BLOCK NO-DEAL AND I’LL SEEK AN ELECTION

PRIME MINISTER UNVEILS DRAMATIC ULTIMATUM AS MP Launch Their Bid to Force a Fresh Brexit Extension

CATHERINE NEILAN
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BORIS Johnson will ask MPs to trigger a General Election for 14 October if the rebel alliance successfully seizes control of parliament today, thereby blocking a no-deal exit from the EU. On the steps of Downing Street yesterday evening, the Prime Minister said: “I don’t want an election; you don’t want an election” – but vowed he would never personally seek a Brexit extension beyond 31 October.

A senior government source later confirmed Johnson is planning to understand today’s vote, lodged by opposition MPs to take control of the legislative agenda, as an effective confidence vote. A government motion for a snap General Election will be tabled if rebels are successful in passing a motion to take control of the order paper, which could allow them to pass legislation removing the possibility of a no-deal Brexit. The move is intended to force backbench Tory MPs to choose between backing the government’s Brexit strategy – including the possibility of leaving without a deal – or risking their majorities at the ballot box later this autumn.

The election would then, unusually, be held on a Monday to allow time for a newly elected Prime Minister to attend the critical European Council summit, which starts on 17 October. Johnson warned in his statement yesterday that if Brussels believed MPs could “find some way to cancel the referendum” or vote to extend Article 50, it would “plainly chop the legs out from under the UK’s position, and make any further negotiation absolutely impossible.”

His speech came as pro-Remain MPs finally showed their hand in the form of a new bill tabled by Labour’s Hilary Benn, with signatories including former chancellor Philip Hammond and ex-justice secretary David Gauke. If enacted, the European Union (Withdrawal) (No 6) Bill, which is just two pages long, would force the Prime Minister to write to European Council president Donald Tusk asking for Article 50 to be extended until 31 January 2020.

In order to avoid the bill being triggered, the government must have parliamentary approval, either for a deal or no deal, by 19 October. If not, Johnson must request the extra time, which MPs said will give the government “sufficient time to carry out a genuine and sincere negotiation”, as well as to ratify any future deal. The time will also be used to build a cross-parliament consensus on the next steps, rebels have said.
Labour plans will end the market consensus

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OU WOULD be forgiven for thinking, this week of all weeks, that Brexit is the only game in town – not least with today’s no-deal brouhaha becoming an effective confidence vote in Boris Johnson’s still wet-behind-the-ears administration. But despite the parliamentary theatre, it’s worth remembering what the suddenly very real prospect of a General Election would mean. They are, after all, a means to an end: to win, to govern, and to deliver on a manifesto – not just a device to overcome a political hurdle. For the Labour party – who by the end of the week could be heading into an election against a divided governing party mired in economic uncertainty and Brexit drama – that manifesto would be unapologetically radical. The impact of some of their more eye-catching policies are becoming clearer by the day. An “employee share scheme” stealth charge would, in effect, hike corporation tax to 31 per cent for large companies and take huge chunks out of pension funds. A modern-day “right to buy” scheme for private renters that might well sound appealing to stretched young professionals but would constitute a shocking assault on property rights. And that’s before we get into the potential costs and chaos of the biggest nationalisation programme ever seen in the UK, which has already had members of the shadow cabinet forced to answer questions about whether the party might introduce capital controls in the event of a run on the pound. In short, for all of the shadow chancellor’s gently-backlit TV interviews, the breathtaking nature of Labour’s plans for the economy would tear up the broad consensus between politicians and wealth creators overnight. That this could be a popular policy platform should give some pause; that consensus, believe many, is not one that works for them. So there is a job to be done by those in the City and the wider business community to make the case again for a broad belief in modern capitalism. In 2017 we saw the opposition launch daily attacks on the Square Mile, the elite and “the rigged system”. Another election would see Labour ramp up its attacks on the Square Mile.

An election would see Labour ramp up its attacks on the Square Mile

A CREEPING dread has descended on Britain’s manufacturing sector, according to economists, after factories suffered their worst slump in seven years. Manufacturing output plunged to its worst level since 2012 last month, according to IHS Markit’s Purchasing Managers’ Index (PMI), as Brexit doubts intensified and a wider economic slowdown hurt firms. It recorded a drop to 47.4, where anything below 50 represents a contraction. “High levels of economic and political uncertainty alongside ongoing global trade tensions stifled the performance of UK manufacturers in August,” said Rob Dobson, IHS Markit director. This was consistent with a quarterly contraction of about two per cent, IHS Markit warned.

The British manufacturing sector’s difficulty year continues apace. A closely-followed industry measure’s dramatic slump has sparked yet more cries that Brexit-related uncertainty is “strangling manufacturing production” from sources such as the Unite union.

But this is not the only factor. A global economic slowdown has hampered orders from the US and Asia. New export business also suffered its worst fall in seven years as a result. Germany is a case in point. While Britain’s PMI score was 47.4, Germany’s export-driven sector fared worse with a score of 43.5. Lloyds Bank manufacturing head Steve Brazier, a leading Bank of England official, said he believed the world economy has historically been a strong, “reduced global demand resulting from continued geopolitical uncertainty has created headwinds for export-led strategies”. Brexit certainly hasn’t helped, but with the US-China trade war ramping up further, there are even bigger factors at play.

Meanwhile on the continent, manufacturing activity contracted for the seventh consecutive month in August as optimism was suppressed by a continued fall in demand. The Eurozone PMI score came in at 47 – well below the threshold for growth.

