BORIS LOOKS TO THE CITY AS RIVALS EYE CABINET JOBS

ALEXANDRA ROGERS
@city_aronagers

TORY leadership favourite Boris Johnson is preparing a charm offensive in the City as he tries to win over the finance chiefs he alienated during the 2016 referendum.

Johnson, who remains the frontrunner to be the next Prime Minister with the backing of 114 MPs, is to meet 25 business leaders tomorrow morning in an attempt to build bridges with the City.

Links that Johnson formed while he was the mayor of London were damaged when he was reported to have said “f**k business” in response to business groups’ opposition to Brexit last year – a move that prompted former CBI chief Lord Digby Jones to dismiss Johnson as “irrelevant and offensive”.

However, in a sign that business leaders are warming to the idea of a Johnson premiership, tycoon Lord Alan Sugar announced on Friday that he would be backing the frontrunner.

He told City A.M that he doubted Johnson said the expletive, and added: “I back him simply because the public like him, he did a good job as the mayor of London, and anybody who will win the vote in the next General Election against Jeremy Corbyn I would back.”

One City figure familiar with Johnson’s leadership strategy said he expected the threat of a Corbyn victory to feature heavily in the talks, and conceded that while the frontrunner had some making up to do with the business community, “people do like meeting Boris, they like being wooed by him.”

Iain Anderson, chairman of communications giant Cicero Global, said there was a “need to come together” following Johnson’s comments on business last year.

He said firms in the City were now “decoding” what kind of Prime Minister Johnson would be.

“When he was the mayor of London, businesses and the City warmed to him,” he said.

“If he is going to be that kind of Prime Minister then there will be plenty of dialogue. But if he is going to be the hard Brexiteer version, things will be much more difficult.”

Johnson has already secured the backing of senior financiers, according to the latest declaration of MPs interests. Johan Christofferson, who manages a private equity firm, donated £16,000 to the former foreign secretary in March, while fellow hedge fund manager Jon Wood donated £25,000 to Johnson last month.

The cause of the outages was unclear last night, but authorities said they were looking into what happened.

Power slowly started returning to homes across the country, but blackouts were expected to last into the night in some places.

“The city is a disaster. There are no traffic lights. Stores aren’t open. It spoiled Father’s Day,” said Liliana Comis, a resident in Buenos Aires.

The outage is believed to be one of the worst power cuts in world history.
The Square Mile cannot remain silent on China

TIMING is everything. London’s stock exchange tie-up with China has been a disaster from the start. It is now four years since the plan was first revealed under the Sinophile leadership of David Cameron and his chancellor George Osborne – yet the summer of 2013 also brought a sharp bearish turn in Shanghai, compounded by a draconian clampdown from the Chinese state against so-called “speculators” and journalists, who faced absurd accusations. Yet Osborne double-downed on the idea, travelling to China weeks later to assure government officials and bourgeoisie that the link-up plan would proceed “whatever the headlines, regardless of the challenges”.

Today, the plan comes to fruition with the launch of the London-Shanghai Stock Connect, a system that grants China’s zealous investors access to shares listed here in the City. It could also allow 260 or more “potentially eligible” Shanghai-listed companies to list in London. Again, the timing must have had spin doctors and officials on both sides cursing their luck. At the point of going to print late last night, pressure was intensifying on Hong Kong leader Carrie Lam to quit following the appalling, ill-judged and ultimately unsuccessful attempt to force through a Beijing-backed extradition bill that triggered dramatic protests in the former British colony.

So is the UK, and the City, right to push ahead with the scheme? On the one hand, London is the world’s preeminent hub of financial sector expertise and as such it makes sense to forge connections with such a powerful, fast-growing economy. Further, the cutting of economic ties is rarely a successful way of encouraging political reform in a foreign state.

That said, our leaders, national and in the City, must recognise that it is no longer possible to claim that economic links and market forces automatically lead to political liberalisation. The recent fiasco around the Lord mayor’s show (from which Taiwan was blocked from participating following pressure from China) may seem trivial, yet it represents a significant question: in order to forge business and financial links with China, must we really overlook human rights and authoritarianism?

This morning, Philip Hammond hosts China’s vice premier Hu Chunhua in the City to celebrate the stock market tie-up. That this event takes place against the backdrop of the Hong Kong protests is a reminder of the complex and occasionally uncomfortable relationship between trade, diplomacy and politics.

WHAT THE OTHER PAPERS SAY THIS MORNING

Hammond over her plan to spend an extra £2bn over three years on schools and colleges.

THE TIMES

TRAVEL INSURER CENSURED AFTER TOURIST’S DEATH

Travel Insurance Facilities (TIF), one of Britain’s biggest travel insurers, has been reprimanded for “exceptionally poor” service after the death of a policyholder who was denied a medical evacuation flight home.

LINCOLNSHIRE RESIDENTS BANNED FROM SHOWERING

Thousands of people are being evacuated from homes at risk of flooding in Lincolnshire and residents have been banned from using toilets, showers and washing machines.

TORY DONORS OPEN SECRET TALKS WITH NIGEL FARAGE

Conservative party donors have opened secret talks with Nigel Farage about an electoral pact which would see the party not stand candidates against the Brexit Party in dozens of seats at a snap general election.

FACEBOOK TAKES DOWN HUAWEI SPY ADS

Facebook has blocked Huawei from running adverts lobbying against the US, under rules that ban entities from buying political adverts. Facebook recently removed several adverts.

FINANCIAL TIMES

DEUTSCHE TO SET UP €50BN BAD BANK IN OVERHAUL

Deutsche Bank is preparing a deep overhaul of its trading operations including the creation of a so-called bad bank to hold tens of billions of euros of assets as chief executive Christian Sewing shifts Germany’s biggest lender away from investment banking.

THERESA MAY HITS LEGACY SPENDING PRESSURES

Theresa May will today set out her “legacy” project to improve mental health, but she is facing increasingly fierce resistance from chancellor Philip Hammond over her plan to spend an extra £2bn over three years on schools and colleges.

SHEEPISH LAM

Hong Kong leader Carrie Lam apologised yesterday for the way her government had managed a hugely controversial bill that would let citizens be sent to mainland China for trial. It is estimated that over 1m people marched through the streets against the bill, which Lam had delayed indefinitely the day before. Protesters demanded that the bill be fully withdrawn.

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London-Shanghai Stock Connect finally launches

HARRY ROBERTSON

THE LONG-AWAITED London-Shanghai Stock Connect that links the two markets has been launched today, letting companies from China and the UK sell shares on each other’s stock markets in a pioneering scheme.

It marks the first time any foreign company will be able to sell its shares in mainland China, and comes as the nominally communist country steps up market deregulation and seeks to better integrate itself into the global financial system.

The system allows Shanghai-listed firms to raise new funds in London, but British companies are limited to selling existing shares, meaning they cannot raise money in the Chinese financial centre.

Four years in the making, and later than many expected, the Stock Connect is ready in time to become the centrepiece of today’s UK-China Economic and Financial Dialogue (EFD).

Chancellor Philip Hammond will host Chinese vice premier Hu Chunhua and his delegation in London to discuss economic ties between the countries.

The Treasury said over 260 of the firms listed in Shanghai are potentially eligible for a second listing in London. Meanwhile UK-listed companies have the opportunity to access deep pools of capital in China.

Unlike the existing Hong Kong-Shanghai Stock Connect, which lets investors directly buy stocks on the two markets, the London scheme will only let foreign buyers hold stocks indirectly, via instruments called depository receipts (DRs). Investors will from today have the chance to buy 75m global DRs in Chinese brokerage Huatai Securities at $20.50 (£16.30) each. It is the first Chinese group to raise money in London as part of the connection.

Launching the Stock Connect at the London Stock Exchange (LSE) this morning, chancellor Hammond will say: “Today’s launch is a strong vote of confidence in the UK market.”

“Stock Connect is a ground-breaking initiative, which will deepen our global connectivity as we look outwards to new opportunities in Asia,” he will say.

Catherine McGuinness, the City of London Corporation’s policy chair, said the scheme “has been one of the most highly anticipated bilateral initiatives in recent years”. “It could prove to be a game-changer in deepening UK-China financial cooperation,” she said, adding: “It means global investors can now benefit from China’s growth through London.”

THE DAILY TELEGRAPH

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THE WALL STREET JOURNAL

GOLDMAN SACHS JOINING PRIVATE INVESTMENT UNITS

Goldman Sachs is pulling together four separate units that invest in private companies, real estate and other hard-to-access deals, creating a new unit and planning a fundraising blitz, according to people familiar with the matter.

LYRICS SITE ACCUSES GOOGLE OF CONTENT LIFTS

Genius.com says its traffic is dropping because, for the past several years, Google has been publishing lyrics on its own platform, with some of them lifted directly from the music site.
Hargreaves had Woodford fund worries in 2017

JAMES BOOTH

Hargreaves Lansdown raised concerns about the performance of the Woodford Equity Income Fund more than two years ago, but continued to recommend it to its customers.

The investment adviser was also selling millions of pounds in stock in the fund, according to analysis by the Sunday Times.

The Woodford Equity Income Fund was frozen earlier this month after a run of redemptions. Hargreaves Lansdown first raised concerns about the performance of the fund more than two years ago, the Sunday Times reported, but only told customers of its concerns more recently.

Its chief executive Chris Hill is reportedly waiving a bonus of as much as £2.1m over the fiasco, according to the Financial Times late last night.

On 5 June, Hargreaves' chief investment officer Lee Gardhouse said: “We've been speaking to Woodford for some time about the number of unquoted and hard-to-trade companies in his portfolio.”

Hargreaves sold 12.4m units of Woodford stock in four of its multi-manager funds between 2017 and 2019, while its holdings across two other funds grew by 2.7m units. In total, the value of its holdings in the equity income fund fell by £189m over the period. It still has about £610m in the fund.

Emma Wall, head of investment analysis at Hargreaves Lansdown, said: "Our multi-manager funds are actively managed and deals are placed depending on a range of factors including asset allocation decisions, new investment opportunities, and fund flows into and out of the multi manager portfolios." City veteran David Buik defended the Financial Conduct Authority's role in the scandal, saying it was not the regulator's job to oversee the performance of Woodford and his colleagues.

"Frankly, investors live by the sword, therefore they must be prepared to die by the sword," Buik said.

OUT OF FASHION Landlords take legal action against Green over US closures

SIR PHILIP Green's rescue plans for his fashion empire have been challenged by a group of disgruntled American landlords, who are set to take the tycoon to court over his Topshop bankruptcy in the US.

