

London Playbook: 48 hours in Bali — Bridge over troubled water — Hunting for cash

Esther Webber

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Good Monday morning. This is Esther Webber with you today and Tuesday.

WHILE YOU WERE SLEEPING: After clinching the Senate, U.S. Democrats are now eyeing the slim possibility that with 20 seats left uncalled they might hold the lower chamber as well. Any majority for either party is likely to be incredibly narrow, a disappointment for the Republican Party that was until recently crowing about a red wave. Read all the latest coverage on [our U.S. home page](#).

DRIVING THE DAY

48 HOURS IN BALI: Rishi Sunak will touch down in Indonesia in a few hours' time for his first G20 summit as prime minister. Meanwhile, his home secretary is in Paris about to sign a deal with France to deter migrants from crossing the Channel. Sunak's rendezvous in Bali is the most highly anticipated such meeting in recent history, with Russia's invasion of Ukraine, resulting soaring food and energy prices and broader tensions between the West and the rest all on the agenda.

To kick things off: The PM has chalked up a diplomatic success in the form of a forthcoming deal with the French on small boats crossing the Channel. There were reports [in the Telegraph](#) and [the FT](#) over the weekend that ministers had reached an agreement to increase patrols on beaches in northern France and collaborate on policing. Oh, and hand over more money to Paris. An official announcement is expected imminently.

Bali bilat marathon: Sunak is expected to squeeze in one bilateral meeting today (the plane lands around 7 p.m. local time) before embarking on a whirlwind 48 hours with no fewer than seven bilats lined up. They will be with the leaders of the U.S., Canada, India, Saudi Arabia, Australia, Indonesia and Japan (as revealed by Playbook last week).

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FOMO: While the trip is a chance for Sunak to make his mark on the international stage, the grueling long-haul round-trip comes at the most sensitive moment in the domestic calendar for the newish PM as he finalizes the detail of the all-important fall statement. Chancellor Jeremy Hunt will be up late with his red pen over the next few days as he gets ready for D-Day on Thursday.

Notes from the plane: Playbook's Eleni Courea is part of the Lobby pack traveling with Sunak and will be bringing Playbook readers all the hot goss and news from the summit. Reporters who filed onto the government plane for the 17-hour flight yesterday afternoon divided into two groups, those who cracked open the pink Prosecco and G&Ts on take-off and those who stuck — at least initially — to tomato juice.

Look away if you're eating breakfast: The biggest scandal of the flight was the decision to serve scones with clotted cream from Wiltshire and no jam. Those who had taken drink were perhaps less equipped to stomach the first of three in-flight meals which arrived a few hours later — mystery meat swimming in a watery brown gravy accompanied by cabbage and cold shrimp salad. Mmm.

Sticking to the script: Sunak is keen to use the summit to talk about global economic instability and soaring food and energy prices. He released a five-point plan for tackling those challenges last night, including reducing dependence on Russian gas. Downing Street wants the fall statement on Thursday to set an international example on how countries can stand firm against Russia in the face of economic pressure.

Stability is everything: The PM — in a shirt and suit trousers, though he changed into his trademark tech bro hoodie and a tracksuit post-huddle — told reporters on the plane that while financial conditions in the U.K. have stabilized, they have done so “because people expect the government to take the decisions that will put our public finances on a sustainable trajectory, and it's the government's job to deliver on that. That's what the chancellor will do.”

It's not just the economy, stupid: No doubt economic upheaval will be a big theme in Bali, but the summit will be dominated by geopolitical tensions which Sunak is inexperienced in handling. If you haven't already read it, now's a good time to catch up on Eleni's G20 preview, which finds a PM in search of a foreign policy. His presence at the G20 will mean the first encounter between a U.K. prime minister and a Russian government figure — Foreign Minister Sergey Lavrov is attending on behalf of Vladimir Putin — since the invasion of Ukraine in February.

Rogue one: Sunak signaled his intention to continue his predecessors' tough line on Ukraine with an op-ed in the Telegraph in which he labels Russia “a rogue state.” He calls out Putin for his no-show in Bali, saying: “The man who is responsible for so much bloodshed in Ukraine and economic strife around the world will not be there to face his peers.”

Tall order: As Jessica Elgot writes in her curtain raiser for the Guardian, Russia's membership of the G20 casts a long shadow, with British officials acknowledging it will be nearly impossible for the leaders to agree a communiqué at all. Then add to the mix this scoop from POLITICO's Stuart Lau, who's learned that senior Indonesian politicians are lobbying Western leaders to limit

criticism of Russia in a last-ditch effort to avoid leaving the summit without a joint declaration, and last year's meeting in Rome seems like a walk in the park.