Day of the creeping dread hits British manufacturers

TIT FOR TAT Embattled Hong Kong leader Carrie Lam says she would resign ‘if she could’ following months of demonstrations

ATTACKS ON THE SQUARE MILE

CARRIE Lam, the leader of Hong Kong, has said that she would quit her role if she could, according to an audio recording of a meeting acquired by Reuters. Speaking to business across last week, Lam said: “If I have a choice, the first thing is to quit, having made a deep apology.” The revelations came as thousands of students boycotted classes and protested peacefully yesterday in a continuation of anti-government demonstrations. The protests have raged since June, when Lam’s government introduced a bill that would have let citizens be extradited to China for trial.
Retail sales dip as shoppers hit by Brexit nerves

JESS CLARK @jclarkjourno

Retailers have been warned to prepare for further political and economic turbulence as like-for-like retail sales growth dipped last month in the latest blow for the UK high street.

Bricks and mortar sales, not including food products, decreased by 0.5 per cent on a like-for-like basis from August last year.

In the three months to August, in-store sales declined three per cent, below the 12-month total average fall of 2.6 per cent.

On a total basis, sales were flat against an increase of 1.3 per cent in August last year, according to figures published today by the British Retail Consortium and accountancy firm KPMG.

“With a budgetary spending review, the Brexit crunch point looming and potentially a General Election on the cards, it’s clear that the only thing that is certain in the coming months is further uncertainty,” Paul Martin, UK head of retail at KPMG, said. “It’s vital that retailers insulate themselves for every eventuality and have rigorous contingency plans in place.”

Online sales of non-food products grew 2.2 per cent last month, weakening from growth of 7.5 per cent in August 2018, showing that the e-commerce sector has slowed “drastically”.

Grocery sales returned to positive growth in August as shoppers prepared for the Bank Holiday heatwave. Spending in pubs and restaurants was also bolstered by the hot weather.

Data from Barclaycard showed that non-essential spending rose by 1.4 per cent driven by 10.9 per cent growth from pubs and 8.6 per cent from restaurants.

Spending in discount stores also grew by eight per cent as more customers hunted for bargains. Research showed that 52 per cent of UK adults are worried about the impact of rising prices over the next month.

“A weak pound and worries about rising prices are causing concern for many, with Brits looking to better balance their household budgets,” Esme Harwood, director at Barclaycard, said.

Ashley’s Sports Direct is backing case to push Debenhams under administration

JESS CLARK @jclarkjourno

MIKE Ashley’s Sports Direct is backing a legal challenge against Debenhams’ restructuring plan to “drive it into administration so that it can pick up its assets on the cheap”, a court was told yesterday.

The sports retailer is backing a challenge brought by Combined Property Control Group (CPC), which represents the landlords of six Debenhams branches, against the department store’s rescue deal.

If CPC wins the case the restructuring plan could unravel, tipping the retailer into administration. In written submissions to the court, Tom Smith QC, representing Debenhams, said: “Sports Direct wants to drive its principal competitor out of business... It wants to drive Debenhams into administration so that it can pick up its assets on the cheap.”

In May the retailer secured the backing to push ahead with a major restructuring plan.

Digital banks poised to triple users in upset to high street status quo

SEBASTIAN MCCARTHY @SebMcCarthy

BRITAIN’s digital-only banks are set to treble their customers in the year ahead, as they ramp up their efforts to challenge high street rivals and disrupt the retail lending market.

Despite widespread concerns over their long-term profitability, fast-growing online lenders are on track to amass 35m new users globally over the next 12 months, according to new analysis from Accenture.

Challenger banks have snapped up roughly 5m new accounts during the first half of 2019, broadening their customer base beyond millennials and early adopters in recent months to win round older customers and those living outside of London.

Yet despite the strong growth, financial technology firms such as Monzo and Revolut have struggled to turn popularity into profit, with the typical online-only bank losing an average £9 per customer.

Gary Greenwood, a banking analyst at Shore Capital, said: “Particularly in a very low interest rate environment, it’s just not enough to have customers and take in deposits.

“You need them to be doing revenue generating activities and be borrowing from you in order to make a return.”
Philip Green loses Arcadia exec as chief operating officer leaves role

JESS CLARK

@jackapjurno

ARCADIA's chief operating officer has stepped down after more than 25 years with Sir Philip Green's retail empire.

David Shepherd, who took on the operating chief role in 2012 and was previously a director at Topshop, retired at the end of last month. His departure comes after Baroness Karen Brady resigned in February from her role as chair of Taveta Investments, the holding company that owns Arcadia. Non-executive director Sharon Brown stepped down at the same time.

Arcadia, which owns high street brands such as Topshop and Dorothy Perkins, is currently undergoing a restructuring process. It was reported over the weekend to be preparing to sell off its brands, however a spokesperson for the company called the reports "unfounded" and said Arcadia is focused on implementing its recently agreed rescue plan.

In June, the retail group narrowly secured creditor approval to implement a company voluntary arrangement, giving Arcadia the green light to close 23 stores and secure rent reductions at nearly 200 branches.

SAUDI Arabia has removed its energy minister from the state-owned oil giant Saudi Aramco as it prepares to float the company as soon as next year.

Khalid Al-Falih will step down from the position, as the company tries to avoid too many conflicts of interest as it hits the public markets for the first time, Bloomberg reported, citing sources.

However, the news may also mark a repudiation of Al-Falih's policies.

The energy minister reportedly disagrees with Crown Prince Mohammed Bin Salman, who is keen to bring the company's float to the New York exchange.

