

## The Small boats Bill

There was a strong divide in the Commons yesterday, with much better attendance than usual for the debate on the small boats bill. Labour, the SNP and Lib Dems were angry about the idea that people arriving on illegal boats should be asked to leave and will lose their right to apply for asylum here in the UK. They thought this would be against Human Rights law and were on the side of the people paying large fares to gain illegal entry.

Many Conservatives were only concerned about whether this Bill will be strong enough to act as a clear deterrent to people not to spend their money on dangerous crossings, lining the pockets of people traffickers. More concern was expressed about the risk to lives and less about the legal issues. There were questions about whether this Bill would be proof against endless appeals and legal claims against any rejection of an asylum application. The Home Secretary pointed out that many of those coming by illegal means come from safe countries. She told us that many Albanians have now been required to return to their home.

There was argument over the adequacy of existing safe routes. The Opposition spoke as if there were few or no such routes, and as if the UK did not take enough people in need. The government pointed to the Afghan, Syrian, Ukrainian and Hong Kong schemes which are much used. It also reminded the House that there are schemes for people from any qualifying country around the world, with the family reunion route, the Community support route and the general UNHCR scheme. The UK has found homes for a large number of Ukrainians and Hong Kong citizens in recent months.

There was an unwillingness by the Opposition to accept the idea that the country should set a maximum for the numbers of asylum seekers we can take in any given year, given the need to provide good homes, schools, health care and the rest for new arrivals. Most did agree that migrants occupying more and more hotels at taxpayer expense was not a good model, though there was less agreement over how much such emergency accommodation was needed and to what standard. This is going to be a major divide in Parliament over the next few weeks, and will pose a challenge to the Lords.

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## The collapse of Silicon Valley Bank UK

Last week Bank account users at SVB UK could withdraw their money or make their payments from their bank accounts safe in the knowledge that the UK Regulators thought it solvent and well run. It had its banking licence. Any regulated bank should have access to Bank of England funds in the event of a sudden increase in withdrawals straining the bank's liquid reserves available to pay out.

Last weekend the Bank of England announced its plan to put SVB into administration. This followed a similar move by the US authorities on the parent bank in the USA. It happened despite UK SVB telling people that it was ring fenced from the US operations. I thought it was meant to be independently regulated in the UK.

All this leads me to ask why did the Regulators change their mind last weekend about its solvency? Was there some requirement from the US parent that did require money from the UK Bank? Or did the Regulators discover things had gone wrong in the UK Bank?

If the UK Bank had invested in bonds which had then lost lots of money as some press comment suggests the U.S. bank had, the Bank of England would have known that in the autumn when they launched their Quantitative tightening programme on the eve of the Kwarteng budget. They had the clear wish to drive bond prices down to get interest rates higher. When they saw their impact on LDI funds owning bonds they should also have seen the impact on banks holding bonds direct as investments. If some venture capital loans had gone wrong for SVB again the Regulators should have known their exposures and asked about their bad debt position.

Whatever the banking issues there needs to be a quick fix so companies with trading money on deposit with SVB can access it to carry on their businesses. We do not want taxpayers to have to bail them all out. We want good banking regulation and an orderly wind down of SVB if there are good reasons to take it into administration. A takeover by another bank which protects the depositors would be a good idea in such circumstances.

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## [The balance between spending and taxing](#)

There are stories in the press suggesting the Chancellor will have some scope to boost spending or cut taxes in the budget. There are also suggestions that boosting spending will take priority.

It would be good first to create more room to make changes. We read work on getting more people into jobs is going well. If more people take up paid employment benefit and tax credit spending falls and tax revenues rise. The inflation rate is coming down, so they need to put a large saving on debt interest into the figures. Last year debt interest on their accounting basis soared thank to the large rise in inflation linked debt costs. There will be big savings on the energy package which should be allowed to run off this year.

There are comments that defence will get some more money. It needs to restock ammunition and weapons to replace that sent to Ukraine. It needs to get up to

strength on personnel numbers.

The NHS will need help with meeting the extra pay bills. It also needs to review its current spending priorities and see where the large increases of the last three years have gone. Childcare may need expansion as part of the workforce package. There is talk of more energy subsidy than planned.

