ANDREW MARR SHOW, DAMIAN GREEN, WORK AND PENSIONS SECRETARY

ANDREW MARR SHOW, 21ST MAY 2017

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AM: Damian Green welcome. Thanks for coming in. Do you recognise this document?

DG: I do.

AM: Who produced it?

DG: The Conservative Party.

AM: And what does it contain?

DG: It contains a very forensic dissection of the fact that –

AM: Detailed costings we could say?

DG: The way Labour approaches any problem is to say there is a magic money tree. All we need to do, we don’t need to reform anything, we don’t need to change anything, we just need to take money off businesses and people and that solves the problem. We know – because you and I remember the 1970s. That is what this would refer to.

AM: You agree this is very detailed costing?

DG: I would agree this exposes the Labour Manifesto for being just a charade.

AM: So here’s another document. Why does this have no detailed costing at all? Why is this an uncosted document?
DG: Because the difference between the Conservative Party and the Labour Party is that we produce realistic policies to deal with the real problems of this country, some of which raise money or some of which –

AM: Isn’t that just double standards?

DG: No. Some of our pledges are to spend less money or to move money around so that – you know it’s spent in the right places. It’s spent supporting people not just saying, oh well, the only solution to everything is more money and we’re going to do that by taxing British business. You know people – you were talking about this overexcited weekend we’re having at the moment. I think this will focus people’s minds on the fact that in less than a month’s time Jeremy Corbyn could be leading the Brexit negotiations and given Labour’s complete lack of credibility, nonsensical economic policy, as well as their other policies, nobody surely wants that.

AM: So you mock them for the money tree and all the rest of it, they have given us quite detailed accounts of how much tax they’d raise and from whom. You haven’t. Let me talk, if I may, about the black holes in your Manifesto. You say that you’re going to spend another £8 billion on the National Health Service. Where is that money coming from?

DG: That money is there, you will see it because we produced -

AM: It’s not, it’s extra money.

DG: - we produced a budget a few months ago so all the detailed costings for Conservative policies are already there.
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AM: This is extra money for the NHS. I’m just asking you where it comes from. It can come from extra taxes, extra borrowing or cuts somewhere else. So which of these is it?

DG: A lot of it is retargeting money from within the system because we know we can do things better. It’s how we can promise more support for mental health for instance.

AM: Okay, how much from where?

DG: Well from various parts of the NHS and the other parts of the public sector, for example one of the things you’ve been talking about earlier, about social care.

AM: Michael Fallon in this programme last week said there was going to be an extra billion pounds for the armed forces in this Manifesto, where does that money come from?

DG: Well I was about to give you an example of one of the things you were talking about earlier where we are now going to target Winter Fuel payments on those who really need them and that money, the money that we save from that, can be targeted to the health and social care system. That seems to us a sensible way of dealing with one of the big issues facing the country.

AM: How much money are you going to raise from cutting Winter Fuel payments?

DG: Well, it depends where we set the level.

AM: Now, I’m asking you.

DG: We’ve said we’ll consult on that.

AM: Roughly how much?
DG: About 2 billion.

AM: So most of that 2 billion?

DG: Well we’ll see because we haven’t, as you know, set the level.

AM: Well exactly. It’s an uncosted black hole document.

DG: It’s not uncosted because haven’t, we haven’t said we are going to spend X billion extra. We are saying that the money we save on the Winter Fuel payments going to Mick Jagger and Bernie Ecclestone and indeed John McDonnell, that will be better spent on the social care system which needs more money. Everyone agrees that.

AM: Lots of people watching this programme are not Mick Jagger or indeed very, very wealthy, they are pensioners wondering at what level they’re going to lose their Winter Fuel payments.

DG: Well that’s why we’ve said in the Manifesto –
AM: And they’re very concerned, and you’re not going to tell them.

DG: - that we will consult so that everyone who is in genuine need of the Winter Fuel payment will still get it, but we think the money that’s currently being spent on people who need it less, many of whom have come up to said to me over the years, ‘really should I be getting this?’ That money is better spent in a social care system that we all agree is one of the great challenges facing our country. The difference between our document and the Labour document is that we actually deal with the big challenges facing this country. Theirs is just a wish list.
AM: Can I put it to you, the difference between the two documents is that you have got teams of clever people trawling through the Labour Party promises and costing every single one of them and telling people what it might cost and where it’s going to come from and your document, those clever people, are saying nothing to pensioners watching this programme who need to know before voting day whether they’re going to lose their Winter Fuel payment or not. Do they not deserve that information?

DG: Well they will know that are if they are in genuine need of the Winter Fuel payment they will still get that. We are going to set that at a level after consultation.