The board of Aramco, including Al-Falih, is worried the company would open itself up to litigation in the US if it lists there. US terror laws allow victims of attacks, and their families, to sue foreign countries. The board is worried that families of those killed on 9/11 could use this to take the Saudis to court.

"All this shows that in Saudi Arabia there has been some dissatisfaction at the highest levels on how things have been going," Olivier Jakob at consultant Petromatrix in Switzerland told Bloomberg.

The energy minister has tried for months to top of falling oil prices, which have been put under pressure by rising US production.

But this week, the Wall Street Journal, citing sources, reported that Aramco is looking primarily at a dual listing between the Saudi exchange and Tokyo, shunning London and Hong Kong amid political uncertainty.

Al-Falih will be replaced by the head of Saudi Arabia's sovereign wealth fund Yasir Al-Rumayyan, a bin Salman ally who has sat on the board of Aramco since 2016.

The news comes after Al-Falih on Friday lost the industry and mineral resources brief, as those areas were broken off from the Energy Ministry in to a brand new department.

The department, and therefore Al-Falih, oversaw more than half of the Saudi economy before the split.

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ANNOUNCEMENTS

LEGAL AND PUBLIC NOTICES
Deutsche chief to buy shares in bank until 2023

SEBASTIAN MCCARTHY
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THE BOSS of embattled German lender Deutsche Bank will spend 15 per cent of his monthly net salary buying shares in the company. As part of a pledge earlier this summer, chief executive Christian Sewing will buy €21,250 (£19,339) of shares in the bank at the end of each month until the end of 2022, filings revealed yesterday.

In July, Sewing sought to reassure investors of his confidence in the company’s turnaround plan by vowing to invest “a substantial amount” of his own income in the group. “I am putting my money where my mouth is,” Sewing promised analysts in early July when the group revealed its transformation plan.

Chairman Paul Achleitner has also bought almost €1m of shares in the troubled bank. In the past few months, brokers and investors have been digesting Sewing’s radical cost-cutting plan, which involves axing 18,000 jobs globally as part of an attempt to stem its decade-long decline.

Deutsche is closing its global share-trading business and significantly cutting back investment banking operations, saying that the restructuring will cost the bank €7.4bn.

The German firm’s share price closed up one per cent last night, with the value of its stock having recovered slightly in recent days after hitting a record low of €5.78 last month.

Deutsche Bank chief Christian Sewing

IT ALL ADS UP Analysists upgrade ITV and JCDecaux as Brexit ad campaign kicks off

BROADCASTER ITV and outdoor advertising giant JCDecaux could be set for a revenue boost as the government launches its £10bn Brexit public information campaign, said Liberum analysts, after the ‘Get ready for Brexit’ campaign launched this week.

Analysts upgrade ITV and JCDecaux as Brexit ad campaign kicks off

China launches tariff complaint at trade body

HARRY ROBERTSON
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CHINA yesterday lodged a complaint at the World Trade Organization (WTO) against US tariffs, which have hit $300bn (£250bn) of Chinese exports.

The US on Sunday slapped 15 per cent tariffs on a variety of Chinese goods in the latest escalation of the raging trade war between the world’s two biggest economies.

Beijing revealed it had taken a case to the WTO, the arbiter of global trade, in a statement from the Ministry of Commerce, which also said the latest tariffs broke an agreement reached between the two countries at a meeting in Japan. It is the third lawsuit China has brought to the trade body to challenge US President Donald Trump’s trade policies.

WTO rules say Washington has 60 days to try to settle the complaint China has lodged. Yet how much heed the Trump administration would pay to WTO rulings remains to be seen.

It has criticised the organisation for failing to rein in China, while the US President has threatened to quit the international body.

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China launches tariff complaint at trade body

Deutsche chief to buy shares in bank until 2023
IRAN said yesterday that it would further break the terms of the 2015 nuclear deal unless European countries did more to help limit the damage of US sanctions on its economy.

The Trump administration tore up the Iran nuclear deal, under which Tehran limited nuclear projects in return for a lifting of sanctions, in May 2018. The UK, Germany, and France have pledged to carry on with the key elements of the Barack Obama-era deal and help Iran navigate US sanctions, which include a complete ban on oil exports.

But Iranian foreign minister Mohammad Javad Zarif said in a press conference yesterday it was “meaningless” to stick to commitments “if we don’t enjoy its benefits as promised by the deal’s European parties”.

Iran first said it would suspend some of the commitments it made in the nuclear deal in May. In June, the nuclear watchdog said Iran is increasing production of enriched uranium, a key ingredient in nuclear energy and weapons. Tehran has threatened to further break the deal by 6 September unless European nations can help to boost its oil sales, among other measures.

Yet Iran and France’s positions are growing closer, Tehran said, providing hope a solution may be reached.

EUROTUNNEL is ready for Brexit, it told investors yesterday, as it aimed to quell fears that there could be disruption to the key trade route. About 5,000 trucks use the service every day and the Paris-listed firm has introduced a two-lane system for trucks post-Brexit.

The new system will see customs officials carry out checks on each side of the Channel at its Folkestone and Coquelles terminals. Two so-called pit stops – one at each side of the tunnel – will allow Eurotunnel to check 20 trucks “in just a few short minutes”.

Those declared fine to cross will travel along a so-called green route, while officials can direct trucks to an orange route for more checks. Meanwhile, Eurotunnel has built a 240-space car park for trucks in France, and a customs and sanitary control zone in the Coquelles terminal with nine inspection bays and 100 parking spaces. That will allow French authorities to check UK-sourced goods “without disrupting through-traffic”. It is also recruiting customs support roles “to help drivers get their paperwork in order for the controls”.

