look, people want to know what are the issues at stake at this election. What is the choice at this election? And that is why we need to have the debates, we need to be talking our policies and what our offer is for the country and the offer is clear to me. It's a choice between a failing plan that has failed working people and a plan that meets working people's concerns for the future and puts them at the heart of a successful British economy.

AM: Caroline Flint, thank you very much for joining us today.

ENDS