AM: What does a genuine need mean?

DG: Well, that’s what we’re going to consult on after the election because that’s the sensible way to do it. That’s the way a grownup government will operate. We’ll say is our Manifesto, here’s our broad proposal, a proposal which causes interest among commentators –

AM: It’s not commentators who are interested about this, it is pensioners watching this programme wondering if I vote Conservative on June 8th, does that mean that on June 15th I lose my Winter Fuel payment, yes or no? And lots of them need to know that. It’s not commentators.

DG: And they will be able to contribute to the consultation. But they will know, those pensioners will know that we have massively reduced pensioner poverty, one of the proudest things that successive governments have done is that in the 70s and 80s pensioner poverty was 40% of pensioners, we’ve now got that down to 14%. I’m really proud that we’ve introduced the auto-enrolment system that means that 7 million more people are now saving for a pension so that we’ll be able to provide more security
and dignity in old age for more people through the generations. We’re looking ahead. We’re not just looking at the election, we’re thinking long term about the big challenges.

AM: We have somehow slipped sideways away from Winter Fuel payments. Can I put it to you that you start by cutting this, you’re going to take it away from virtually everybody and the reasons you’re going to take it away from virtually everybody is you need that money and one David Cameron said at the time of the last election – he’s talking about the then Labour policy to take Winter Fuel payments away, only from the top 5%: “By restricting these benefits aggressively or abolishing them altogether is the only way you make big savings,” And he went on: “Once they have started chipping away at these benefits, believe me before long they’ll start getting rid of them altogether and we’ll be back where we were the people who have worked hard all their lives being written off and forgotten about.”

DG: Well we’ve identified social care as one of the big issues that both old people obviously care about, but also their children, younger generations as well and we think that restricting Winter Fuel payments to those who genuinely need it and we –

AM: Whoever they may be.

DG: - we as a country will decide what that is in a proper consultation which is the way governments should operate. But actually releasing that money –

AM: You’ll decide but you won’t tell people now.

DG: - releasing that money for use in the social care system is absolutely a good way forward to start improving our social care system which is vital for so many people. At the same time as
allowing them to keep their home, allowing them to know they can pass on £100,000 to their children.

AM: You’ve mentioned social care a lot, so let’s turn to social care. Can you remind those people watching what the Conservative policy was in 2015 on social care? How was it going to be paid for?

DG: The social care policy was broadly speaking to continue what’s happened before –

AM: There was a cap, wasn’t there?

DG: Well it was the Dilnot Proposals.

AM: The cap was?

DG: The cap, well the amount people could save was 23,000.

AM: What was the cap on how much ...

DG: the cap was going to be about 72,000 I think.

AM: - exactly and that was the policy.

DG: Well, yes but the policy as it is I think needs to be changed for two reasons. First of all we know that there are going to be two million more over 75s in ten years’ time, which is great, we’re all living longer, that’s good.

AM: You knew that in 2015, but you have broken that promise.

DG: Well let’s talk about the 2017 Manifesto. We haven’t broken that promise because what we’ve done is devised a better system.
The idea that the only thing people could pass on was 23,000 has now been replaced with our idea in the Manifesto that they’ll be able to pass on a 100,000. That’s four times as good.

AM: It is except that the crucial difference is that the value of their house if they’re being cared for at home is now taken into account as an asset. Now taking a constituency at random – let’s think of Ashford in Kent where the average value of a house is £240,000. If there is a widow, a Mrs Smith living in an average house in Ashford under the new policy how much extra might she have to pay?

DG: Well she won’t – if she’s living on her own then she will be able to stay in her house throughout her lifetime. If she’s not a widow, if she’s married her spouse will be able to stay in their house for their lifetime.

AM: But if she’s a widow there isn’t a spouse.

DG: No, no, but clearly it’s extending it, there will be other people who are –

AM: She’s got dementia, poor woman, she’s being looked after in her own home in Ashford, an average priced home in Ashford, how much extra is she going to have to pay under your policy?

DG: Well she won’t be paying anyway until –

AM: She will. Her estate will be.

DG: Yeah well, exactly. So she won’t be paying anything.

AM: Ah, okay.
DG: She can stay at home. If she is able to be cared for at home then quite rightly she will be able to stay there.

AM: How much extra does the estate have to pay?

DG: Well it will depend on what the other costs are. But what her children can know, or whoever she wants to leave money to, is that whereas before –

AM: You will have guessed that I have the answer for you. She’s going to pay an extra £70,000, twice what she would have been paying under the previous policy. Why should she possibly vote Conservative?

DG: Well I suspect that that figure required some heroic assumptions.

AM: It doesn’t.