EUROTUNNEL unveiled its new customs system in Brexit-ready preparations

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Allen & Overy’s merger talks with US firm collapse

JAMES BOOTH @JamesBooth1

MAGIC Circle law firm Allen & Overy’s (A&O) long-running merger talks with US firm O’Melveny & Myers have collapsed, the firm said yesterday.

A deal would have given A&O a significant platform in the crucial US legal market, which Magic Circle firms have so far struggled to crack.

In a statement, the firm said: “Allen & Overy and O’Melveny & Myers have held discussions about a possible combination and, despite agreeing that there were some compelling synergies between us and that it was sensible to explore a possible deal in some detail, we have mutually decided not to continue these discussions.”

“A&O said it was still open to a US deal as “building our presence in the US remains the highest priority”.

“We will significantly increase our immediate focus on lateral individual and team hires, while remaining open to considering opportunities for larger combinations that may arise in the future,” the firm said.

Sources told Legal Week, which first reported the news, that the plummeting pound had made it difficult for the two firms to come to terms.

“Foreign exchange rate volatility and a reduction in US interest rates affect how any deal gets valued,” a source said. “It made it too difficult to agree a valuation of each firm, and how financial integration and pay would work as a result.”

When news of the talks emerged in April 2018, the pound was trading at $1.41, whereas yesterday it was hovering around $1.20 as fears of a no-deal Brexit hit investor confidence.

O’Melveny said: “O’Melveny has concluded that the firm’s best course is to continue executing on its strategic plan.”

A merger between the pair would have created a $2bn (£1.7bn) legal giant and given A&O a greatly enhanced platform in the lucrative US legal market.

US firms such as Kirkland & Ellis and Latham & Watkins have successfully built out London offices in recent years, taking on the Magic Circle firms on their home turf.

In contrast, the Magic Circle have struggled to develop credible practices stateside, hampered by the higher profitability typical at US firms.

A&O’s management team have previously said they anticipate the emergence of a handful of leading global law firms and that building a sizeable US practice is key to being part of that group.

In 2018, O’Melveny posted revenue of $860m and profit per equity partner (PeP) of $2.2m, while A&O’s 2018-19 revenue was £1.62bn and profit per equity partner (Pep) grew one per cent to £1.6m.

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Our primary focus will be encouraging all employees to consider how they can use their annual paid volunteer time for eligible community related activity. In particular our mission is to increase awareness and participation of team skills based volunteering using our professional skills and expertise.
AstraZeneca shares hit record high on ‘exceptionally impressive’ trial

AUGUST GRAHAM
@AugustGraham
SHARES in AstraZeneca reached a record high yesterday after the company kicked off September with strong results from two drug trials. The company’s share price closed up almost three per cent to 7,533p, as it said drug Brilinta, when taken with aspirin, lowered the risk of heart attacks and strokes in patients.

Meanwhile, the company released “very strong data” on its Farxiga drug over the weekend, said Deutsche Bank analyst Richard Parkes, who upped his target price on the stock.

The “exceptionally impressive” results of its late-stage trial showed that Farxiga could prevent heart failure from worsening and reduce cardiovascular deaths in patients with and without diabetes.

It comes after a strong month for AstraZeneca, with several late-stage trials showing positive results. “Recent financial results show that AstraZeneca has truly turned the corner on its expected return to growth and performance of its new drug portfolio is exceeding expectations,” Parkes told City A.M.

“Looking to the year end, we continue to expect the company to report extensive new data.”

SADIQ Khan wrote to the capital’s 73 MPs yesterday, asking them to block a no-deal Brexit. The London mayor, who supports a second referendum, said leaving the EU without a deal “would make us poorer, less safe and diminish our global standing.”

Astrazeneca shares hit record high yesterday after the strong results from two drug trials.

“I urge London MPs to join me in making sure that we do not have a failure from the government as it pushes for a no-deal Brexit,” Khan said in a letter sent to all 73 MPs yesterday.

In an interview with City A.M., the mayor outlined how the city could prepare for a no-deal Brexit.

Sajid Javid says City a priority in meeting with Square Mile chiefs

HARRY ROBERTSON
@harryrobertson
CHANCELLOR Sajid Javid yesterday reportedly told City bigwigs that the financial sector was a top priority for the government as it prepares itself for a political showdown over Brexit.

It was the first time Javid had met leading City figures to discuss Brexit since taking up the role.

Attendees at the meeting, held in Javid’s Downing Street house, included the chairmen of Lloyd’s of London and Legal & General, as well as the chiefs of Barclays and Goldman Sachs.

The industry figures raised concerns about the post-Brexit trading across borders of financial products such as derivatives, according to Reuters.

One attendee described the meeting as constructive, according to Sky News, and praised Javid for naming the wellbeing of the City as a major focus.
Half of Brits fear dangers of self-driving vehicles

JAMES WARRINGTON

ALMOST half of UK consumers are worried about the dangers posed by driverless cars, a new survey has revealed.

Roughly 43 per cent of adults surveyed said they were concerned about the problems that may arise from autonomous vehicles, as car manufacturers race to develop the new technology.

Research by software firm Studio Graphene, seen exclusively by City A.M., found concern about self-driving cars was significantly higher than any other technology.

Artificial intelligence (AI) was the second most worrisome technology, with just under a quarter of respondents saying they were afraid of it.

However, the survey, which highlighted public perception of different modern technologies, also showed that Brits were excited about 5G and biometrics.