Asking prices near record high as northern regions defy slowdown

SEBASTIAN McCARTHY

The asking price of newly-marketed houses neared a record high this month, spurred on by a cluster of regions defying a market slowdown against the recent backdrop of political uncertainty.

Four northern regions reported their highest-ever asking prices in June, pushing property prices nationally up 0.3 per cent to £310,439. According to Rightmove, the regions of east midlands, the north west, Wales and Yorkshire & the Humber all enjoyed record asking prices, despite new seller asking prices in London falling by an average of 0.4 per cent this month.

"More buoyant markets in the north and Midlands are helping to nudge up prices due to the seemingly relentless strength of buyer demand," said Rightmove director Miles Shipside. "Buyers in four regions are seeing higher new seller asking prices on average than ever before."
August Graham looks at the heightened tension in the Middle East following attacks on two oil tankers last week. Here’s what happened, and what the fallout could be.

Middle East following attacks on two oil tankers last week.

Here’s what happened, and what the fallout could be.

The attacks came about a month after four other ships were hit nearby, and Iran-backed Houthi fighters from Yemen launched attacks on Saudi oil infrastructure inland.

HOW SECURE IS THE STRAIT OF HORMUZ?

The ships were travelling on a route which leads through the Strait of Hormuz, which, according to estimates, accounts for a fifth of the world’s crude oil movements. The 25-mile wide strait connects international shipping routes to the Persian Gulf, and carries oil from Saudi Arabia, the UAE, Kuwait and Iraq, as well as gas from Qatar.

It happened as Japanese Prime Minister Shinzō Abe was in Tehran to help ease tensions between Iran and Washington.

It is still unclear what happened. Theories have ranged from torpedoes to limpet mines, but Saudi and American fingers are pointing squarely at Iran. The Islamic Republic denies responsibility.

The attacks came about a month after four other ships were hit nearby, and Iran-backed Houthi fighters from Yemen launched attacks on Saudi oil infrastructure inland.

The attacks helped push up the price from its lowest point since January, with Brent crude falling from nearly $72 per barrel to $62 in a month.

Stable. The attack has also caused worries insurers to hike their prices by more than 10 per cent.

WHAT WAS THE UK REACTION?

Yesterday, foreign secretary Jeremy Hunt said that the UK’s intelligence agencies have concluded that Iran is almost certainly responsible for the attacks.

“We are urging all sides to de-escalate,” he told the BBC.

Hunt’s reaction came after energy ministers from the Group of 20 nations on Saturday agreed to collate to keep global oil markets stable. The attack has also caused worried insurers to hike their prices by more than 10 per cent.

The attacks helped oil prices recover from their lowest point since January

Is This Linked to the Iran Nuclear Deal?

Nuclear weapons are at the root of escalating tensions between the US and Iran.

US President Donald Trump reimposed sanctions on Iran last year, ripping up a deal signed in 2015. His decision has put financial pressure on the leadership in Tehran. The deal, signed by former President Barack Obama, aimed to prevent Iran from adding nuclear weapons to its arsenal in return for sanctions relief.

Oil prices soared four per cent last Thursday as observers reported seeing smoke rising from a Norwegian oil tanker off the coast of the UAE. Later, reports emerged that a second tanker, the Japanese-owned Kokuka Courageous, had also taken damage and its 21 crew were evacuated.

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YOU’RE IN BUSINESS.
YOU TAKE DIVIDENDS
NOT JUST A SALARY.
YOU CAN’T GET A MORTGAGE.
WHY?

A flexible approach to our clients’ requirements is the only one we know.
So, whatever you come in the door with, our first approach will be
‘let’s see how we could do this’ not ‘maybe, can we get back to you?’
If you like this approach, maybe we should talk.
Technology jobs in London rise by just under two thirds in a decade

EMILY NICOLLE

JOBS in London’s blossoming tech sector have risen by 60 per cent since 2010, as the number of roles in the capital reach 533,000.

Figures from the Office for National Statistics revealed there have been 1,000 more tech sector jobs created on average every week in the last five years.

There has also been a 14 per cent overall increase in the number of science jobs, according to the Department for Work and Pensions.

“London’s tech sector is booming and these stats show people pursuing a career in the capital’s tech sector have never been better placed,” said employment minister Alok Sharma.

The figures coincide with a joint-record for UK employment at 76.1 per cent as wage growth outstripped inflation for the 15th consecutive month, and women in employment reached a record high.

Other regions across the country also benefitted from the UK’s tech sector boom. Wales reported the sharpest rise in tech jobs at 83 per cent since 2010, while the north west increased its number of roles by more than 65 per cent.

Business group cuts UK growth forecast for 2020

HARRY ROBERTSON

THE BRITISH Chambers of Commerce (BCC) has today slashed its prediction for growth in the UK economy in 2020, blaming a slump in business investment and the unwinding of Brexit stockpiling.

Growth in 2020 is now expected to be just one per cent, down from the 1.3 per cent predicted in March by the BCC, which represents 53 chambers of commerce across the country.

However GDP growth for 2019 was upgraded slightly by the organisation, from 1.2 per cent to 1.3 per cent. This was due to the “exceptionally rapid stockbuilding early in the year” which boosted demand, the BCC said.

These predictions were based on the assumption “that the UK avoids a messy and disorderly Brexit from the EU”, the BCC said. The chances of a no-deal Brexit have risen dramatically in recent weeks, however, as the Conservative leadership contest has ramped up.

Frontrunner Boris Johnson is among those to have said the UK should leave the European Union with or without a deal on 31 October.

The BCC’s economic report said business investment will tumble further in 2019, and recover more slowly in 2020 than previously expected.

Trade is expected to drag on growth as exchange rate volatility, uncertainty over Brexit, and a global economic slowdown weaken conditions for exporters.

Product Warning
Risk of spontaneous glass breakage

We have registered a level of spontaneous glass breakage in a specific type and size of pane produced and sold between 1997 and 2003. Under specific conditions, generally experienced in the winter, there is a minor risk that the inner glass panel may break spontaneously, with the possibility of glass fragments falling.

VELUX takes the quality of its products seriously and has decided to issue this product warning to inform its customers.

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1) Check whether the width of your pane is between 48 cm (18 in) and 61 cm (24 in). If it is, please continue to step 2.
2) Open the window and turn it 180 degrees to its cleaning position.
3) Locate the pane code on the spacer (metal strip) inside the pane and write it down. Affected panes are only those that have the numbers 00UE in combination with the number 8 as part of the pane code between the stars.
4) Go to velux-pw.velux.co.uk and enter the pane code. You will get an immediate answer as to whether your pane is affected and – if so – what you can choose to do.

If your window has one of the affected panes, please contact us immediately. We will arrange an appointment to visit and replace the affected pane, at your convenience, using a new VELUX pane with laminated inner and toughened outer sheets of glass. We appreciate the inconvenience this may cause you.

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European business leaders today said the new European Commission should make completing 5G networks and digitising the European economy its top priorities.

Ensuring fair global trade ranked third on the list in a poll of Europe’s business chiefs, released today by business advocacy group the European Round Table of Industrialists (ERT). Climate change ranked seventh, the ERT survey showed.

The survey results come ahead of a meeting of the European Council – which comprises the heads of European Union governments – where leaders will discuss who should be given top posts in the EU following last month’s European elections.

The ERT said less than half its members that responded thought Europe’s digital infrastructure made it an attractive place to do business when compared to the rest of the world.

In its call for the EU to focus on upgrading its mobile network to 5G, the ERT drew on an European Commission-supported study. It forecast the creation of 2.3m jobs in Europe by 2025, directly or indirectly, due to 5G.

Yet the development of 5G, the next generation of mobile networks, is increasingly controversial. The EU in March defied US calls for a blanket ban on contentious Chinese tech firm Huawei from involvement in its building of the network.

Martin Brudermueller, chair of the ERT competitiveness and innovation group and chief executive of German chemicals company BASF, said: “The key tasks for the new European Commission should be accelerating digitalisation [of information] and a digital single market.”

He said EU leaders should take the European election’s comparatively high turnout of 50 per cent “as a strong signal to support EU policy-making over fragmented national regulation”.

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Rory Stewart makes ‘offer’ to work with Nigel Farage on Brexit

ALEXANDRA ROGERS ..................................................
@city_aramrogers

TORY leadership hopeful Rory Stewart has said he would work with Nigel Farage’s Brexit party to ensure that Britain’s withdrawal from the EU is delivered.

The international development secretary, who is vying to replace Theresa May as leader, told Farage that parliament “has to find a route” to deliver Brexit. “Which is why I want to make an offer to you,” he added.

Speaking directly to Farage on LBC radio yesterday, Stewart said: “You represent such an important part of this debate, your results in these elections, the fact you actually led us out of Europe in the first place puts you in a very important position in this.

“We need to find a way, as a party, of reaching out to you... and other people who care about our economy, but we must reach out to you and bring you in to try to work out how we crack this, how do we get this through parliament.”

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Labour mulls introducing tax on parental gifts in bid to raise £15bn

JAMES BOOTH ..........................................................
@Jamesbooth1

A REPORT commissioned by the Labour party has recommended replacing inheritance tax with a lifetime tax on all gifts from parents to their children above £125,000.

The new tax could raise £15bn in 2020-21. Labour said, £9.2bn more than the current system.

Under the proposals, a tax would be levied on gifts received above a lifetime allowance of £125,000. When this limit is reached, any income from gifts would be taxed at the same rate as income tax.

The report said Labour’s plans to remove inheritance tax breaks for main residences is an “important interim step”.

It also recommends the introduction of a tax on equity withdrawals, which is a “key means of avoiding inheritance tax”.

The report, commissioned by Labour leader Jeremy Corbyn, proposed “radical but practical changes in the way land in the UK is used and governed”. A Labour spokesperson said the report was not intended to be party policy.

Its author, journalist George Monbiot, recommended some exemptions for business and agricultural property.

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Business leaders urge EU to focus on 5G and tech

HARRY ROBERTSON ..............................................
@henrygrobertson

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SHADOW chancellor John McDonnell has promised the Labour party would be “staunch allies” for Cuba should they take power. He said in a speech for the Cuba Solidarity Campaign he would “support trade” to stop any US “attack” on Cuba.

COMRADE JOHN McDonnell vows party support for Cuba if Labour take power
OUTSOURCING giant Serco has tried twice to merge with its considerably bigger rival Babcock, as they both grapple with a tough industry.

Serco’s chair, Sir Roy Gardner, reportedly contacted Mike Turner, who heads Babcock’s board, at the end of 2018.

Turner rejected the proposal, the Sunday Times reported.