Smile, you're on camera: Plans for the traditional G20 "family photo" had been scrapped this year to spare leaders the embarrassment of being pictured smiling next to Lavrov (not least because Ukrainian President Volodymyr Zelenskyy is expected to participate). Indonesian president and summit host Joko Widodo hasn't been happy with that, however — and Eleni now hears that to square the circle, G20 organizers are discussing taking a family photo of just heads of state and government as a way of freezing Lavrov out.

Reminder: Investigators have uncovered more than 400 war crimes in the retaken city of Kherson, Ukrainian President Volodymyr Zelenskyy claimed yesterday. Zelenskyy said the bodies of civilians and soldiers have been found since the city was liberated Friday. [More here](#) from the BBC.

Also on the agenda: U.S. President Joe Biden, boosted by an unexpectedly strong set of midterm results, is meeting Chinese President Xi Jinping today. Stuart Lau reports the meeting is tentatively scheduled to start at 5:30 p.m. local time (9:30 a.m. London time), and according to U.S. officials could last hours. The Irish Times' Denis Staunton [writes](#) that both will want to deliver a set of red lines not to be crossed in dealing with Taiwan — but at the same time, they may see this as an opportunity to stabilize their deteriorating relationship.

BRIDGE OVER TROUBLED WATERS: Teeing things up nicely for Sunak's foray into global glad-handing, the FT's Seb Payne and Leila Abboud got the [scoop](#) that the U.K. is on the verge of an agreement with France to tackle the number of migrants arriving in small boats. Home Secretary Suella Braverman will be in Paris this morning to seal the deal, which was confirmed by a French official to my [Playbook Paris colleagues](#).

What's in the deal: The pact is expected to include an increase in the number of reserve officers patrolling beaches in northern France from 200 to 300, Playbook Paris reports. The annual amount paid by the U.K. toward prevention efforts is expected to increase from £54 million to around £60 million in 2022-23. U.K. officers will be embedded with French counterparts as observers for the first time.

But but but: As nearly every paper notes today, more than 40,000 people have reached Britain this year across the Channel, and today's plan doesn't address the flaws at the heart of the processing system. As Holly Bancroft [reports](#) on the front of the Independent, 10,000 asylum seekers have been waiting for a decision for three years or more — four times the number facing the same wait 18 months ago.

Magic number: The Times team has heard that Home Office officials believe if the French interception rate can reach 75 percent, it will be enough to destroy the business model of people smugglers. One problem: the rate dropped from 50 percent last year to 42 percent this year.

A FINE BROMANCE: As luck would have it, POLITICO's Cristina Gallardo and Clea Caulcutt [have a stocktake today](#) on the Anglo-French relationship, with signs that love may finally be blossoming across the English Channel. Two slick, wealthy, diminutive investment

bankers in their early 40s, with penchants for power, pragmatism and the politics of the center-right. Surely these guys are bound to get along?

Coming on strong: One delightful nugget in the piece comes from a government official with knowledge of the first phonecall between the two men, who claimed Sunak “just so obviously wanted to make it work, it was all a bit desperate. He went straight in there at the start and was like — ‘I just want to say, I see you as a friend, alright? A friend, OK? ‘And then he kept coming back to it again and again later. ‘A friend. A friend.’”

Going steady: After that, the all-important first date appeared to go well — a bilateral meeting on the margins of COP27, at which Macron was sufficiently charmed to invite Sunak back to Paris (he has yet to formally respond). The pair will meet again in Bali, and the first formal Anglo-French summit in five years is being planned for early next year.

Future prospects: Cristina and Clea report that the mood music on Brexit is increasingly positive, with one EU diplomat telling them that Sunak — despite having voted Leave in 2016, unlike his predecessor Liz Truss — is seen across Europe as solutions-focused, rather than as an “opportunist” who jumped on the Brexit bandwagon to further his career. Officials on both sides are cautiously hopeful a deal on the Northern Ireland protocol can be done by the spring, in time for the 25th anniversary of the Good Friday Agreement, when Biden is expected to fly in.

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TODAY IN WESTMINSTER

HUNTING FOR CASH: Out and about at the weekend ahead of his big week, the chancellor sounded the bad news klaxon loud and clear, spelling out that everybody will have to pay more taxes — and his comments continue to occupy the papers today. He was talking to the BBC’s Laura Kuenssberg, who reckons we are going to see spending cuts of about £35 billion and plans to raise some £20 billion in tax announced in Thursday’s statement.

O-B-Arggh: The FT’s splash by Chris Giles and Sebastian Payne uncovers the grim forecasts behind his plans, as they hear Hunt has been warned that U.K. public borrowing will be about £70 billion larger than expected. The Office for Budget Responsibility estimates that a worse economic outlook will raise government borrowing close to £100 billion in 2026-27, an ally of the chancellor tells them. By way of comparison, back in March the OBR had calculated a budget deficit of just £31.6 billion for that year.