Roughly 32 per cent of respondents said they were excited about the benefits of biometric technologies such as retina and fingerprint scanning.

The next-generation 5G mobile network followed close behind, while wearable technology such as smart watches also sparked excitement.

“The research shows that despite the hype, AI and driverless cars still trigger fear among UK adults. What’s more, these are hugely significant trends shaping the world around us – like the internet of things and big data – which consumers do not fully understand,” said Ritam Gandhi, director and founder of Studio Graphene.

Just under two in five people said they had never heard of the Internet of Things – which refers to the connection of computing devices in everyday objects such as smart speakers – while a similar proportion were not familiar with the term “Big Data”.

De La Rue hires new chairman from embattled software giant

ALEX DANIEL

EMBATTLED banknote and passport producer De La Rue has appointed a new chairman after months of investor pressure on its top-level leadership.

Kevin Loosemore, who is also chairman at struggling IT giant Micro Focus, will take up the role with immediate effect.

The London-listed company has come under attack from shareholders in recent months after its former chief executive quit earlier this summer, following the company’s failure last year to win the contract to print Britain’s new blue passports.

CONTROVERSIAL face-swapping app Zao has provoked a major privacy row after going viral in China. Chinese messaging app We Chat temporarily disabled access to the app from the platform with the display message, saying it has “security risks”.

De La Rue hires new chairman from embattled software giant

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HALIFAX VISA
POLITICS NEEDS TO INNOVATE

Catherine Neilan finds out how tech could help Whitehall get up to speed

OVE him or loathe him, Boris adviser Dominic Cummings has certainly shaken things up in Downing Street. But down Whitehall, it’s a former No 10 policy wonk attempting to bring new Silicon Valley approaches to the civil service – another of Britain’s oldest institutions – getting people talking.

Across the road from the Palace of Westminster sits a new co-working space, designed for startups with one thing in common: cutting waste and solving problems throughout the public sector. This, hopes Cameron-era politico-turned-entrepreneur Dan Korski, will become the new heart of the UK’s so-called govtech sector. “I got frustrated by innovation tourism,” Korski says of his time in government. Civil servants “would take tourist trips to innovation land, take selfies at all these tech firms – but then they go back to their office, back to the public service way of thinking,” he says. “I thought if we are ever going to break that dynamic, we have to make it easier for innovators. We have to create a different space.”

With that in mind, Korski joined forces with co-working specialist Huckletree and created Public Hall, a community of startups, investors and innovators that hope to transform public services. Public Hall officially launches this month with more than 60 per cent occupancy. Among the companies already taking space are Fut, an artificial intelligence (AI) startup that hopes to simplify interactions between the public and government-run services, and Apolitical, essentially LinkedIn for public servants.

Korski, who became a well-known figure in the tech world during his time as an adviser to David Cameron, is dishing about Whitehall’s ability to innovate. “In the public sector, because you’re dealing with people’s lives, money [and] health, there is talk less about disruption because it tends to make people worried,” he says. “But it is definitely the case that in government you have these large, slow-moving systems that are incapable of delivering for citizens in the way that they used to.” And that’s before we even get to the B-word.

“We are all focused on Brexit sure, but if we leave – however we leave – the UK economy still has to be built on something other than Brexit,” says Korski. “Tech is going to be key to dealing with Brexit-related challenges and government would be foolish to rely on the same old suppliers. They will not be the ones to solve Brexit problems.”

Admittedly, none of the startups currently taking space in the offices has a solution to the Irish border question. But they do have ambitions to solve somewhat more prosaic – although still important – issues that bedevil Brits, from streamlining utility payments and fines, to switching conversations from real-live translators to bots.

This is not sound as exciting as solving the Brexit impasse, but making Whitehall more efficient is good for every UK taxpayer. It’s also not just the tech firms that are clamouring to get closer to policy makers. Those within Whitehall recognise that paradigm shifts, for example our ageing population, require new thinking and that the private sector may be best placed to help.

Public Hall and startups can work with civil servants, the more likely it is to be beneficial,” says Marcus Shepheard, a senior researcher for the Institute for Government. “Govtech is new space. There is a lot of uncertainty, because people are still finding their feet. This is the kind of thing industry needs, to blaze a path and establish a good precedent for start-ups and government to work together.”

Korski, who welcomes Cummings’ approach, also has a tip for the Prime Minister’s own working space that he believes could benefit the UK. “Number 10 should have an alternative office in Manchester, for example,” he says. “Then the Prime Minister could have a week out of every month in that office, that would make a huge difference to how they think about the country.”

Dechra gets Brexit-ready by shifting some operations to the Netherlands

JOE CURTIS

VETERINARY drugs maker Dechra Pharmaceuticals said yesterday it has steered itself for a possible no-deal Brexit by shifting ownership of UK marketing authorisations to a new arm in the Netherlands.

Dechra also moved all its analytical testing methods for products created in its Skipton site in the UK to a new laboratory in Zagreb, Croatia, as well as its existing Bladel laboratory in the Netherlands.

“This will allow us to perform batch release within the EU in the likely event that there will be no mutual recognition of quality standards,” Dechra told investors yesterday.

“We have increased inventory in the supply chain to mitigate the potential delays at ports. We do not expect any material effect from the potential import or export tariffs.”

Dechra took the step as the UK risks leaving the EU without a deal on 31 October, the UK’s scheduled Brexit departure date.

The company raised its dividend as Dechra’s operating profit rose 13.5 per cent year on year to hit £481.8m. Underlying operating profit for the year was up 27.3 per cent to £127.4m.