However, this did not stop Serco from coming back with a more detailed proposal to merge the two London-listed firms in January. Its all-share deal would have created a £4bn giant, chaired by Gardner.

Serco is a part-owner in the UK’s nuclear bomb factory in Aldermaston, while Babcock is one of the largest suppliers to the Ministry of Defence. It has contracts in the billions with the ministry.

Earlier this month, Babcock outlined plans to increase profit growth by three to four per cent in the next half a decade.

Its shares have taken a massive beating in the last year, not least after dealing with an anonymous analyst’s note from mysterious outfit Boatman Capital.

Shares, which were at 847p in June last year, closed at 465p on Friday. Babcock hopes to grow in part through foreign expansion, increasing overseas revenue from 30 to 40 per cent of the total.

It came after the company cut its outlook in May, reporting that operating profit slumped by nearly half. Analysts called for change at the top of the company after the news.

“With profits up every year since 2015 and the share price more than halving, something has to give,” said RBC Capital Markets analyst Andrew Gibb.

Serco and Babcock declined to comment yesterday.

Goals Soccer Centres trades from almost 50 sites in the UK and US

Ashley among punters looking to strike at Goals Soccer Centres

RETAIL tycoon Mike Ashley is understood to be among the potential bidders circling the UK’s troubled Five-a-side football group Goals Soccer Centres.

The Sports Direct owner, who has an 18.9 per cent stake in the embattled group, is reportedly one of several prospective buyers, according to Sky News.

The broadcaster said that the football venue firm is preparing to launch a sale process in the next few months.

In March, the company decided to suspend trading of its shares in the wake of an accountant blunder.
Credit Suisse sues over bonus levy

AUGUST GRAHAM
@AugustGraham

AWLERS representing Credit Suisse are preparing for a battle to reclaim more than £200m from the firm’s 400 London bankers over bonuses paid out in 2010.

The bank was forced to pay a 50 per cent tax on all staff bonuses above £25,000 in 2010.

However, it is now seeking to claim back at least £239m, saying the temporarily unfair tax unfairly affected its business, the Sunday Times reported.

The tax was charged on bonuses paid out to employees between December 2009 and April 2010. In court documents seen by the newspaper, Credit Suisse claimed that the tax was “unlawfully” applied and against EU rules.

It is claiming back the tax money and added damages. The tax forced the bank to cut bonuses for its 400 London bankers by 30 per cent in 2010.

The tax was introduced after the financial crisis amid a public outcry over excesses in the banking sector.

After leaving office, then-chancellor Alistair Darling admitted that the so-called super tax on bankers’ bonuses had failed.

“I think it will be a one-off thing because, frankly, the very people you are after here are very good at getting out of these things,” he said in 2010.

British law firm partner salary tops £200,000

JAMES BOOTH
@JamesBooth1

AVERAGE earnings for partners at UK law firms has broken through the £200,000 barrier, according to research published today.

Average earnings hit £201,000 last year, up seven per cent on £187,000 the previous year and 35 per cent up on £149,000 five years ago.

The increase reflects the continued growth of the UK’s legal sector, which has been less impacted by Brexit than originally feared.

Partner earnings took a big hit during the recession, falling from £172,000 in 2008/9 to a low of £149,000 in 2011-12, but have since made up that lost ground.

Key areas for larger firms such as M&A, corporate finance and real estate have remained buoyant up to the end of 2018, however, low levels of corporate finance work in the first quarter of 2019 and a weaker property market may dampen the sector’s growth.

Partner profits have been helped by a reluctance to create too many new partners.

For the five years until June 2018, law firms only created a net average of 94 new partners, according to accountant firm Hazledoons.

Firms have also automated or outsourced many labour intensive tasks to allow fee earners to take on more premium work at higher rates.

Andy Harris, partner at Hazledoons, said: “UK law firms learned a lot of lessons from the last recession. They run much tighter ships and are more efficient at converting hours worked into bills which are paid.”

“Expensive new office overheads are taken on with more care and diversification efforts that fail aren’t allowed to run at a loss for too long.

“That efficiency drive within the UK legal sector is making a real difference to partners’ incomes.”

Property boss Whittaker downsizes stakes

SEBASTIAN MCCARTHY
@SebMcCarthy

BILLIONAIRE investor John Whittaker has been reportedly cutting his stake in two major transport sites as a downturn in the retail sector hits his holding in troubled shopping centre owner Intu.

Whittaker’s Peel Group is set to slash its stake in Peel Ports by roughly 12.5 per cent and Liverpool John Lennon airport from about 80 per cent to 30 per cent, according to the Sunday Times.

The move comes as Peel Group’s 273 per cent stake in Intu, the embattled landlord which owns the Trafford Centre, has been dented by a 70 per cent drop in the group’s share price over the course of the last three years.

Vodafone taps up Onecom for partner deal

EMILY NICOLLE
@emilyjoncole

ONECOM has today announced a deal with Vodafone UK – the telecoms giant’s largest-ever signed partnership – which will allow the two to reach combined business of £600m over the next five years.

Following a £30m funding deal with HSBC last month, Onecom said its deal with Vodafone aims to deliver more than £100m in revenue annually, stemming from mobile, fixed line, broadband and IT services.

Onecom, which provides unified communications solutions for small- and medium-sized businesses, said the move also commits the firm to triple growth in fixed line services.

Rollout of Vodafone’s 5G services are set to begin on 3 July, following an earlier launch by EE. Rivals Three and O2 have said they will follow with 5G launches of their own later this year.

Research undertaken by Onecom revealed 64 per cent of small businesses could upgrade to 5G connectivity within six months of it becoming available to them.

Onecom boss Ben Dowd said: “This unprecedented partnership deal is further evidence of Onecom’s robust performance and ambition for growth. This success is built on partnerships with some of the world’s leading brands; and the commitment to providing communications solutions that have a huge impact on how our customers do business at a local, regional and national level.

“In renewing this partnership with Vodafone, Onecom has recognised Onecom’s significant contribution to growing mobile revenues and driving further growth in fixed line and [internet of things] as well as our award-winning customer service.

“We are now well placed to deliver on our mission of offering UK small to medium-sized businesses, data and IT solutions that are tailored to their needs.”
SFO halts inquiry into its probe of London miner

AUGUST GRAHAM
@AugustGraham

The Serious Fraud Office (SFO) is dropping an inquiry over how it handled an investigation into former London-listed miner ENRC.

Sir David Calvert-Smith has been asked to abandon his work after being appointed to head the independent inquiry last year, the Sunday Times reported.

The SFO dropped the inquiry after ENRC launched a £70m civil case against it in the High Court. The SFO claims the court case will cover much the same ground that the inquiry had been likely to have touched on.

ENRC, which had been on the FTSE 100 before de-listing in 2013, has alleged wrongdoing in the case.

It said that investigators have mis-handled evidence and privileged information, and added the SFO’s probe had “damaged” the company’s reputation, and caused losses.

Last year, ENRC claimed victory after the Court of Appeal overturned an earlier High Court decision, which would have forced it to hand over the results of an internal investigation to the SFO.

In 2010, a whistleblower made allegations of corruption at a Kazakh subsidiary of ENRC.

The SFO launched a criminal investigation into the claims in 2013. Just months later, ENRC delisted from the London Stock Exchange.

The SFO declined to comment.

City A.M. could not reach ENRC for comment yesterday.

On Friday, the SFO announced it had charged Anna Machkevitch, the daughter of one of ENRC’s founders, with failing to supply documents it requested.

If found guilty, Machkevitch faces a maximum penalty of six months in prison and an unlimited fine.

She will appear in court at the beginning of next month.

PPI payouts hit £35bn as claims deadline nears

JAMES BOOTH
@Jamesbooth1

The Financial Conduct Authority (FCA) has today warned that the deadline for complaints about mis-sold payment protection insurance (PPI) is in two months.

According to figures released today, the FCA has had 3.9m users access its PPI website and 44,000 calls to its contact centre.

A total of £334.4m was paid in April to customers who were mis-sold PPI.

This takes the total amount paid since January 2011 to £35.3bn.

The FCA’s Emma Stranack said: “With just over 10 weeks to go, time is running out to claim back money for PPI. Simply put, if you haven’t complained to your provider by 29 August 2019, you won’t be able to claim money back for PPI – so you should make your decision as soon as possible.”

Personal finance expert Sarah Pennells said: “The PPI deadline is fast approaching – so now is the time to contact your bank, loan or card company as soon as possible. You can complain to them directly for free and you can use the FCA’s website for more information.”
We see possibilities everywhere.

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Natural gas burns 50% cleaner than coal in power generation.

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**Boeing: It will take time to win back confidence**

**ERIC M JOHNSON**

The head of Boeing said yesterday the US plane maker had made a mistake in implementing a cockpit warning system on the 737 Max and predicted it would take time to rebuild the confidence of customers in the wake of two fatal crashes.

Chairman and chief executive Dennis Muilenburg said Boeing failed to communicate “crisply” with regulators and customers, but defended the broad engineering and design approach to nose-down control software at the center of probes into the accidents that led to the plane’s worldwide grounding.

Muilenburg acknowledged the company made a mistake in failing to disclose a defective cockpit warning light on its 737 Max to regulators and customers, and said that failure has been part of reviews by regulators.

Muilenburg, who has been under fire over the Max design and Boeing’s handling of the crisis, said “we are seeing over time more and more convergence among the regulators” on when the Max should return to service. He expected the plane to return to service this year.

Boeing said it followed procedures when designing the 737 Max.

Asked how the procedures failed to capture apparent flaws in Mcas control software and sensor architecture, Muilenburg said: “Clearly, we can make improvements, and we understand that and we will make those improvements. When I make comments about the previous Mcas design and how we followed those processes, that’s something we put a lot of thought and depth of analysis into. That doesn’t mean that it can’t be improved.”

Muilenburg was speaking on the eve of the Paris Airshow where the US firm is expected to make subdued order announcements for a number of larger wide-body jets.

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**France to scrap €1bn of tax breaks for firms**

**DOMINIQUE VIDALON**

France plans to scrap €1bn (£890m) of tax breaks for companies to help fund a pledged €5bn reduction in personal income taxes, budget minister Gerald Darmanin said yesterday.

The government will finance the remaining €4bn through lower spending, Darmanin said during an interview for the Grand Jury show with reporters from LCI television, RTL radio and Le Figaro newspaper.

Darmanin said 95% per cent of taxpayers would see a reduction in their income taxes from January next year.

In his response to months of anti-government protests, French President Emmanuel Macron said in late April he would cut income tax by a further €5bn.

