THE ANDREW MARR SHOW
INTERVIEW:
CAROLINE FLINT, MP
SHADOW ENERGY & CLIMATE CHANGE SECRETARY
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ANDREW MARR:
Ed Miliband’s plan to freeze energy prices and reform the energy market if he’s elected has not gone down too well with the power companies. The head honchos at Centrica, who own British Gas, have been complaining of political interference and they have called for a less confrontational approach. Well Labour’s Shadow Energy and Climate Change Minister Caroline Flint is here. Welcome.

CAROLINE FLINT:
Thank you.

ANDREW MARR:
Were you at all disturbed by what Centrica has had to say because their profits have gone down as well?

CAROLINE FLINT:
Well you know Centrica have been making good profits over the last few years and there’s been a slight dip, but there’s still healthy profits, but I have to say I think
Centrica is scaremongering on this issue. I don’t believe that the price freeze is doing to contribute to the lights going out. In fact in my discussions with other chief execs of the Big Six, that’s not something they’ve raised with me. Do they like the price freeze? No of course they don’t, but this is about making sure that we can give something back to consumers and, whilst the price freeze is on, re-set the energy market.

ANDREW MARR:
They’ve lost 20 per cent of their share value since this announcement, however. That is quite a big chunk.

CAROLINE FLINT:
Well share values go up and down, but we’ve got to set the right policies for the country, and in fact actually I think Centrica’s share value is higher than it was 18 months ago. So we’ve got to decide what’s right for the country. There is no doubt that the public are not happy with the Big Six, and not only do we want the price freeze but we want to open up the market and make it more competitive and more transparent.

ANDREW MARR:
Can I ask something I never understood? You have a 20 month price freeze. What happens at the end of it?

CAROLINE FLINT:
Well whilst the 20 month price freeze is happening, we’re going to take through our reforms. They include separating the generation and the supply side of the Big Six because at the moment they create energy, sell it to themselves and sell it onto us. For electricity, we’re going to create a pool where all electricity has to be traded in an open way. And importantly - and this is very important for consumers - we’re going to have a new regulator who will monitor wholesale prices; and if those wholesale prices go down, that must be passed onto consumers. But don’t forget, after the price freeze and everybody’s had their bills frozen, people will be looking around for a good deal. So what we want is a more dynamic, open and competitive market with these companies hungry for custom rather than taking it for granted.
ANDREW MARR:
I’m wondering would you cap price increases after that period?

CAROLINE FLINT:
No.

ANDREW MARR:
Would there be any government interference in price at all after the freeze?

CAROLINE FLINT:
What we’ve said - and we’ve been very clear about this, Andrew - is that we will give powers to the regulator to monitor wholesale costs, and of course our electricity pool will make that easier; and if wholesale costs go down and that is not reflected in our bills, then they can force the energy companies to pass that on. But what I want, to be honest, is fairer prices. I want the public to feel that you know even if bills do go up actually it’s a fair price they’re paying, and we for too long have had overcharging and poor customer practice and not a very competitive market.

ANDREW MARR:
So it’s a huge change to the market. What kind of dialogue is going on with the energy companies at the moment?

CAROLINE FLINT:
Well we have been talking, and I have been talking since I’ve been in the job, for the last two years about some of the reforms, and some of our package - around breaking up the generation supply, the pool, the regulator - that’s not new to the energy companies. And actually what I’ve found - and we’ve got a consultation underway at the moment - there is actually quite a lot of support for some of our proposals. And of course for smaller suppliers and independent generators, the chance to get into the electricity market and trade openly is something they would welcome.

ANDREW MARR:
Okay, can I ask you about nuclear power because with the global warming argument going on and so forth a lot of people are saying the only answer is nuclear. But the
Hinckley Point investment is I think the most expensive power station, conventional power station anywhere in the world. Prices are going to be set twice their current level and a lot of people are saying this is a simply unaffordable and ridiculous contract. Will you renegotiate it if you’re elected?

**CAROLINE FLINT:**
Well I support new nuclear build and clearly paying for a power station, nuclear power station is going to cost more than setting up a wind farm. But, don’t forget, not a penny is going to be paid until they start generating electricity. And when you look at the unit cost …

**ANDREW MARR:**
So you support this deal?

**CAROLINE FLINT:**
… when you look at the unit cost of electricity - and we’re talking about providing energy for sixty years that is low carbon - it’s actually cheaper than other renewable sources. But of course you know this is a contract that’s negotiated by this government. It’s not I think helpful for governments coming in, if you like, to say we’re going to renegotiate all contracts. I don’t think that’s right. But down the road obviously the Public Accounts Committee will look at the details of this, but I do believe nuclear is right and I do think it’s important to get the price right. And actually, going back to our reforms, an electricity pool will give actually governments of the future, hopefully a Labour one, much clearer ideas about what the reference price should be.

**ANDREW MARR:**
So if the Commons says this is a terrible deal and if the EU concludes (as it may well do) that this is an illegal deal, you will revisit it, will you?

