

# **“What is the point in having a British Government” says Peer as EU threatens to block state aid for Hinckley Point**

The independent Labour peer, Lord Stoddart of Swindon has questioned the point in having a British Government, when it no longer has the power to decide which industries it wishes to subsidise through state aid. His comments follow the Government's confirmation in a written response to Lord Stoddart that it needs the permission of the European Commission (30.12.13) for such funding and the Commission's subsequent announcement in a 70 page critique (31.01.14) that the funding may not be 'compatible' and could be ruled illegal state aid.

Lord Stoddart said: “This announcement from Commission Vice-President Almunia appears to be a prelude to the European Commission refusing to allow the Government to provide state aid for the construction of a nuclear power plant at Hinckley Point, undermining a project that is so vital to our energy supply. If true, you have to ask the question, what is the point in having a British Government, when it can no longer decide which industries it wishes to subsidise, in the interests of the British people?

“The unelected European Commission may well be going to over-rule our elected Government and effectively stop the development of our nuclear programme in its tracks, as investor confidence melts away. All of which leads to another fundamental question: what is the point in voting, when the people you elect are so utterly powerless?”

Ends

The full text of Lord Stoddart's question and the Government's answer is as follows:

**State Aid for Hinckley Point**

**Written reply: 30.12.13**

**Lord Stoddart of Swindon** – To ask Her Majesty's Government how long they expect the European Commission's inquiry into the

state aid being provided to support the building of a new nuclear plant at Hinckley Point to take; whether the investigation is likely to delay the start of the project or affect its cost; and whether the United Kingdom will be required to take account of that report's conclusions. HL4193.

**Baroness Verma**

The European Commission announced its decision to open an investigation into the State aid case for the proposed Hinckley Point C investment contract on 18<sup>th</sup> December. We welcome the investigation. The Commission's decision represents another important step forward in progression of the State aid case for Hinckley and is a standard part of the process. We have expected an investigation for some time and have built this into our planning.

The Commission has sole competence to determine our notification for State aid approval. We are working closely with them and would look to secure a decision as soon as practicable. The UK Government will need to abide by the final decision once it is made by the Commission following the investigation.