The planned reduction came on top of a €10bn package of concessions to protesters in December, aimed at boosting the income of the poorest workers and pensioners.

It follows a push by Macron to introduce a three per cent tax on digital gross sales in France, in a bid to crack down on small tax rates for tech giants.
Football and music groups using courts to target copyright breaches

The Performing Rights Society brought the second-highest number of claims with 25, according to research from law firm RPC. Sky launched eight claims and music licensing company Phonographic Performance brought six claims, making them the fifth and seventh most frequent High Court claimants. Many of the claims are cases brought against pubs, bars and restaurant businesses. These businesses are often accused of having shown football matches or played recorded music without having the permission to do so, sometimes using illegal internet streams to avoid subscription fees. Paul Joseph, partner at RPC, said: “Football authorities have made a concerted public effort to let illegal streamers know that they are on their case.”

JAMES BOOTH

FOOTBALL and music bodies are the most active users of the UK High Court as they try to crack down on copyright breaches, research published today showed.

The organisation that brought the most claims to the High Court last year was the Premier League, with 36 claims in the year to 31 March.

The Premier League was the most active user of the High Court last year.

Banks hired by Saudis for euro bond meetings

DAVIDE BARRUSCIA

SAUDI Arabia has hired Goldman Sachs and Societe Generale to help arrange meetings with fixed income investors in the coming days, sources familiar with the matter said, potentially paving the way for the kingdom to launch its first bonds in euros.

Riyadh began issuing international bonds in 2016 after lower oil prices hit its finances. It has become one of the biggest international debt issuers, having sold nearly $66bn ($47.6bn) in US dollar-denominated bonds.

Finance minister Mohammed al-Jadaan said in April the kingdom was considering issuing its first euro-denominated bonds this year, as it looks to diversify its funding base.

The head of the Saudi Debt Management Office (DMO), part of the Ministry of Finance, reiterated in an interview with Reuters last month that the country was looking at potentially issuing debt in euros as part of its “medium-term debt strategy”.

The DMO, Goldman Sachs and Societe Generale did not immediately respond to comment requests. It is not clear whether the meetings will lead to an actual euro-denominated bond issue, but one source said that was the likely outcome.

“It is not a non-deal roadshow, but it’s not a deal announcement. It’s in between,” said the source.

So-called non-deal roadshows are investor meetings not tied to a specific issuance.

The meetings will start today in London and end on 25 June in Munich, a second source said.

Representative of the Saudi government will also meet investors in Paris, Zurich, Milan, Amsterdam, The Hague, and Frankfurt.

Saudi Arabia, rated A1 by Moody’s and A+ by Fitch, is also planning to issue up to $5bn in international sukuk, or Islamic bonds, in the third quarter of this year, the head of the DMO told Reuters.

In January, the kingdom raised $7.5bn in bonds attracting over $27.5bn in demand in what was seen as a vote of market confidence for the kingdom after its reputation was damaged by the murder of Saudi journalist Jamal Khashoggi last year.

Russia dismisses accusations of meddling in European elections

POLINA IVANOVA

AN OFFICIAL from Russia’s security council described as absurd accusations that Moscow used disinformation to sway voters towards right-wing parties in last month’s EU elections, Rossiyskaya Gazeta newspaper reported yesterday.

An EU review into elections to its parliament, published on Friday, said there was evidence both Russian and European online sources had sought to promote extreme views and polarise debate on issues such as migration and religion.

The preliminary report is the latest in a string of allegations from that Russia has used online disinformation techniques, including the creation of fake social media accounts, to try to influence voters.

Sites such as Facebook have come under particular pressure to tackle the issue since the 2016 US presidential election campaign, when Russian troll accounts and bots allegedly flooded social media with content aimed at undermining Democrat candidates.
THE RISE of new technology, an increase in regulations, changing workplace culture and Brexit have all posed fresh challenges to the City of London in recent years. These challenges are ones City veteran Richard Feigen is familiar with, having worked in the Square Mile for more than two decades.

Currently the chief executive of Capital Access Group, Feigen has previously held roles including head of investment banking at Seymour Pierce and founder of Hub Capital Partners.

As anyone working in investments will know, the implementation of Mifid II last year shook up the industry. A report published last month by the Institute of Economic Affairs (IEA) noted that, with some understatement, just over a year on from its implementation initial fears about the new regulations “appear to have been realised”.

“I think regulation has gone a bit too far,” Feigen says. “I think it just stops people being able to do what they’re there for, and Mifid II is probably a good example of that.” He adds: “The level of regulation is now becoming so intrusive... there seems to be an awful lot more regulation, and no less crime.”

However, Capital Access Group has benefited from Mifid II regulations by filling the gaps left by brokerage firms no longer able or willing to cover smaller businesses.

“I like Mifid II because it’s good for me, but I can see it from their [critics’] point of view, there was a system that worked. It’s not the principle of the thing that I disagree with, it’s wanting to legislate every single thing that everybody does.”

It can feel like technology is moving at a rapid pace as companies scramble to be the first to automate, apply artificial intelligence, or offer the latest gadgets. However, Feigen feels there’s a risk of his industry getting left behind.

“This industry is so guilty of just spending its entire time just doing what it’s always done and trying to make a bit more money out of that, without thinking about how it’s going to change and what do people want.”

The latest challenge is the uncertainty posed by the UK’s decision to leave the European Union. The effect of Brexit on London’s financial institutions is not yet fully known, but the potential implications have been central to both sides of the debate.

Just last week, firms were urged by the Institute of Directors to ramp up no-deal Brexit plans as the UK, again, heads towards a deadline date.

“On my optimistic days I sit here thinking the City of London has been the preeminent financial centre in Europe for the last however many hundreds of years. We didn’t become more successful because we joined the EU,” Feigen says. “Will it kill it? No it won’t. But it will change it.”

DID MIFID II RULES GO TOO FAR?

Jessica Clark meets City veteran Richard Feigen to talk Brexit, Mifid and regulation overload

Richard Feigen, chief of Capital Access Group

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Deadline looms for agreement on Swiss-EU ties

MICHAEL SHIELDS

Swiss ties with the European Union, its biggest trading partner, face a critical test this week as Brussels probes whether the two sides have made enough progress on a stalled draft treaty to head off punitive measures set to start at the end of June.

After more than four years of negotiations produced a draft text in November, the Swiss government this month tentatively endorsed the accord but said it needed clarifications on three areas – protecting Swiss wages, regulating state aid, and spelling out citizens’ rights – before it could sign off.

European Commission president Jean-Claude Juncker – whose term ends on 31 October -- responded that he was prepared to clear up any concerns on state aid and the situation said. But tackling Swiss measures to protect Europe’s highest wages from EU workers crossing the border on cheaper temporary assignments looks tougher.

The head of the Swiss SGB labor union federation, Pierre-Yves Mailhand, told the Sonntagszeitung paper it would be impossible to find a solution by autumn.

“The government can speak to Brussels in the weeks ahead and discuss a treaty, but there is no basis at present to find a concrete solution or even wrap up a treaty,” he added.

Ex-President of Sudan charged with corruption

KHALID ABDELAZIZ

SUDAN’s ex-President Omar al-Bashir was charged with corruption-related offences yesterday, as he appeared in public for the first time since he was overthrown and detained in April.

Looking much the same as prior to his removal by the military, he was driven to the prosecutor’s office in Khartoum, but without reopening the draft accord but said it needed clarifications on three areas – protecting Swiss wages, regulating state aid, and spelling out citizens’ rights – before it could sign off.

European Commission president Jean-Claude Juncker – whose term ends on 31 October -- responded that he was prepared to clear up any

Intel launches project to help Israeli tech startups in artificial intelligence

TOVA COHEN

Intel launched a project yesterday to help startups in Israel develop technologies in artificial intelligence (AI) and autonomous systems, and said it planned to bring the scheme to other countries as well.

The 20-week program, called Ignite, was investing 40bn shekels (£8.5bn) to where many of its new technologies are developed, and this year said it would not take equity stakes in the startups now, but might do so eventually.

Intel is one of the biggest employers and exporters in Israel, where many of its new technologies are developed, and this year said it was investing 40bn shekels (£8.5bn) to expand its manufacturing operations there.

“I have absolutely no regrets with the acquisition of Mobileye,” said chief Bob Swan.

“Israel has the deep skill base in AI, autonomous systems and the underlying technologies critical to these inflections that make it a natural choice to launch our Ignite program,” said chief Bob Swan. Intel paid $15.3bn (£12.1bn) to buy Israeli autonomous-vehicle technology company Mobileye two years ago.

“I have absolutely no regrets with the acquisition of Mobileye,” said chief Bob Swan. “We have seen tremendous growth in the industry, and we are going to pursue our strategy of investing in the best talent in the world to drive our growth in the long-term.”

Swan told reporters in Tel Aviv, adding that since its purchase Mobileye had doubled its penetration into the high-growth industry of autonomous driving vehicles.

Credit Suisse on top of the pile as City’s top women honoured

AUGUST GRAHAM

Credit Suisse scooped up half of all the honours at the Women in Banking and Finance awards on Friday.

Women at the bank won awards for the best young professional, tech star, and lifetime achievement. Meanwhile, Deborah Gilshin at Aberdeen Standard won the award for achievement, KPMG’s Anna Somaiya was named champion for women, while Macquarie won the team award.

“I have absolutely no regrets with the acquisition of Mobileye,” said chief Bob Swan. “We have seen tremendous growth in the industry, and we are going to pursue our strategy of investing in the best talent in the world to drive our growth in the long-term.”

Swan told reporters in Tel Aviv, adding that since its purchase Mobileye had doubled its penetration into the high-growth industry of autonomous driving vehicles.

The project launched in Tel Aviv yesterday, and will arrive in other countries soon.
Interactive Investor: "Counting the Pennies: Tips on Financial Education" by Jemma Jackson

This year’s My Money Week - a national activity week for primary and secondary schools to help children gain skills in money matters - came to a close at the end of last week. Interactive investor shares some tips for parents who might want to pick up where the activities left off.

Research from Interactive investor earlier this year showed that only 24% of people feel confident about investing. Of those who were confident, 26% had their parents to thank for teaching them about the importance of investing for the long term. Interactive investor shares some ideas on how parents can help educate their children about money:

**Early Years**

- Children are already picking up financial behaviour – financial education is a great opportunity to make sure they’re the right ones.

  Moira O’Neill, Head of Personal Finance, interactive investor says: “Knowing when and how to talk to children about money can be difficult. “Money saving conversations in everyday scenarios can be really helpful. That boring trip to the supermarket can be more fun if you send your children on a money saving mission to find the lowest cost version of a product.”