It is vital there is scope for tax cuts. Some of these will boost revenues though OBR forecasts will say otherwise. Without more growth we will struggle to afford good public services. High tax rates can induce a cycle of decline by deterring enterprise and investment.

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## Why pay the French to enforce their Laws?

I would have thought the French would want to stop the dangerous criminal boat businesses from their beaches. They act as a magnet meaning too many people congregate near the beaches and live rough close to their ports and seaside settlements. Do the people of France want these unhappy camps? Do they not have a better legal answer for the residents there? Are they happy with such settlements in their neighbourhoods?

It also means they fail to tackle obvious criminality by the boat organisers.

The criminals who run the boat services are doubtless breaking some or all of the following laws

- 1 Offering sea passages for fares without a licence
- 2 Overloading boats , risking the passengers
- 3 Using unsuitable boats for Channel conditions
4. Failing to keep a manifest of the passengers
5. Failing to declare revenue and profits to the tax authorities
- 6 Using the proceeds of crime
- 7 Aiding people seeking to break migration laws
- 8 Accepting passengers without a valid passport or travel document
- 9 Launching passenger boats and embarking passengers without a proper jetty or pier
- 10 Encouraging or assisting people into illegal work on arrival at

destination.

They may well be committing even more serious crimes if they do lose passengers overboard or lose the boat, or if their activities spread into other illegal businesses.

It should not take UK encouragement and money to get these laws enforced. It should be possible for the French authorities to see these boats leaving with too many people on which they should intercept. Their intelligence services should be following the money and working out the big business gangs behind much of this. They could be mystery shoppers asking rates and times of crossings. They could be talking to people in the camps and woods by the sea about ways for them to get a better life legally.

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## The civil service and its role

When I was a Minister I stuck to the rules. Everything I did was done with officials present or seeing the papers. I always considered the official advice carefully. The relationship needed to be properly conducted, with the Minister handling any politics outside the Ministerial office and without the back up of the civil service. As a Minister you need to understand you have to govern in the interests of the whole country, should not offer favours to your own side, and often have to operate in a quasi judicial capacity. Ministers are above all beneath the law like everyone else. The privilege is you can change the law for the future.

You also need to understand you are on your own, you will take the blame for any mistake made in your department, whoever made it, and you cannot always rely on official advice. Whilst always saying please and thank you to your officials you should not always agree with their preferred consensus view. Often I would need to hold a review meeting for the advice sent, and encourage officials to recreate the proper arguments and choices they should have considered before they had reached a single consensus piece of advice. Sometimes my own experience and past knowledge inclined me to make a decision that was not the one recommended. Quite often it was better to choose a decisive option than a compromise one.

If you review civil service advice in an area you know well you can often see the problems with it. Officials change jobs far too often, limiting the amount they know about any specialist area. They often lack specialist expertise and write generalised advice or commentaries. Sometimes they draw on the work of outside bodies and companies to fill out their knowledge, which can introduce bias into the advice to a Minister. He is not made aware of where the information came from and why it was produced. The civil service needs to keep more people in worthwhile jobs for longer and back them up with more relevant training in the given area. I tested out advice by inviting in outside interests to tell me their views, knowing their bias but

recognising their understanding of the affected area.

The civil service needs to rate administration as highly as policy advice. Arguing through a new policy and setting it out to Parliament is the starting point, not the final product. What matters is implementation. There needs to be more audit and analysis of how a launch of a new policy has gone, with a willingness to amend or remove if it miscarries.

The Hancock Whatsapp and message revelations reveal some unusual developments in Minister-official relations. I objected at the time to senior officials making presentations to the media and nation about the pandemic. That along with the underlying decisions is a Minister's job. Officials should concentrate on getting the data and advice right, and on implementing the decisions like the vaccine roll out and the need for extra hospital capacity. Civil servants should not be judging which Ministers to do things or which Ministers to back. Ministers should have held officials accountable inside government for the poor data, the changes of base for the data and the failure of some officials to even follow their own lock down rules. Ministers of course needed good science, but they had to balance the uncertain early science about the pandemic with the impact on the economy and personal freedoms of some of the options.