

## **A Reshuffle, the Return of an 'Old Face', Immigration, Boats and Tax Cuts – What More Can Sunak Do?**

**Dr. Steven McCabe, Associate Professor, Birmingham City University**

Prime Minister Rishi Sunak is confronted by what's widely accepted as an 'electoral mountain' to conquer if he wants to remain in charge of the country after the next general election.

According to latest data collected by YouGov, the Conservatives are 19% behind the Labour Party which is on 44% (YouGov, 2023).

Such a lead, if played out at the next general election, would not only ensure that a Labour win, but that the current Conservative government would be trounced.

A study commissioned by 38 Degrees campaign group and conducted by Survation "using a mega poll made up of more than 11,000 voters", predicts that Labour would win a landslide comparable to the 1997 general election when it was led by Tony Blair (Savage, 2023).

Employing a modelling technique known as multilevel regression and post-stratification (MRP) to every constituency, and which was used successfully to predict the 2017 general election, 38 Degrees claim the results indicate that every 'red wall' seat won by the Conservatives under Boris Johnson in December 2019 would be lost.

This survey shows that the Conservatives would achieve only 149 seats, but Labour would win 420 and have a majority of 190.

Given the outcome for Labour in December 2019, when the party ended up with its worst result since 1935, this would represent an incredible revival in fortunes.

38 Degrees predict the Conservatives could lose more than 20 so called 'blue wall' southern constituency seats.

Worse, it's also predicted that 12 cabinet ministers, including Deputy prime minister Oliver Dowden, defence secretary Grant Shapps and Penny Mordaunt, who is Leader of the House of Commons and Lord President of the Council, are in danger of losing their seats.

Labour in ending up with a 179-seat majority in May 1997 is regarded as an epoch moment in British politics.

It marked the end of the Conservatives who'd governed continuously since May 1979 when Margaret Thatcher came to power vowing to be radical in introducing policies to tackle the curse of inflation as well as what was seen as too much power being wielded by trade unions that, her party and its supported argued, severely undermined competitiveness.

Rishi Sunak is surely well aware that unless he can improve his party's popularity, he's in danger of suffering an outcome as bad as 1997.

Assuming 38 Degrees' prediction of 149 Conservative MPs after the next general election is correct, and given it currently has 350 MP (UK Parliament, 2023), some 200 Conservatives MPs would be looking for a new career.

Sunak has engaged in a number of actions recently to achieve a new look to his party.

One, the reshuffle that took place on 13<sup>th</sup> November, to the surprise of no-one, led to Home Secretary Suella Braverman being sacked and replaced by James Cleverly who moved from the Foreign Office.

Getting rid of Braverman who, due to outspoken statements at odds with government policy, and widely believed to have become a liability, was seen as logical.

However, because Braverman maintains support among the hard right her party, she may continue to be a threat by acting as a 'lightening rod' for discontent within the party over issues considered critical to the Conservatives having won the 2019 election.

Significantly, in voting to 'Get Brexit Done', as former PM Boris Johnson had promised, many voters, particularly in the former Labour 'red wall' seats, it's assumed they thought immigration would decrease.

Though immigration from the European Union may have gone down, last week's figures published by the Office for National Statistics showed that net migration into the UK for the year ending last December had risen to 745,000 (Ferguson, 2023).

This figure is three times greater than the level before this country left the EU and was bound to cause fury within the Conservative Party.

Rishi Sunak has promised to "clamp down" on immigration and acknowledged there's "obviously a lot more to do" to deal with an issue many assert, due to rising anger at indigenous people believing they suffered by losing employment opportunities and access to housing, was a major reason for the outcome of referendum being to leave the EU.

The 745,000 number, the difference between people who come to the UK legally and those who leave the UK of their own volition, does not include the numbers who arrive through other means, most especially by boats crossing the English Channel from France.

As the Migration Observatory based at Oxford University reports on its website, some 46,000 people arrived in Britain by crossing the English Channel in small boats in 2022. For the first six months of this year 11,500 came to this country by boats across the Channel, a reduction of 10% (2023).

Those who arrive by boats are able to claim asylum when they arrive and, until a decision about their ability to remain is taken, a process that taking many months at the least, according to Peter Walsh, a senior researcher at the Migration Observatory, costs £20,000.

Such people are not allowed to work whilst their claim is being processed and given accommodation at public expense.

There are 175,000 people awaiting a decision by Home Office officials on their ability to remain in the UK (Maidment, 2023).

Migration Observatory data indicates that of the 92% of those arriving in small boat from 2018 to March 2023 claimed asylum and "of the small share who had received a decision by March 2023, 86% received a grant of protection" (*ibid*).