- Count the pennies, and the pounds look after themselves

  Moira O’Neill, Head of Personal Finance, interactive investor says: “Young children in the early years and into key stage one often find counting money really hard. "Nothing is the best way for a child to learn about the value of money – and it can be good for maths skills too. Bagging up coins is an early introduction to the times tables - which will also help with good money management later down the line.”

**All Ages**

- New lessons are great – but don’t forget the old ones too

  Rachel Rickard Straus, Editor, Moneywise, which is published by Interactive investor, says: “Children growing up today have a completely different experience of money management than even one generation before them. They need new skills, such as how to budget using an app, or understand how card payments work.

  “But the traditional lessons are still essential.”

- Real life money lessons can often be the most effective.

Read more online:

Read more at:
cityam.com/talk/interactive-investor

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**China calls for UBS economist to ‘pay the price’ over pigs comment**

Callum Keown

@CallumKeown1

Chine state media has warned UBS economist Paul Donovan must “pay the price” over remarks he made referencing Chinese pigs. The Swiss banking giant apologised earlier this week after its global chief economist’s comments sparked outrage in China.

Donovan made the comments in reference to a rise in Chinese consumer prices, which has been driven by surging pork prices after an outbreak of swine fever.

On a podcast, he said: “Does this matter? It matters if you are a Chinese pig. It matters if you like eating pork in China – it does not really matter to the rest of the world.”

The remark provoked a backlash among Chinese financial sector workers, some of whom claimed Donovan was calling Chinese people pigs. UBS apologised for the “innocently intended” comments and put the economist on leave.

“Whether or not Donovan was fired is still unknown, but those who insult Chinese people must pay the price,” state newspaper the People’s Daily said in a commentary. The Chinese Securities Association of Hong Kong also rejected his apology and demanded he be sacked.
In M&A, the financials are not enough to guarantee success

Steffan Williams, partner at Portland, on the new rules for talking about M&A

The situation has been driven by structural factors: economic events in recent years that have led to a significant loss of trust in corporates, coupled with the democratisation of communications channels, meaning that traditional flows of information can be disrupted and shaped. Frankly, though, many bosses and boards have not helped themselves in this context by being slow to react and have followed old-school financial PR methods that have passed their time.

The results have been clear to see to anyone observing the market in the last few years. From the scrutiny attached to the unsuccessful merger between Sainsbury’s and Asda this year to the dynamics of 21st Century Fox’s battle with Comcast to acquire Sky last year, companies that struggle to communicate a sense of social purpose to their transaction will face a hostile environment from MPs, from journalists and from the general population.

This in turn shapes the environment through which shareholders make decisions, and through which regulators give a deal the thumbs up or the thumbs down.

It is therefore perhaps unsurprising that new research from Portland, published today, underlines the level of interest seen in mergers & acquisitions activity.

The 10 largest deals in the UK in 2018 received 53.9 per cent more mentions on social media than three years ago in 2015; and 30 per cent more mentions by influential accounts such as those run by MPs and journalists.

Businesses are in a battle against the tide though and can adapt to this new environment. But to be successful they must do three things.

First, communications must be front and centre of conversations about deal strategy. Analysis of any negative externalities created by M&A needs to be conducted much earlier on in the process. Critically, the advisers tasked with understanding the total communications environment of the UK – not least politics – and how traditional investor relations relates with it.

Second, communications firms advising on a deal must properly understand the fundamentals of a deal and not have a targeting strategy on social, is missing a trick. As soon as a deal is announced, customers, employees and industry experts have the power to shape public perceptions with the simple click of a button. Communication and engagement with these groups must start immediately to ensure their loyalty and buy-in.

Third, businesses must have a clear strategy on how their deal advances societal goals in addition. No one is suggesting that profit no longer matters, but the total value of a transaction – and the importance of long-term value versus short term – needs to be considered and discussed in the round.

Many company bosses and boards have not helped themselves in this context by being slow to react

Every business story will be different but at a minimum they must have a narrative on the following:

- Corporate behaviour – explaining why any reward for senior executives is justified;  
- Livelihoods – making a case why those who depend on the transaction are not adversely affected;  
- UK PLC – showing how the deal is good for Britain and does not reduce the country’s national assets in an ever more competitive world.

This new way of working of course goes beyond M&A activity and extends to wider corporate interactions with investors. The increasing number of activist shareholders, the possible onset of a more interventionist UK government under Jeremy Corbyn and the European Commission’s recent hardwiring of the sustainable development goals, means that all businesses need a total communications strategy, rather than just a financial communication one. The stakes are too high to ignore this for much longer.
Mortgage lender Halifax said the number of affordable towns is shrinking.

Property woes as workers face less affordability

SEBASTIAN MCCARTHY
@SebMcCarthy

THE SCALE of the UK’s housing problem has been underscored this morning, with new research showing that less than one in 10 towns offer affordable properties for nurses, teachers, paramedics, police and firefighters.

Some eight per cent of towns offer affordable housing for key public sector roles, tumbling from 24 per cent five years ago.

Central London remained the least affordable area, while the top three most affordable towns in Britain for key workers are all in the north west.

According to Halifax, which produced the results, this sharp drop is due to house prices outpacing earnings growth for public sector workers.

Average house prices have risen 32 per cent compared to key worker average annual earnings growth of seven per cent.

Teachers and paramedics have seen the number of affordable towns decrease 18 per cent, followed by police (17 per cent) and firefighters (11 per cent).

Halifax head of mortgages Andrew Mason said: “Over the past five years, wages have not increased in line with average house prices across Great Britain and this has had a knock-on impact on affordability for key workers. Those working in nursing have seen the number of affordable towns plummet to only three per cent, compared to 12 per cent in 2014.

“Schemes like Help to Buy along with continued low mortgage rates and changes to Stamp Duty for first-time buyers could give key workers the opportunity to get on the ladder when they otherwise might have thought properties were out of reach.”

According to a Halifax report released last week, house prices in the UK rose at their fastest annual rate since the start of 2017 during the three months to May, with continued low mortgage rates and changes to Stamp Duty for first-time buyers could give key workers the opportunity to get on the ladder when they otherwise might have thought properties were out of reach. According to a Halifax report released last week, house prices in the UK rose at their fastest annual rate since the start of 2017 during the three months to May, with continued low mortgage rates and changes to Stamp Duty for first-time buyers could give key workers the opportunity to get on the ladder when they otherwise might have thought properties were out of reach.

The mortgage lender said house prices in the three months to May were 5.2 per cent higher than in 2018, up from five per cent annual growth in the three months to April, their highest since January 2017.

“Despite the ongoing political and economic uncertainty, underlying conditions in the broader economy continue to underpin the housing market, particularly the twin factors of high employment and low interest rates,” said Halifax managing director Russell Galley.
The FTSE 100 weakened on Friday as Asia-focused banks took a hit from underwhelming Chinese industrial growth data, while Kier Group shed more than a third of its value after it was reported to be planning to sell its building business at a discount.

The FTSE 100 slipped by 0.3 per cent, with exporter stocks also weighing on the index. The FTSE 250 fell by the same amount, tugged lower by Kier's 35.5 per cent plunge.

Banks with exposure to Asia, pressured this week amid protests in Hong Kong against a Chinese extradition bill, were among the worst performers. China's industrial output growth slowed to a more than 17-year low.

HSBC and Prudential were among the biggest drags on the blue-chip index as the data again underlined the knock-on effects of China's protracted trade dispute with the US.

Buidler Kier sank to a record low after a Times report said the company was preparing to sell its housebuilding business at a discount to cut debt.

Kier's market value, which stood at £212.1m at the close, has shrunk to less than a half of what it was at the end of May.

The housebuilding sector slipped 1.2 per cent on its worst day in a month as fears of a chaotic no-deal Brexit had jumped after Brexit supporter Boris Johnson moved closer to becoming the next prime minister.

Oil major Shell was another bright spot on the main index as crude prices rose for a second day after attacks on two oil tankers in the Gulf of Oman.

Small-cap recruiter Stiree, which hires workers for financial, energy, banking and pharmaceutical companies, gained three per cent as its net fees rose on strength in its international markets.

On Wednesday, Premier Inn-owner Whitbread will report earnings for its first quarter alongside full-year results from housebuilder Berkeley Group.

Analysts at CMC Markets warned the slowdown in London's housing market has the potential to hurt Berkeley's profits, while Whitbread faces a positive reception.
Cut the obfuscation and let Britain move beyond Brexit

Michael Hayman
Expect any manner of delaying tactics, votes of confidence, and ancient procedural jiggery-pokery not seen since Henry II

At a time of political flux, strong UK-US links have never been more important

Peter Estlin

T WAS no surprise to see so much media scrutiny around President Donald Trump’s recent visit to Britain, and there is no doubt that the special relationship between the UK and the US will remain in sharp focus over the coming years.

Whatever form that relationship takes in the future, it’s impossible to ignore a fundamental truth: Transatlantic trade will continue to be an asset for both countries.

Amid all the talk of potential trade deals, it’s our responsibility to keep our eye on the bigger picture.

The priority for us is simple – to continue building on the success of our trading relationship.

Peter Estlin is a lord mayor of London.
We must rediscover our pride in our shared European heritage

Mark Turnbull

Python’s Life of Brian, what has being part of Europe ever done for us? This isn’t just a British problem – the EU has shown itself unable to take preemptive action and build “Brand Europe”. If it is to do so, and if the new UK Prime Minister is to smooth this acrimonious debate, it will mean using all the tools of twenty-first century communication.

Behavioural psychology is developing new research techniques to interrogate our multi-layered identities, how we switch between them, and what triggers feelings of “belonging” beyond our national, religious or ethnic selves. Social media listening tools can sift resonant themes from million of public online conversations, using semantic analysis and natural language processing to extract meaning and nuance from online debate.

We can collect and analyze information on a scale previously unimaginable, and digital media allows us to communicate with far greater accuracy. We saw how the Leave campaign used such tools to great effect to solidify support around a British identity – now the pro-EU side just needs to catch up.

We have more in common than that which divides us. If one of the leadership candidates could tap into this idea of pride in our European heritage and build a story around it which reinforces a genuine feeling of a shared cultural identity, they might find it a winning ticket in the election. And Conservative members would have something to vote for, rather than just against.

How to turn identity into something positive, rather than a force for division?

Mark Turnbull is managing director of Alipex International.

Is social media’s bad reputation retrievable?