“Volkswagen will reportedly still be allowed to bid for public sector contracts in the US, after concerns柴油 engines for the US Navy via its Man Energy Solutions subsidiary. VW’s three-year monitoring process by the EPA is set to begin in the coming months.

VW retains public sector contracts after US inquiry

ALEX DANIEL

VOLKSWAGEN will reportedly still be allowed to bid for public sector contracts in the US, after concerns about emissions cheating scandal may result in a ban.

Instead of being excluded, VW will be made to install a second US monitor at its Wolfsburg headquarters in Germany following an investigation by the US Environmental Protection Agency (EPA) to keep access, according to German business newspaper Handelsblatt.

The company, which is the second-biggest car maker in the world behind Toyota, produces diesel engines for the US Navy via its Man Energy Solutions subsidiary. VW’s three-year monitoring process by the EPA is set to begin in the coming months.

A month’s contract. Price may change during this period. £19.95 set up.
FTSE is boosted by Astrazeneca on trial success

The FTSE 100 rose one per cent on Monday, shrugging off news of the latest US-China trade tariffs, as exporter stocks firms followed a slide in sterling on the prospect of an electronics against the backdrop of Brexit.

The main index hit its highest in nearly a month – 7,281.94 points – boosted partly by Astrazeneca, which rose nearly three per cent to an all-time high after separate trials showed its drugs helped patients with cardiovascular conditions.

Escalating worries over global trade and a looming recession weighed on the FTSE 100 in August, as it recorded its sharpest monthly fall since October. “Gains may be fragile,” Markets.com analyst Neil Wilson said of the FTSE 100’s rise. “After a tough August though, traders should buckle up for more volatility in September.”

Marks & Spencer shed 1.4 per cent on expectations of being relegated from the FTSE 100 for the first time since 1984. Also weighing on shares of the 135-year-old retailer was Goldman Sachs reinstating coverage on the stock with a “sell” rating, saying recent trading patterns in the retailer “continued to be disappointing”.

Europe closes up as investors get defensive

The pan-European Stoxx 600 closed up 0.3 per cent, starting September on a positive note after global trade signals on recession worries drove the benchmark down 1.6 per cent in August.

After a tumultuous month, equity investors largely shrugged off the latest escalation in the trade spat as Washington began imposing US per cent tariffs on a variety of Chinese goods, and Beijing reciprocated with new duties on US crude oil.

On the main Stoxx indices, defensive sectors such as food and beverage, healthcare and utilities – which tend to be favoured during times of economic uncertainty – led the gains.

An ongoing decline in export-reliant Germany meant factory activity in the Eurozone contracted for a seventh month in August, bolstering expectations the European Central Bank will ease monetary policy next week.

“The data hasn’t changed views much. You’re left with the fact that a lot of negatives about the trade war has been discounted in the recent days,” Rabobank’s Philip Marey said. “There are some hopes that will be talks between the two parties, and the US is looking to have an impact as well. Investors are waiting for a direction from US markets.”

Trade-sensitive German shares ended slightly higher, led by gains in exchange operator Deutsche Boerse, while a price target hike by Goldman Sachs on renewable energy company RWE drove its shares up 3.7 per cent. Easing political worries helped Italy’s FTSE MIB gain 0.6 per cent after Prime Minister Giuseppe Conte said on Sunday he expected to settle talks over a new government by tomorrow, as the 5-Star Movement and Democratic Party worked on allocating cabinet posts and finding a common agenda.

CITY MOVES WHO’S SWITCHING JOBS

GLOBALWEBINDEX
Supplier of audience insights to the global marketing industry Globalwebindex has announced the appointment of James Scott to the newly created position of chief commercial officer, where he will champion the growth and scalability of the business.

GROSVENOR BRITAIN & IRELAND
Grosvenor Britain & Ireland has appointed Cathy Griffiths as a commercial leasing manager for its London estate. Cathy will focus primarily on the business’ office portfolio in Mayfair and Belgravia working with Charles Howard, director of offices, on leasing strategy and transactions covering both existing stock and assets in the development pipeline, including 66 Davies Street, 27 Eccleston Place and 20 Balfour in the City. She will also support the office innovation stream, which identifies, filters and tests applications and solutions to assist the business’ office tenants and supports the portfolio’s position as a key business hub.

ANGLO PACIFIC
Anglo Pacific’s deal with a subsidiary of Chilean group Mantos Copper may prove to be groundbreaking. The $50m (£41m) agreement will give Anglo a 1.5 per cent net smelter return on all copper produced at the Mantos Copper mine. Brokers at Peel Hunt were impressed with the move, which they said would pay back over 12 months without stretching Anglo’s resources. It also marks Anglo’s first major investment in copper and a further diversification away from coal. Peel Hunt gave Anglo Pacific a “Buy” rating with a target price of 235p.

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Learning how to let go of your business

Selling a company isn’t just about the deal – for the founders, it’s personal as well

For many entrepreneurs, successfully selling their business is validation that their years of hard work have paid off. It should be the happiest time of their lives, but it can actually be one filled with mixed emotions. I know this, because that’s what I experienced myself.

In 2012, I co-founded an electronic point of sale business called Intelligent Point of Sale (IPOS). We grew the company over four years until it was eventually acquired by the fintech firm iZettle in 2016, which itself was acquired by PayPal in 2018 for $2.2bn.

My business partner and I exited the business with a package that we were very happy with. But looking back, I realise that there are things I learned through the sale that I wouldn’t have known otherwise.