DG: She should vote Conservative and her children should vote Conservative because they will know that whatever level of care she needs, so this removes that terrible decision of how long should you try and keep someone at home or maybe put them into residential care, which is a real decision that many families deal with. That decision needn’t be influenced by financial considerations anymore, everyone can be confident that they will be able to have –

AM: - money from the estate in due course?

DG: No, precisely not. Let them inherit a £100,000 as opposed to the £23,000 that was there before. That’s a much better system. It’s a much fairer system.
AM: Let us talk then about inheritance and cascading wealth through generations and take a different example. This time Twickenham which is a seat where Vince Cable for the Liberal Democrats is fighting you very, very hard. An average house there costs £545,000. And again we take a couple, the chap’s got early onset dementia, he’s being cared for in his home and they’ve got a little bit of money in the bank but not much. Under your proposals they could lose virtually everything. Their children and their grandchildren who were hoping to inherit some of that wealth won’t be able to.

DG: Well when you say virtually everything –

AM: What is Conservative about that? It was going to be 500 and it’s now 100.

DG: A £100,000 is -

AM: Among five children.

DG: - is a reasonable inheritance to have and people who are lucky enough to have had great rises in property value will still I think decide that £100,000 is a better way of doing it. But this has got to be put in the context of this is funding the social care system.

AM: Of course, I understand there is a problem but I’m just asking you about your answers to it.

DG: Our answers to that problem mean that more money goes into the social care system. Everyone knows that there will be a decent inheritance for them. Nobody will have to lose their home during their lifetime or the lifetime of their surviving spouse. This is a much fairer system and it’s a much more stable system.
AM: The Conservatives used to believe in inheritance. This is a vast secret inheritance tax.

DG: No, it’s not.

AM: Yes it is. You’re a member of the Bow Group, you’re a member of the Bow Group.

DG: Am I?

AM: Yes, well you’ve written stuff for the Bow Group for many, many years.

DG: A long time ago. I haven’t written for the Bow Group for a long time.

AM: You’re a kind of Bow Group guy.

DG: No I’m not. You don’t know the Bow Group now. The Bow Group has gone off on a journey.

AM: The Bow Group says this is the biggest stealth tax in history.

DG: And Bow Group is wrong. We are saying that everyone can inherit £100,000. Regardless of the costs that the state and therefore the taxpayer has paid to them. One of the big issues that’s facing this country is intergenerational fairness, so we’ve – the system is fair –

AM: But the resource and the fairness about the lottery –

DG: - fair to older people and let me finish this. You’ve also got to be fair to people working now and paying taxes that is the only other way to pay for the care system. So this system we are proposing is fair both to pensioners and particularly that minority
of pensioners that may need long term care, but also to working tax payers and that’s the question you want to ask John McDonnell. How can we justify –

AM: Okay, I’ll ask him the questions I want to ask him.
Life is unfair generally. It’s very unfair that some people get dementia and some people don’t. Under the original Dilnot system we pooled the risk in society after a certain threshold and spread out the unfairness. If you are very unlucky and you get a terrible disease that means you’re being looked after at home, maybe a stroke where you don’t return to work or whatever it might be, and you’re being looked after at home then the rest of society will come in and help. You don’t have to pay again. Under the new proposals you are basically on your own for most of it. Here is what Sir Andrew Dilnot himself has said:
“People will be left helpless knowing that if they’re unlucky enough to suffer the need for care they will be entirely on their own until they’re down to the last £100,000 of all their wealth, including their house.” He was right last time and he’s right now.

DG: No I think there are two problems with what Andrew Dilnot proposed and it was a serious set of proposals. One is that the social insurance he proposed as a way of doing it, there are no products there for it, that market doesn’t exist. And the other of course is that his problem of as it were setting a cap rather than a floor meant that the distribution of the benefits became wildly uneven. You know we are a party that – Theresa May wants a country that works for everyone, so it’s got to work for people not just in Ashford, though clearly I care about them and Twickenham, but also in Hartlepool and in North Wales and in Scotland and so on, allowing everyone to know that there is this flat figure of £100,000 is fair to everyone.

AM: Very briefly, in Ashford and Twickenham and Scotland and lots of other places people hate this policy and it makes them
very, very nervous indeed. Is there any chance at all you’re going
to look at it again?

DG: No. What we said in the Manifesto incidentally just to put that
no in context, is that we have set out this policy which we’re not
going to look at again, there will be a green paper covering both
social care and health coming out in the summer, because we all
know that the long term solution to the social care crisis is better
integration of the NHS and social care. That’s the aim of our
policy. This is the first step along that road.

AM: I know you’re coming back to discuss this more later in the
programme but for now Damian Green thank you very much
indeed for joining us.