Gilt complex: As the FT explains, Roughly half of the £70 billion increase in borrowing is caused by higher anticipated costs of servicing government debt. The rest is driven by a poorer economic growth outlook hitting tax revenues and inflation raising the cost of welfare benefits and state pensions.

The Sunak model: The i’s Arj Singh and Tel’s Daniel Martin have both picked up that as Hunt rewrites the Truss plan for a blanket energy price guarantee, he will instead announce a system of grants for the low-paid, vulnerable and pensioners and a higher price cap for everyone else.

This would fit with his emphasis on “constraints” to the energy package over the weekend, and with the PM’s preference for discrete, targeted and time-limited payments, as with the Universal Credit uplift during the pandemic.

Hold on to your pennies: This follows the Sunday Times’ sitdown with Hunt, which included the line that he is expected to confirm average household bills will now rise significantly. Harry Yorke and Caroline Wheeler have it that while plans for the energy price scheme to be extended beyond April are still being thrashed out, internal government estimates suggest household energy bills could rise by up to £600.

Cold comfort: The practical consequences are spelled out on the front of the i, where Arj reports more than half of councils in England and Wales are in the process of setting up “warm rooms” where people can take shelter if they can’t afford to turn the heating on.

Generation gap: Resolution Foundation researchers have worked out that older people will face the greatest income squeeze from surging energy costs this winter, but young people will struggle most to afford their bills. Over-75s are expected to spend 8 percent of their total household income on bills, even with significant government support — but younger households are most at risk of being unable to pay bills or falling into arrears, according to their analysis out today.

Still MIA: Any sense of where £35 billion in cuts might fall. “Efficiency savings” ain’t gonna cut it this time.

Health warning: Although Hunt is expected to protect the health budget, that may not be enough to solve the problems highlighted on two of the front pages today. In the Guardian, Nicola Davis and Carmen Aguila Garcia have worked out that in parts of England as many as one in three hospital beds are occupied by patients who are well enough to be discharged but because of a lack of social care do not have anywhere to go. And in an interview with the Mail’s Kate Pickles, top A&E doctor Adrian Boyle describes hospitals as “lobster traps” for the elderly where they may suffer harm.

Enter council tax? With that in mind, the Times’ Oliver Wright writes that Hunt may now look at allowing further rises in council tax next year in order to ease pressures on social care. At present, councils responsible for social care can raise bills by 2.99 percent plus a 1 percent levy for social care, and if they want to increase them any further they have to call a local referendum.

Marked down: Giving Hunt even less room for maneuver, a group of 28 Tory MPs has written to the chancellor to warn that it “would not be morally right” to reduce education spending while schools and children are recovering from the pandemic. The letter, seen by the Times’ Henry Zeffman, has been signed by Kit Malthouse, Truss’ education secretary, and his entire ministerial team as well as six other former Cabinet ministers.

Hope against hope: Despite Hunt firmly ruling out the appearance of any rabbits, the CBI urges him not to ignore measures to encourage growth, warning that businesses could “go into hibernation” if the chancellor does not offer reasons to invest — which means supply-side reforms include immigration, planning and regulation. Tony Danker, CBI director-general, said:

“while I have no problem with tough choices to deliver stability, I do worry that the government won’t take tough choices to deliver growth.”

Hands off R&D: In another warning on growth, the Onward think tank has a report out urging the chancellor to maintain the government’s commitment to R&D in the fall statement, or risk jeopardizing any economic benefits. Ministers should focus on reducing complexity and tackle fraud in the tax credit scheme in order to boost value for money, Onward says.

LABOUR’S HOME FRONT: Keir Starmer is visiting Milton Keynes in the morning with Shadow Chancellor Rachel Reeves, where they will meet first-time buyers to discuss the effects of rising mortgage costs and big up their promise to be “the party of home ownership.” Ahead of the visit, new analysis by the party shows first-time buyers in the U.K. now face paying £1 in every £4 they earn on their mortgage. Aside from the general “bring down inflation” aspiration, Labour is promising a mortgage guarantee scheme with the aim of helping out people who can’t get hold of a big deposit.

Crime day: Later in the day, Starmer will continue maneuvering his tank onto the Conservatives’ assorted lawns as he meets with trained close protection officers from underrepresented groups in the police force.

DOM IN THE SPOTLIGHT: Questions over Justice Secretary and Deputy PM Dominic Raab’s behavior are not going away, as ITV’s Anushka Asthana reports eight people working in his private office when he was foreign secretary claimed to have been bullied or harassed at work. The results of an HR survey leaked to ITV show that 15 people in the office reported seeing someone else being bullied or treated unfairly.