Sophie Scott

If you fancy a career change, consider becoming a therapist. It will be a boom industry when our kids reach adulthood: a generation that measures self-worth in “likes” and shares intimate photos with each other in the belief that they will simply disappear.

A growing number of Silicon Valley titans are now distancing themselves from the Frankenstein they’ve created. Many have started to talk publicly about the harm that their social media creations could be having on young people, while whipping smartphones out of their own kids’ hands faster than if they were ice-creams.

Last week, the charity Barnardo’s published a report revealing that children as young as two were accessing social media. The report also noted that 78 per cent of children 11-15-year-olds had been exposed to harmful content, including cyber bullying, grooming, and the sharing of “personal content”.

The industry is getting its defensive lines in early and governments are waking up to the threat at grinding speed. But as more young people emerge from behind their screens into society, prepare for the sector’s reputation to go from bad to worse.

Peter Murray is director of corporate affairs at Cicero Group.

NO

Peter Murray

end it. The best remedy will be for social media companies to work with the government, regulators, academia, and each other, and to behave in ethical, socially responsible ways. To rebuild their reputations, they must do not only the most profitable thing, but the right thing, for all stakeholders.

Sophie Scott is global managing director at FranklinVillani’s tech practice.

YES

SOPHIE SCOTT

While technology has improved our lives in many wonderful ways, significant scandals and perennial privacy issues have deeply tarnished social media companies’ reputations. But has trust been lost forever? Absolutely not. Despite the criticism, stats don’t lie, and sign-ups and ongoing use have continued apace. Social media is an aspect of people’s daily lives that is here to stay.

That said, rebuilding trust must be an absolute priority. This means addressing the problem’s root cause: users don’t believe that social media companies are working in their interests. Our research shows that 75 per cent of Brits want more action regarding these companies’ impact on society. They want to redefine their relationship with social media, not
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experiential advertising?

 experiential marketing.
 This is a marketing channel whereby brands promote something using a live experience. It can be as simple as handing out free samples of a new product, to something much more elaborate like the Good Omens stand. Another example is the “1940s”, which celebrated its 150th anniversary by recreating one of its original stores for passers-by to drop in and complete with actors in period costume. It can be glitzy, exciting, and a lot of fun, but clearly this type of marketing has drawbacks. It’s expensive to put together, and compared to web, TV, or print advertising, it is only ever going to reach a small audience of people.

In a world of tightening marketing budgets, how is the investment in experiential justified?

This is an issue that PR agency PrettyGreen’s managing director Jessica Hargreaves, “Everybody gets obsessed with the word of mouth or posts on social media to reach the next nine per cent, but it appears to be at your event, so you want to create the most engaging experience, but in terms of creating the most return on investment, you are going to be thinking about the nine per cent and 90 per cent.”

However, even with this model, she admits that she’s becoming “increasingly frustrated” with having to measure and prove the worth of experiential marketing.

"Even with the 9-90 model, all you’re talking about is how many people you’ve engaged. You can’t necessarily say ‘that person became an advocate and is therefore going to buy the product’, which is basically what our job is in marketing."

So what value does experiential marketing generate beyond how many people hear about it? Experiential agency Set Creative decided to find out.

“We’re constantly, and rightly, challenged to justify why a physical experience is a more effective form of communication than more traditional channels of advertising,” says Guy Tremlett, chief creative officer at Set Creative.

There’s no real data available directly comparing the effectiveness of experience to other marketing channels, such as text, video, and audio – so we decided to conduct an experiment to try and learn more about this.”

This experiment involved creating an experience to promote the launch of a fictional orange drinks brand, where people were shown how to make a mock cocktail.

The report, called “The Value of Experience” and published in April, found that people who took part in the mocktail-making experience said they were around four times more likely to tell friends about it, and five times more likely to recommend the brand, compared to those who only watched a video, read or listened to audio about making mocktails.

Most importantly, those who took part in the experience were three times more likely to purchase the product, compared to other groups.

“Our findings show, making people feel appreciated and entertained creates a different kind of value and leaves them more likely to share, recommend or purchase your brand,” says Tremlett.

This evidence that people are more likely to make a purchase after an experience helps to explain a finding by the Institute of Practitioners in Advertising in its recent Bellweather report that campaign budgets are shifting away from traditional forms of marketing and towards live events. But how do you create a good experience?

“Experiential projects work when they really get you to engage with the actual values or experience of that product,” says Dean Rodgers, founder of Rogue Productions. He is a director and game designer who’s created experiences for brands including Capcom, Pimm’s, and Warner Bros.

“The key is to generate genuine talkability that will keep the brand central to the discussion. I have seen a lot of bad experiential marketing campaigns – many of them have even been good events, but they can make a bad campaign if the event itself doesn’t really make sense for the brand. I often think the best campaigns inspire the brand’s loyalists and give them a reason to shout about it. Truly great campaigns are best positioned as a gift to that brand’s fans.”

Thanks to Set Creative, there’s now empirical evidence that experiential marketing can increase intentions to purchase, but brands and agencies shouldn’t just focus on the day of the event or how many people took part – they also need to look at the long term, and follow up to see if participants actually became brand advocates or made a purchase.

The appeal of experience marketing seems clear, and it makes sense why it works – consumers today are driven by materialism and more interested in trying new experiences, ones that they can talk about and post pictures of on social media. Certainly, these experiences can be more fun than traditional advertising, and we could all do with more fun in our lives – especially when passing through a crowded Waterloo station.
Katherine Denham looks at the potential impact of new rules on investors and the industry

Last month’s collapse of peer-to-peer (P2P) network Lendy, and the ongoing battle to return money to investors, has underlined the dangers of this new kind of loan-based investment company.

It also made it apparent that current regulation is not doing enough to protect P2P investors, the vast majority of whom don’t receive financial advice.

As if by magic, just over a week after Lendy went into administration, the Financial Conduct Authority (FCA) published its long-awaited 102-page report, which included a new set of rules for P2P companies to abide by (they have until 9 December to comply).

In a timely intervention given the apparent confusion around Lendy’s provision fund, one of these rules is for platforms to make their wind-down plans clear to investors in case the business fails.

More broadly speaking, the need for up-to-date regulation has been growing increasingly urgent given the amount of money that has been flooding into the P2P sector over recent years.

According to the P2P Finance Association, £4.2bn was lent across its eight member platforms in the first quarter of 2019, up from £7.4bn at the same time last year. The industry might be relatively immature, but it’s no longer a small sub-sector that can be ignored.

And as many P2P players become more established, the popularity of this sector is likely to rise – so it’s about time that we had robust regulation to guard investors against some of risks.

Let’s look at these new rules and what they mean for both investors and the platforms they invest on.

**PROTECTION MECHANISM**

The most prominent rule that the FCA will introduce is a new cap on how much capital people can invest in P2P, meaning that retail customers will only be allowed to invest up to 10 per cent of their total investable assets in P2P agreements.

Interestingly, this was the most controversial element of the regulator’s 2018 consultation, with many P2P platforms arguing that this limit was arbitrary, unnecessary, and unduly restrictive.

Despite this criticism, the FCA clearly judged that this cap was needed to protect investors, ensuring that they are not heavily exposed to high levels of risk.

The regulator also wants to ensure that platforms thoroughly assess investors’ knowledge of P2P investments before they allow them to lend money. This means that from December, investors will have to pass a test to show that they understand the risks, how the loans work, and the role of the platform, particularly when managing borrower defaults.

As already mentioned, the regulator wants P2P companies to spell out to customers what would happen if they fail. It states: “the purpose of the rule is to require that a platform’s wind-down arrangements are not biased towards protecting any particular type of customer or loan”.

In future, providers will also be required to display investors’ knowledge of P2P platforms before allowing them to invest, putting a stop to mass advertising campaigns.

As AJ Bell’s Laura Suter reminds us, “the latest Isa season highlighted the flood of marketing from P2P platforms, some of which made comparisons with cash Isa rates or didn’t fully highlight the risks involved in the sector.”

**CHALLENGE ACCEPTED**

While the FCA’s latest push has been broadly described as a “crackdown” on the sector, some P2P platforms see the regulation as a positive development. 

Rhysdian Lewis, chief executive of RateSetter, which is one of the biggest providers in the UK, points to the beefed-up regulation in areas such as risk management and governance, which he says put the P2P industry on a par with other mainstream savings and investment choices.

“All sense that regulation was previously too light has been addressed, and should no longer deter anybody,” he says.

Lewis also suggests that, over time, the 10 per cent limit could end up being regarded as a target, so that people aim to have this portion of their money in “alternative” sectors like P2P.

“All this confirms that P2P lending has become an asset class, and is now a logical component of everyone’s investment portfolio,” says Roxana Mohammadian-Molina, chief strategy officer at property P2P company Blend Network.

Mohammadian-Molina. "We should remember why the P2P sector first emerged – to enable smaller businesses to raise much needed capital at a time when traditional lenders were restricting lending."

It’s worth remembering that harsh restrictions could prevent much-needed money from being channelled into SMEs, while at the same time blocking investors from accessing some pretty attractive returns that had previously been unavailable. So new rules must aim to help the industry improve, not stifle it entirely.

To quote Mohammadian-Molina again: “We believe it is not just strong regulation but also strong oversight that is required to prevent customer detriment from occurring in the first place. Regulation does not solve things, good supervision does.”
BOLOGNA, NORTHERN ITALY

WHERE TO STAY
Art Hotel Novecento is minutes from the city centre and combines medieval architecture with classic Italian interiors. Rooms are stacked high with books from all across Italy. Visit art-hotel-novecento.bolognahotels.org

WHERE TO GO
Get deep in history and climb 86 metres up the Asinelli Tower, one of the 200 towers built in the 12th century that has survived to this day. It takes 498 steps to get to the top and see gorgeous views across Bologna. Visit visitbologna.it

WHERE TO DRINK
In the centre of the Margherita Gardens is the regenerated abandoned space, Le Serre, surrounded by greenhouses and amazing plant life that also serves up great cocktails in the evening. Visit visitbologna.it

WHERE TO EAT
Berbere/Kadio Alike (pronounced ali-chay), serves artisanal pizza that is seasonal, organic and light. They ferment their sourdough for 24 hours, before baking it in a woodfired oven. Visit berberepizza.it

SAFARI IN STYLE
Adam Hay-Nicholls takes a tour of South Africa’s finest luxury nature reserves

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TRAVEL
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here’s nothing particularly unusual for those used to a life of luxury aboard a five-star pool villa, except when said pool has a warthog drinking from it. My villa fronts straight onto the wild South African bush. We’re instructed not to step outside after dark, not even for a second, in case we get eaten. But this warthog is a friendly sort. She’s non-plussed that I’m lounging in the cool water before she splashes off in search of lunch.