In August this year the Home Office announced spending on those seeking asylum had increased by £1.85 billion, from £2.12 billion in 2021/22, to stand at £3.97 billion in 2022/23 "six times the £631mn in 2018 when the asylum backlog began to build" (Wallis and Romei, 2023).

Whilst Sunak has stated this cost is unacceptable and stated his intention to do everything possible to 'Stop the Boats', many believe there is actually little that can be done to deal with the problem.

Despite passing the Illegal Migration Act in July, which puts a legal onus on the home secretary to detain and deport those arriving 'illegally', many assert that Sunak continuing to claim that sending those seeking asylum to Rwanda will not make any difference.

Instead, it's argued, what's urgently needed is a more considered policy to deal with a problem that involves insidious issue and requiring enhanced cooperation with the country from which the asylum seekers originate, France.

It's believed that seeking such cooperation may have been one of the reasons why Sunak sprang the greatest surprise of his reshuffle in appointing former PM David Cameron as the Foreign Secretary to replace James Cleverly.

Sunak may believe that newly ennobled Lord Cameron may be able use his urbane skills of influence to achieve rapprochement with the EU in general, and France in particular, to deal with those organising for people, including families and young children, to cross the Channel in order to claim asylum.

*Financial Times'* Robert Shrimmsley, writing in the immediate aftermath of the reshuffle, believes that Sunak in selecting Cameron as Foreign Secretary signals "a government running on fumes" (2023).

Shrimmsley, contends Sunak's reshuffle suggests a party "now more concerned about the loss of liberal-leaning southern voters than Leave-minded northern ones — though whether any of these will view Cameron as a welcome return must be debatable."

Initial reactions indicate voters are not terribly impressed by the changes made by Sunak in his reshuffle.

Which brings us to last week's Autumn Statement delivered by Chancellor Jeremy Hunt.

Described as intended to encourage growth by stimulating boost investment by businesses, it also contained an announcement to cut National Insurance by two pence from the 6<sup>th</sup> January 2024.

In analysing any major statement on government finances, it's important to examine the detail of any announcements.

Chancellors set out to generate favourable headlines that will, they hope, increase the party's popularity.

However, as *Guardian/Observer's* Political Editor Toby Helm reports, according to an Opinium poll for the Observer, "Rishi Sunak has received no poll bounce after cutting taxes" (2023).

Analysis by the Resolution Foundation, a thinktank dedicated to campaigning to improve the standard of living of low-to-middle income families, suggests that anaemic economic growth, persistent higher inflation than the 2% target the Bank of England is pursuing, as well as higher taxes benefiting the richest 20% of earners, means average households will be £1,900 worse off by January 2025 when compared to December 2019 (Inman and Partington, 2023).

Business, supposedly at the heart of Hunt's announcements, are relatively nonplussed as to the potential impact of the range of incentives offered by Hunt in his statement (O'Dwyer, 2023; BBC, 2023).

Notably, economist William Keegan writing in the *Observer* believes that the fact that we are outside of the EU will continue to undermine investment in this country (2023).

In particular, Keegan believes that Hunt's statement failed to sufficiently consider how productivity has been negatively impacted by the UK being outside the largest trading bloc in the world:

"Improvements in productivity were undoubtedly held back by the financial crisis of 2007-08 and the post-2010 policy of austerity. And then came Brexit. The truth is that entry into the European Economic Community in 1973 and joining the single market which the Thatcher government had done so much to help create in the mid-1980s, had a beneficent impact on the UK's productivity; but since the 2016 referendum we have gone backwards."

So, there we have it.

Brexit continues to be a factor in everything that's occurred politically and economically since Cameron's ill-fated decision to hold a referendum on continued membership of the EU that, once the outcome was known the day after the vote on 23<sup>rd</sup> June 2016, resulted in his resignation as leader of the Conservatives, lit the touchpaper on the political that Brexit has been.

Unfortunately, Brexit's impact will be a drag on the British economy for many years to come.

Voters deserve genuine debate by all political parties about the reality that our departure from the EU has produced and whether continued absence from this organisation is sensible.

This is unlikely to happen anytime soon.

As Sunak inevitably considers his own future, he may wish to reflect on the wisdom of his continued belief that leaving the EU has benefitted the UK.

Indeed, given the dreadful state of his party enjoys in the opinion polls, he might consider doing something really radical and acknowledge what a mistake this decision has been.

The chances of him doing this are, it must be accepted, probably zero.

Instead, whilst Sunak leads his increasingly disunited party, and until the next general election, the UK's economy will, as the expression states, go to hell in a handcart.

We all lose out as a consequence.

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