**CAROLINE FLINT:**
No, we’re supporting …
CAROLINE FLINT:
… we’re supporting the contract because we believe in the long-run that actually it’s important. We hope that actually this is the first of many new nuclear builds and actually as we go forward the costs will come down. But it’s important to recognise that when you look at the unit cost of electricity generated by nuclear, it actually works out cheaper than other forms of renewable energy.

ANDREW MARR:
(over) So pro-nuclear, okay. Can I turn onto the Labour Party’s latest reforms because it now emerges that anyone who wants to be a supporter of the Labour Party just needs to pay £3 - not very much - as opposed to 40 odd pounds, the current membership fee, and get a vote in the leadership and all sorts of important things. Is this going to involve huge numbers of people, who may be not natural Labour Party supporters, coming in and infiltrating your party?

CAROLINE FLINT:
(laughs) Well I very much hope it’s going to bring large numbers of Labour supporters coming into our party and the opportunity for people who support our party but don’t quite want to become a full member to be able to elect the Leader of the Labour Party, take part in our policy discussions. I think it’s a fantastic opportunity. But we will have rules about you know when people sign up, they’re signing up to the values of the Labour Party. And if it turns out, as with any situation - whether you’re a full-time … full member or a supported member - you’re not signing up to that, then there will be action taken. But the truth is we want to build our party. We don’t want to be like the Tories where I think their membership’s just dipped under a hundred thousand and they rely on a few very rich donors. We want to open up our politics to others who support us and want to get involved, and I’m really looking forward to reaching out to those people in my constituency.

ANDREW MARR:
So you’re not worried about an en masse UKIP infiltration of the Labour Party?
CAROLINE FLINT:
No. No I’m not. I’m much more focused on you know the vast numbers of people out there who do vote Labour who’d like a chance to get more involved.

ANDREW MARR:
Right, the other part of your brief is of course climate change and flooding and so forth we’ve seen recently. Do you believe that we need a completely different level of investment on flood defences and defences around the coast?

CAROLINE FLINT:
Well I think we very much have to look at just how adequate our flood defences are, but also at climate change adaptation.

ANDREW MARR:
Well they’re inadequate at the moment.

CAROLINE FLINT:
Well they are inadequate at the moment and that’s quite clear. Sadly, back in 2010, a number of proposals for defences were choked off by this government, and they were proposals following the Pitt Review. What I think is right - and Ed Miliband has stated this in the last week - we need to have an independent review of flood protection in this country, and I think we need to do this on a cross party …

ANDREW MARR:
(over) Not another independent review!

CAROLINE FLINT:
Well actually we need to have a cross party consensus on this. Not only on what flood protection we need, but I actually hope you know in light of all this we can get back to where we were in 2008 where only five MPs voted against the Climate Change Act. I think the support for that has frayed in recent times …

ANDREW MARR:
It certainly has, yes.
CAROLINE FLINT:
… partly because actually we’ve got a lot of Tories on the back benches who don’t like renewable energy, don’t believe in climate change; but also, I have to say, David Cameron playing to UKIP as well. So let’s get back to where we were because it puts us in a strong position not only for combating climate change but also hopefully getting the jobs and opportunities that arise from doing things differently.

ANDREW MARR:
So when people complain about their energy prices shooting up partly because of Labour’s deal on carbon emissions in the last government, you’ve got no embarrassment about that? That’s the kind of thing you had to. Energy prices had to take the hit?

CAROLINE FLINT:
Part of where we need to get to is making sure in the future we can have cheaper costs. And actually John Gummer - who chairs the Committee on Climate Change, a former Conservative Environment Minister - has made it very clear that actually the costs of not moving to cleaner energy are going to far outweigh the costs we’ll pay in the future. But the costs have to be fair and that’s why we have to fix the market and make sure it’s more competitive, more transparent and certainly more accountable.

ANDREW MARR:
Okay dead simple question to finish with: are you pledging more money for this - yes or no?

CAROLINE FLINT:
For flood defences?

ANDREW MARR:
Yes.

CAROLINE FLINT:
What we’re saying is that we will look at it as part of our zero based review and make sure it’s prioritised within that, but I’m not going to …

ANDREW MARR:
(over) Zero based …

CAROLINE FLINT:
(over) … Andrew, I’m not going to come out on the programme with how much that should be. What I think is important …

ANDREW MARR:
(over) I’m just saying yes or no.

CAROLINE FLINT:
… what I’m thinking is that we’ve got to make sure it’s prioritised and the right amount of resources go there. And the Government have already done a u-turn on the sacking of five hundred staff at the Environment Agency, they’ve already said actually they’re already paying I think over a billion pounds more, and it’s false economics to have a situation where we don’t do the right thing in front and then pay more after.

ANDREW MARR:
Alright Caroline Flint, thank you very much indeed.

CAROLINE FLINT:
Thank you.

INTERVIEW ENDS