Sabi Sabi Earth Lodge is situated in the middle of a private game reserve in Sabi Sands, flanked by Kruger National Park. These 450 square miles of land and the thousands of unfenced hectares beyond are home to lion, leopard, cheetah, hippo and rhino, aka The Big Five. Sculpted into a slope overlooking a natural watering hole, accessed via a hidden corridor and gazing onto uninterrupted bushveld, the Earth Lodge looks like a Brutalist sand-lair and has been described as the most environmentally-sensitive lodge in Africa.

It’s served by the tiny Skukuza airport, an hour’s Land Cruiser ride away and another hour’s flight from Johannesburg. Like most guests jetting in from Europe, I took 24hrs to acclimatise in Jo’Burg. It was to be a weeklong adventure of contrasts, starting with the land before I slapped the bush for the bush on South Africa’s Western Cape to see the ‘Serengeti of the Sea’ and its big marine five; whale, dolphin, penguin, seal and shark.

The following morning, I catch the twice-daily South African Airways Flight east to Skukuza and, within two minutes of tossing my suitcase into the back of a 4x4, I’ve already spotted a tower of giraffe. On the approach to the Earth Lodge, forewarned by the musky smell of a Turner Prize entry, I sight elephants snacking hungrily on Marula trees. A giant-earred ‘bull’ elephant had stood majestically upon the lodge’s roof earlier that morning, as other guests’ envy-inducing photos prove. Animals can strike out to the edge of the soil-coloured concrete structure given the architecture’s topographic design. It could give you a bit of a start over breakfast.

With just 13 suites, the Earth Lodge is extremely exclusive yet unmanicured, and everyone’s on first name terms. Typically, guests enjoy two safaris a day, each around three hours; one at the crack of dawn and the other in late afternoon and stretching into nightfall, when the beasts quit sun lounging and go on the hunt. During our first afternoon, we begin tickling names off our Big Five list. The first is a cheetah posing lazily in the amber light. She looks so cute you want to go and pet her a stroke but, as I keep reminding myself, that would be catastrophically stupid.

We’re warned to stay sitting down in the open-top Land Cruiser and keep all limbs in the vehicle at all times. The predators see shapes rather than specifics, and if that shape changes the claws will emerge. It’s the teeth of a hippopotamus that we find later, yawning in the waterhole, which really strike the fear of god into me, for only if the lack of his dental hygiene. After a morning safari you’ll be in need of a hearty breakfast, and I go for the Rancher’s Benedict, pairing a hollandaise-drenched muffin with cured venison and chakalaka, a spicy vegetable relish. For lunch, I recommend the ostrich wrap. During the evening safari, we stop for a digestif, our ranger assembling an entire bar on the jeep’s bonnet. Amurala is the go-to tipple; a South African cream liquor. And like the denizens of Sabi Sabi we feast in the evening, either in the well-chosen 6,000 bottle-strong wine cellar or the outdoor ‘bona’, around a fire-pit. Kudu is a revelation; an adorable deer-like animal commonplace in this game reserve which, when grilled and served with a stem anise jus, tastes like the finest fillet mignon.

At 6am, binoculars at the ready, we dust the sleep from our eyes and head back out into the wilderness with our tracker. Sabi Sabi is mostly silvery trees like bush willows and green, grey and ochre shrub. It’s not as visually stunning as, say, Kenya or Botswana, but the abundant wildlife more than makes up for it. We see several families of rhino, the little ones looking like they’ve shrunk in the wash. We see dazzles of zebra, herds of buffalo, and then a leopard strolls about four inches behind our jeep. It’s a paradise for twitchers, too, with yellow-billed hornbills, with beaks like bananas, a personal favourite. All that’s missing from my checklist is a lion. We see several families of rhino, the little ones looking like they’ve shrunk in the wash. We see dazzles of zebra, herds of buffalo, and then a leopard strolls about four inches behind our jeep. It’s a paradise for twitchers, too, with yellow-billed hornbills, with beaks like bananas, a personal favourite. All that’s missing from my checklist is a lion.

Our guide, Tiaan, is a wonderfully potty tourist and switched to plants because they don’t run away. He’s fashioned himself a crown made of grass. You will never meet anyone so in love with nature as this man. I’m bestowed a six-bedroom 1,000-square-metre villa, all modernist glass like Pierre Koenig’s Hollywood Hills houses, with panoramic views to the Atlantic beyond and an infinity pool straight out of a rap video. Previous occupants include Will Smith, Halle Berry and Brad Pitt (I’m assuming not at the same time). No doubt they made use of the private screening room. It also has a kitchen that would make any TV chef swoon, and I’m rustled up an ostrich fan fillet with date puree. Fine dining is on offer at the main Forest Lodge clubhouse or between the 1,000-year-old gnarled trees of the romantic ‘boma’, where the seafood is predictably sensational.

But despite the comparative flashiness when arriving from the game reserve, Grootbos (which is Afrikaans for ‘Big Forest’) is every bit
as committed to preserving its nature and culture and supporting the community. Many guests get involved in, and contribute to, the property’s foundation, which helps 9,000 children from the area every year. One billionaire returns every summer to spend five hours a day in a bee-keeping suit. Another guest donated £100,000 over breakfast to help put locals through hospitality training and provide them with transport. For many, the holiday is as much about giving back as it is affording themselves a pleasurable experience.

A trip by boat to the nearby Dyer Island highlights the challenge. The African penguins here, which make honking sounds like donkeys, will be extinct by 2026 unless something’s done. More plentiful are the seals. There are 60,000 of them on this miniscule island, and done. More plentiful are the seals. There are 60,000 of them on this miniscule island, and they absolutely skew.

Tiaan takes us down to the prehistoric De Kelders coastal caves, proffering some edible limpets and then reaching for a hollow-help horn – a makeshift vuvuzela - to signal, as they did in the Stone Age, that he’s spotted a school of a U-boat, the future is brighter than it seemed previously. Last year there were more calves born here than at any time in 39 years.

SOUTHWOLD SUFFOLK COAST
Angelina Villa-Clarke finds a bolthole with bite in a charming coastal town

THE WEEKEND
Seaside cool meets a Shoreditch vibe at The Swan Hotel in Southwold. Better known for its quirky Victorian seaside pier and pretty, pastel-coloured beach huts, Southwold is the latest in a line-up of UK coastal towns to be given a ‘Farrow & Ball’ makeover, with a winding streets dotted with characterful artisan bakeries, coastal-themed gift shops and fashionable seafood restaurants.

Taking the lead in its ‘sprucing up’ is The Swan, a hotel dating back to the 1600s, which has always played an integral part of the town. Now owned by the Adnams Brewery, which has been based in Southwold since 1872, it has been given a bold £6m renovation.

THE STAY
From the fuchsia-pink velvet armchairs in the reception to the blue-and-white geometric wallpaper in the drawing room, The Swan feels like it has been dipped into a child’s paint box. While there are nods to the hotel’s past – with oil paintings, antique furniture and vintage photographs – Shoreditch design studio Project Orange has given the rooms an homage to Adnams’ roots. Dinner in The Still Room is a highlight with executive chef Ross Bott striving to win the town’s first Michelin star with his Nordic-influenced cuisine. To start, there’s croche of skrei cod with avocado sorbet and seaweed or sweet-cured herring with apple, watercress and rye bread.

For mains, seasonal specials include stout-braised shortrib or roasted halibut with brown shrimps and Jerusalem artichoke crisps. It’s a long way from the pub grub The Swan once served.

NEED TO KNOW

THE FOOD
Start with drinks in The Tap Room, which features a broad range of beers as an ASK ABOUT
The Butler service. The hotel offers three in-house butlers who are on hand to fix you the perfect G&T or show you around the town. Just behind the hotel is the Adnams Visitor Centre, which is worth taking the time to thoroughly explore. Here you can take a tour of the distillery or take part in a ‘make your own gin’ experience.

AFTER THAT
After a stroll around town, with a stop-off at the Two Magpies Bakery for a quick bite, head to the beach for a blustery walk along the pier and make sure you check out the eccentric Under the Pier Show and the 1930s retro arcade room.

NEED TO KNOW
Rates at The Swan, Southwold start from £200 per room per night, based on two sharing an Excellent Room on a B&B basis. To book visit: theswansouthwold.co.uk or call 01502 722186.
OFFICE POLITICS

Cannes Lions is still worth the entry fee

The festival by the sea may get criticised, but it’s still an important celebration of creativity

Andrew Dimitriou

The festival by the sea may get criticised, but it’s still an important celebration of creativity.


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26 | FEATURE | MONDAY 17 JUNE 2019
CITYAM.COM

I T’S THAT time of the year again, when some of us in the advertising industry like to start grumbling about the Cannes Lions International Festival of Creativity, which begins today. Too big. Too busy. Too expensive. Our industry’s most prestigious awards and stage seems to be a topic of endless conversations and controversy.

A couple of years ago, it looked as if the tides were turning against the jamboree by the sea. One group made a lot of noise about skipping it for a year. Another (which we happen to be part of) demanded changes to make it more manageable. As a result, a somewhat leaner festival emerged.

But whatever its size, and despite the extravaganza and criticism, Cannes Lions feels more relevant than ever. And it is – rightly – becoming a must, not only for agencies and marketers but also for business leaders of all kinds.

Cannes Lions is an opportunity for everyone who goes to be in the most creative of environments.

Now, “creativity” can sound soft and insubstantial – not business-like enough. However, nothing could be further from the truth, because in a world where replication is cheaper and easier than ever, creativity is the last competitive advantage.

After all, it takes creativity to come up with market-disrupting ideas. And that, not efficiency, is what drives growth. Ideas create new markets, disrupt business models, and engage audiences in new ways. Ideas tell connected stories.

So creativity is the superpower that separates great brands from the also-rans. Many of us are familiar with the work of James Hurman, who wrote “The Case for Creativity” in 2011. He and the Institute of Practitioners in Advertising have repeatedly shown the relationship between greater creativity and greater growth, increased profitability and higher share prices.

Cannes Lions is the ultimate showcase for bold, thoughtful, provocative brands and business leaders.

They are the ones who understand that creativity is not always the shortest, cheapest, or even easiest path. No doubt they’ve realised that creativity continues to deliver long after the last firework has fizzled out over the Croisette.

And a quick look at the regular Cannes winners – Adidas, Apple, Burger King, Coca-Cola, Dove, Nike, P&G – reveals a common denominator to their longevity: a fantastic legacy of creative advertising.