So, to those entrepreneurs who are considering a sale or are in the throes of the process, here are my most important lessons.

IT’S ABOUT THE JOURNEY, NOT THE DESTINATION

People imagine that a successful acquisition and securing a good financial exit is the high point of growing a business. It’s the final scene in the movie, the “air punch and rock anthem” moment. But for me, the day we signed the deal didn’t feel like a highlight. In fact, it felt bittersweet.

The true highlights were the “little wins”: the first time our product went live; the first time we could afford to treat our team to a great Christmas party; and each and every record sales month.

Those memories serve as a reminder to live in the moment and enjoy the ride.

ACQUISITIONS REQUIRE A BIT OF SECRECY

When you receive an offer of acquisition, the legalities of the bid demand strict confidentiality.

For us, this was problematic because of the open, transparent culture within our team. I felt conflicted discussing the future of IPOS without the team’s knowledge.

After all, no one likes to be sneaky, but when it comes to acquisitions, a bit of “cloak and dagger” behaviour goes with the territory.

Prior to iZettle, we had received other notes of interest, but it would have been disruptive to inform our team every time a potential suitor appeared.

Thankfully, the decision to go with iZettle was in line with the strategic direction already planned for IPOS and helped to accelerate those plans, so the team got on board quickly with the acquisition.

IT’S ALL ABOUT THE PEOPLE

I’ve heard of situations where bosses of a newly acquired company deliver the news to their team on Monday morning and expect “business as usual” by lunchtime. We didn’t want to do that.

Instead, we took our team to a nice hotel, gave them a short presentation explaining our reasoning, then had a party with an open bar tab. People were free to ask us any questions and talk through what the deal meant for the company and for them personally.

It was important to us to make sure that we did our best to settle the team and structure things for continued success and fun.

PARTING CAN BE SUCH SWEET SORROW

My final piece of advice is that entrepreneurs must prepare themselves emotionally and psychologically for the sale. On the day I left, I felt a bit like I’d lost my left arm. We were a close-knit team and had shared many good times over the years.

Looking back, it’s clear that the memories I treasure most are the ones involving people: building a team; shared successes (and failures); and trusted relationships. I wasn’t prepared for just how difficult it was to leave them all behind.

Robin Knox is co-founder and chief executive of Boundary.
This overblown rhetoric about ‘coups’ is someone’s interests

John Ashmore

These kind of jibes are less analysis than a brand of slightly hysterical name-calling

Facebook’s libra shows how blockchain can help in the fight against money laundering

Neepa Patel

The cost of anti-money laundering (AML) protocols and procedures for businesses is well-documented. Financial institutions sink billions each year into technology to identify suspicious activities and prevent their services being used for illegal transactions. Despite these efforts, money laundering remains big business, representing around five per cent of global GDP. That’s larger than the entire economy of Canada.

In its early days, many feared that blockchain technology — and the cryptocurrencies that it became synonymous with — would provide yet more protection for money launderers, cloaking assets behind a wall of anonymity. However, with the emergence of new generations of blockchains and cryptocurrencies, like Facebook’s libra which was announced in June, we may now have an opportunity to build an asset that can prove itself a weapon in the fight against financial crime, rather than a new bottle of wine.

The way in which banks currently approach money laundering is largely reactive, relying on electronic monitoring to identify suspicious activity such as excessively large cash deposits.

The problem is that information is often kept across multiple systems, giving neither banks nor regulators a comprehensive view over the whole system. They need to be able to see connected payments, deposits and money transfers.

The nature of blockchain, as a single connected ecosystem, means that information can be shared across a network, enabling banks to develop a more coherent and comprehensive view of activity. This enables AML analytics to build up a much more subtle picture, joining together activities which might not on their own seem suspicious, but taken as a whole indicate nefarious activity.

So, if blockchain can actually enhance AML measures, why is libra — and cryptocurrency more broadly — not, after all, an oil-rich South American country with a long and ignominious history of corruption?

And there’s really no need for hyperbolic speculation when you can simply examine the facts. For Brexit Day risks making anything approaching normality look like a triumph for the socialists.

But it’s not just the anti-Brexit left who are guilty of falling into the hyperbole trap. The right should be not ashamed to discuss the extra borrowing that this entails the extra borrowing that this.

The Centre for Policy Studies estimates the extra borrowing that this entails the extra borrowing that this.

It’s the kind of imprecise language many big business leaders and politicians use to do so. What’s more, his opponents have been willing to to try to get their way.

Not too long ago, some of those same politicians brought up an issue about democracy being contemplated in 1832, the year of the Reform Acts or may have called Prime Minister of a so-called “national unity” government made up of entirely anti-Brexit MPs.

And those predicting economic meltdown after a no-deal Brexit may well be right to consider the effects of overplaying one’s hand. Claiming that the UK faces an economic doomsday scenario after Brexit Day risks making anything approaching normality look like a triumph for the right.

But it’s not just the anti-Brexit left who are guilty of falling into the hyperbole trap. The right should be wary too, when it comes to talking about Jeremy Corbyn’s Labour. However passionately you disagree with the Labour leader, arguing that he secretly wants to turn Britain into Venezuela is liable to perplex most voters, for whom the comparisons are not, after all, an oil-rich South American country with a long and ignominious history of corruption.

Whatever the political cause, be it campaigning against Brexit or defeating Corbyn, persuading the wavering requires much more than overblown rhetoric. If you cry wolf, don’t be surprised if it comes back to bite you.

John Ashmore is acting editor of CapX.