Mixed picture: One of Anushka’s sources said there were no complaints about Raab himself — but others who worked in the Foreign Office claimed there were suggestions of similar conduct by him to that claimed in the Ministry of Justice. Sunak has so far been silent after a bumper weekend of allegations about his righthand man, underlining the reality that a clean slate in Westminster turns out to be more difficult than he might have imagined.

BADENOCH ABROAD: Trade Secretary Kemi Badenoch is traveling to D.C. today to meet congressional leaders after the midterms. She will be making the case to key political players that now is the time to boost the transatlantic relationship by confronting rising protectionism and authoritarianism. Badenoch superfans can tune in at midnight to see her talk on the future of trade and security at the CATO Institute.

HOUSE OF COMMONS: Sits from 2.30 p.m. with Home Office questions ... Any UQs or statements will be followed by two general debates — one on the Aussie and New Zealand trade deals, and one on Ukraine.

COMMITTEE CORRIDOR: Treasury committee MPs will be looking at the risks involved in using crypto, which should be fun after recent events (3.15 p.m.) ... Foreign Secretary **James Cleverly** is up in front of the foreign affairs committee (4 p.m.) ... and the leveling up committee will be looking at the best ways of funding leveling up and allocating resources (4.45 p.m.). Full list here.

HOUSE OF LORDS: Sits from 2.30 p.m. with two new peers to look at — hedge fund dude and Tory donor Michael Hintze plus City Hall Deputy Mayor Fiona Twycross ... Followed by questions on communications between government and the City, “Jet Zero” and sewage in rivers ... and then the main business will be committee stage scrutiny of the Higher Education (Freedom of Speech) Bill.

Pro-tip: If Hunt is looking for tips he could head along to Westminster Hall today, where Labour’s Stephen Timms is leading what’s thought to be (incredibly) parliament’s first-ever dedicated debate on maths. It’s called “celebrating the contribution of maths to society” — but let’s see how any of us feel about that sentiment on Friday.

ICYMI: The new edition of the House mag is out in print tomorrow with plenty to enjoy from Nadine Dorries’ cover interview. She uses air quotes around “government” when talking about Sunak’s administration and brands it “gun shy.”

HANCOCK WATCH

WATCHING HANCOCK SO YOU DON’T HAVE TO: Matt Hancock’s latest day in the jungle began with a yelp. A tiny scorpion channeled the feelings of his former colleagues on the Tory benches by stinging the whipless MP, who made quite a big deal out of his pain. Readers will be relieved to hear that he is completely fine, despite making his first trip to the I’m A Celeb medics.

The morning didn’t exactly pick up ... for the former health secretary, who then wandered over the jungle bridge and swapped the House of Commons for the “house of horrors” — his fifth trial in a row. In a horror movie-style dolls’ house, Hancock was tasked with avoiding critters and claiming the 11 stars hidden in the rooms. As has been a common theme so far, he was pretty unfazed for the most part and even happily spent what felt like an eternity shoveling offal out of a giant bath tub. Anyone who enjoys the idea of that image can see the vid here.

Snakes, snakes everywhere: Hancock faced his biggest fear in the last room — several snakes which did not look pleased to see him. The Commons tea room jokes write themselves. One particularly angry looking snake did not take very well to our Matt and went on the attack, lunging at him twice as he scavenged for the remaining stars. As you would, he looked terrified. He told another campmate later on that he was “absolutely shitting myself.” Hancock finished the trial with another respectable haul regardless, with nine stars out of 11.

NOT ANOTHER ONE: A leadership contest came next for Hancock, whose only previous experience of this came in 2019 when he finished a distant sixth and promptly withdrew. Instead of Boris Johnson and Rory Stewart, his competition, after a vote among the public, was Mike Tindall: a rugby legend and actual royal. Along with his running mate, Loose Women panellist Charlene White, Hancock went to battle with Tindall in a weird blindfolded challenge involving lights and a button that covered their teammate in guts and gunk.

Glimpse into a parallel universe: To the disgust of Tindall — “I’m devastated to have been beaten not because I’m a sportsman, but because I got beaten by Matt Hancock” — and a few of the other campmates, Hancock was crowned the winner and new leader of the camp. In his new

role, the former health secretary has the ultimate prime ministerial responsibility: delegating camp tasks to others while doing none of them himself. “We’ll see if he can outlast this lettuce,” Ant and Dec deadpanned, obviously.

But but but: His new status at camp leader did not exempt him from being voted in to do a sixth trial in a row. You can see Hancock taking on “Deserted Down Under” from 9 p.m. tonight.