Creative agencies aim to achieve the same. Consultants may be nibbling at our margins – and of course, they have their uses – but our industry has creativity in its DNA. And with about 20 per cent of delegates at the festival now hailing from brands, there’s evidence that many of our clients share this view.

So, whether they’re competing, speaking or simply attending, on the beach or in the Palais, business leaders should take notice of Cannes Lions as the place where they will experience world-class creativity, access future-forward ideas, connect with businesses that matter, and find some fresh inspiration.

Should you be joining me here this year, I would advise you not to show up with a diary crammed full of meetings. What’s new and next is in the unexpected.

Inclusive advertising, brand experience and brands in culture will be big topics this year, and rightly so. VMLY&R has seminars on connected brands and the power of creative transformation, but many other businesses have equally worthy agendas to engage with.

Yes, the festival is busy. And it can be pricey. But it’s also an unbeatable opportunity to recharge the ultimate competitive advantage. As such, it offers a return on investment in spades. I’ll raise a glass of rosé to that.

£

Andrew Dimitriou is EMEA chief executive of VMLY&R.

POCKET GUIDE
Cannes Lions
Free
Whether this is your first year in Cannes or you’re a jaded veteran of the circuit, the festival can be overwhelming due to the vast number of talks, workshops, networking events, classes, and awards shows spread over five days.

This app has the full listings of events, as well as maps to help you find your way around.

Andrew Dimitriou is EMEA chief executive of VMLY&R.
FOOTBALL’S COMING HOME TO LIGHT

The HAC’s teams are heading back to their historic base at last, writes Frank Dalleres

YOU COULD be forgiven for not realising it, but the City of London has its own football club which dates back to the 1800s and is among the leading lights of the amateur game. One reason you might have missed it is because red tape has seen them exiled from the Square Mile for two decades and forced to play home games in Dulwich Village instead. But that is about to change. Next season the Honourable Artillery Company’s teams are due to return to their historic base of Armoury House, just a long throw-in away from Finsbury Square.

“We are very excited about playing at Armoury House again,” Charles Randall, president of the HAC football club, tells City A.M. “It’s as though the City’s football team is coming back to its natural home.”

While the HAC itself is the second oldest regiment in the world, pre-dated only by the Vatican Swiss Guard, and now part of the Army Reserve, its football players are no longer drawn from the ranks of Her Majesty’s forces.

Instead they are almost exclusively City workers from some of the biggest firms in banking and financial services. Star striker Tom Coulter, who scored 17 times in 19 appearances last season, and full-back Ben Harper work for Barclays; midfielders Lewis Treacy, Tom Farrar, Joe We斯顿 and Benji Thompson have jobs at Rothschild, Linklaters, Deloitte and KBS respectively; and outgoing captain Dave Holmes is at Merrill Lynch.

Grimsby Town manager Michael Jolley is their most distinguished old player, having played for – and cut his coaching teeth with – HAC while working as a fixed income trader in the City around the turn of the century.

BBC presenter Chris Hollins – the son of former Chelsea midfielder and manager John – also played for HAC, having, like Jolley, previously excelled at university level.

Arsenal and England centre-forward turned broadcaster and writer Alan Smith, meanwhile, is patron of the HAC’s two teams. “There is no chance of a playing comeback, however much we might need him,” jokes Randall, 70.

The HAC first XI play in the Premier Division of the Amateur Football Combination, the London and Home Counties outpost of the top tier of the non-professional game in the UK where the standard is comparable to some semi-professional sides.

They have been runners-up on three occasions since the league was formed 15 years ago and have two cup wins in the last decade.

NEW PLAYERS WANTED

Last season they finished fourth of 10 teams in a division won by Old Hamptonians, who count former Manchester United defender – and son of ex-Old Trafford chief executive David – Oliver Gill, now also at Deloitte, among their number. The second XI have struggled to find sufficient numbers to win promotion to Senior Division One last term.

Several of the squad had spells in the academies of Football League clubs – Holmes at Nottingham Forest, Treacy at Blackburn and new skipper Alex Roberts, who works in sports marketing for Pentland Brands, at Coventry – while Coulter and Roberts were among four HAC players to be selected for the Combination representative XI last year.

The teams are continuing a rich and long-standing tradition at the HAC, which also boasts cricket and rugby teams dating from the 18th and 19th century respectively.

The five acres of Artillery Green have been used for sports such as archery since about 1660, while a member of the regiment, Cowper Jackson, is credited with helping to codify the laws of association football in 1863.

More recently, the HAC’s rugged grounds have hosted occasional pre-season warm-ups for Premiership champions Saracens.

Football has been banished from the HAC for almost 20 years, however, after construction work on an underground car park and the erection of a wider marquee left insufficient space for a pitch that met minimum size requirements.

Some lateral thinking and minor landscaping by groundsman Bob Mills have made room for a football field again, paving the way for the teams’ long-awaited return this autumn.

Mills has taken the precaution of installing a high stop net behind the goal at the Bunhill Road end, though, after a window in his flat was smashed by one wayward shot.

While these are exciting times for Randall alike to any of his equivalents in the professional game he now finds himself preoccupied with the summer transfer market.

The relocation away from London of forwards Tommy Kiddell and Dazo Olufemi, who scored 22 and 16 respectively for the second XI last term, has left the HAC short of key talent and on the lookout for new signings.

“We are excited about moving back to the pitch in front of Armoury House but the loss of two of the club’s best strikers is a major worry,” he adds. “I want to see any of my equivalents in the professional game he now finds himself preoccupied with the summer transfer market.

“The players are well aware the HAC sports badge means something special. The current group are a credit to the company. They set high standards with style. That is what the HAC establishment has been about for hundreds of years.”
BRAGGING RIGHTS Sharma’s 140 helps India to resounding win over rivals Pakistan

Rohit Sharma smashed 140 as India out-classed rivals Pakistan to win a rain-affected World Cup clash by 89 runs yesterday. Put into bat, India made 336-5 from their 50 overs, with Sharma putting on 136 for with KL Rahul (57) before Virat Kohli’s 77 sped things along, despite Mohammad Amir’s 3-47. Pakistan never got going, with the wickets of Babar Azam (48) and Fakhar Zaman (62) triggering a collapse. After a shower, they ended on 212-6 from 40 overs as India claimed a seventh consecutive World Cup win against Pakistan.

FOOTBALL’S COMING HOME The City’s unofficial club is back in the Square Mile

SPORT DIGEST

SARRI JOINS JUVENTUS ON THREE-YEAR CONTRACT

Maurizio Sarri left Chelsea yesterday to join Italian champions Juventus on a three-year deal. The Blues manager, who joined from Napoli in July 2018, won the Europa League and led the side to third place in the Premier League. Juventus have paid Chelsea a £65m fee to secure the 60-year-old, who will replace Max Allegri in Turin.

I WILL BEAT WILDER AGAIN, SAYS CONFIDENT FURY

Tyson Fury says he will beat Deontay Wilder in a world heavyweight rematch after producing an impressive performance to stop Tom Schwarz on Saturday. Fury needed just two rounds to beat the German and is now targeting a fight with Wilder, who he drew with in December. “I already beat him once so I’ll beat him again,” said the 30-year-old. “He’s going to get a fully match-fit, sharp Tyson Fury, it’s the biggest fight in world boxing.”

USA & SWEDEN EASE INTO WORLD CUP LAST 16

Carli Lloyd scored twice and missed a penalty as the United States beat Chile 3-0 to reach the last 16 of the Women’s World Cup yesterday. Lloyd opened the scoring with a nice finish before Julie Ertz and the veteran midfielder both netted from corner to book a place in the knockout stages in Paris. Earlier Sweden thrashed Thailand 5-1 to also make it through in style.

FUGLSANG BEATS YATES TO CRITERIUM TITLE

Denmark’s Jakob Fuglsang won the Critérium du Dauphiné yesterday after Britain’s Adam Yates pulled out of the race midway through the last stage. Yates, 26, trailed Astana’s Fuglsang by just eight seconds ahead of the day having worn the yellow jersey for four stages, but withdrew with less than 50km to go down the Côte de Sainte-Claire as Team Ineos’ Dylan van Baarle claimed the stage.

STAGE SET FOR BRIT PACK

Cameron Norrie tells Felix Keith how a team environment is helping Britain’s best improve their games

NDY Murray may have been kept out of picture by injury but recent months have been a pretty positive time for British men’s tennis. Kyle Edmund, Cameron Norrie and Dan Evans have been flying the flag high in Murray’s absence, with all three currently on the up and inside the top 70 of the world rankings.

With Murray about to test his newly resurfaced hip on the doubles court, the British singles focus for the grass court season, which starts today at Queen’s Club, will be on a trio of talents.

They may be primarily focused on their own game, but spending time on tour with each other, practising regularly and playing together in the Davis Cup has helped form a close bond between the group. It’s a positive atmosphere to be a part of – and hard-hitting left-hander Norrie believes the mutually beneficial environment is a significant factor in the overall upturn.

“It’s nice to have other guys around pushing us and having them on our tails,” the British No2 tells City A.M. “Honestly, I just want the best for those guys and it pushes me to want to do better, when you see your friends doing well. You want to do just as well as them.”

“I haven’t seen Andy too much with the injury, but it’s nice to see him back. I hit with Kyle on Thursday and I see him around. I’m probably the closest with Dan Evans, who has just come back. I played doubles with him at the French Open. We have a lot of competitive practices and we get along very well.”

Having come through the American college tennis system when studying sociology at Texas Christian University, Norrie feels at home in a team dynamic.

His biggest breakthrough came in a team setting, too, with his first taste of the Davis Cup proving to be a perfect fit. Norrie – then ranked No14 in the world – showed guts and talent to fight back from two sets down to beat Spain’s then-world No23 Roberto Bautista Agut at home and on his preferred clay surface in February 2018.

Now established and professional, the world No50 has set his sights on a place in Great Britain’s squad for the 2020 Olympics in Japan. “I’d love to play at the Olympics and I think it’d be pretty special to be there, learning from other athletes, seeing what they’re doing and being amongst the best in the world,” the 23-yea-old explains.

“It’d be nice to have peers around you who want the best for you and the camaraderie of having other players and athletes around you – it’d be amazing, definitely something I’d cherish for the rest of my life if I get to experience it.”

This is an exciting period for Norrie. He started 2019 by reaching his first ATP final at the Auckland Interna- tional, losing to Tennys Sandgren, before climbing up the rankings to a career-high 41 in May through sustained solid form. And although he endured a poor French Open, losing in the first round to world No273 Eli- liot Benchetrit last month to slip back...