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Can’t name the UK technology secretary? We don’t have one

D O YOU know who our secretary of state for technology is? Or can you name the tech minister? No? That’s not surprising, because they don’t exist. While we all might agree that technology is a key ingredient to a successful and vibrant economy and to our advancement as a society, there is still no one in cabinet meetings solely focused on and accountable for the government’s policies on it.

The closest we come to a senior official responsible for technology is Nicky Morgan, secretary of state for digital, culture, media & sport. She is concerned with everything from dealing with encryption and data harvesting to promoting sport and culture throughout the country, and has an unfathomable amount on her plate before we even consider technology.

In our recent inaugural survey for the Digital Finance Forum, we asked technology entrepreneurs around the country for ideas about how the government could help their sector. One of the best supported suggestions was for the government to appoint its first technology secretary, to be directly accountable for the government to appoint its first technology secretary, to be directly accountable for the areas like this where the UK truly dominates.

Across the channel, the French are already at it. In April, President Emmanuel Macron made one of his closest advisers, Cedric O, secretary of state for digital for the digital economy as part of a long-standing international competition to come out on top for technology. He is charged with promoting, protecting and amplifying the potential of the French tech ecosystem.

As a fintech founder myself, I know that the government has in the past done a brilliant job of championing a new way for financial services. However, as the Digital Finance Forum survey shows, there is definitely a concern that it is starting to become complacent.

We may be the world’s leader in fintech at the moment, but two thirds of survey respondents were not so sure about how we would fare over the next five years. Fintech has its parliamentary champions, but no one in government is really charged with seeing through an agenda that keeps the UK competitive.

The brief for fintech fits into the remit of the economic secretary, whose responsibilities also stretch between banking reform, financial stability and FCA mandate, how the City handles Brexit, City competitiveness, bank levies and tax policy, promoting women in finance, anti-money laundering, and debt management policy.

Is this endless list the right place to shoehorn in sole responsibility for a sector that contributes billions of pounds to the UK economy every year and has the potential to contribute many times more in the near future? A Department for Technology, overseen by a new technology secretary, would have the capacity and space for a proper, full time fintech minister who recognises the contribution it makes to the UK economy, employment and inward private investment, and would match it with committed representation and policymaking.

This is no longer a nice-to-have idea, but a serious proposal backed by entrepreneurs that deserves consideration. At a unique time in British history, where uncertainty reigns and it feels like there is as much to lose as there is to gain, we need to give technology a seat at the highest table and a voice in the decisions this country makes.

At a unique time in history, we need to give tech a seat at the highest table

Christian Faes

DEBATE

Is there any merit to Labour’s idea of a ‘right to buy’ policy for private renters?

YES JAMES MEADWAY

Labour looking into a right to buy for private tenants could be a godsend for those tens of thousands of private renters who find themselves on the wrong side of Britain’s failed housing market. While younger people still aspire to own a home of their own, there is a whole generation for whom this is a nigh-on impossible dream. Some 65 per cent of middle earners aged 25–35 owned their own homes in 1994; two decades later, it’s 27 per cent.

Priced out of the market, unable – despite government schemes – to get a mortgage, people are pushed into renting privately. Sometimes they’re decent; too often (in our poorly regulated rental market) they’re not. Meanwhile, landlords have enjoyed a win-win: rising property prices mean their wealth goes up at the same time as they can charge higher rents. It’s only fair to look at ways to reduce the injustice. After decades of failure, bold action like Labour’s rental right to buy is needed.

NO EAMONN IVES

landlords against each other, we could turn renters into owners by incentivising landlords to sell up, should they wish to. By rebating the capital gains tax they’d pay in the process, with some going to themselves and some to the tenant to help with a deposit, everyone can win, without the state having to expropriate anything.

Eamonn Ives is a researcher at the Centre for Policy Studies.

While it is heartening to hear that John McDonnell wants to widen home ownership, his medicine is worse than the disease. Forcing landlords to sell their properties to tenants at a price ambiguously deemed “reasonable” by a future Labour government should set alarms bells ringing.

Nobody should have to forfeit their property at the government’s behest, other than in the most urgent circumstances, like for the sake of national infrastructure. Applying this to private landlords is state-sanctioned theft, and will leave many wondering what the point of ownership is if the government can just seize property whenever it likes. Instead of pitting tenants and landlords against each other, we could turn renters into owners by incentivising landlords to sell up, should they wish to. By rebating the capital gains tax they’d pay in the process, with some going to themselves and some to the tenant to help with a deposit, everyone can win, without the state having to expropriate anything.

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WE WANT TO HEAR YOUR VIEWS

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FORMAL METHODS: MISSION-CRITICAL FOR SOFTWARE DEVELOPMENT?

WITH PHIL SNELLING, BOWMEDIA

No, unfortunately, using formal methods is pretty expensive, both in terms of money and time, so it is mainly used in areas where it’s critical that you don’t have bugs in your software. When you’re programming rockets that send satellites into space, the smallest bug can be mission ending. When you’re writing software for medical devices or aircraft, the smallest mistakes can kill people. So for those applications, investments in the correctness of your software are easily justified, and those are the main areas where formal methods have been heavily used.

When you are working on a product with less value at risk, current practice is that you use less rigorous in development, ship something that mostly works, and then fix bugs as you or your users find them. It lets you go to market quickly, and since everyone is used to installing software up-dates — typically bug and security fixes, on a regular basis, there is little to no reputational damage.

Blockchains are typically not developed using formal methods, but they secure vast amounts of money, so I would argue that they should be.

IS THERE SOME KIND OF MIDDLE GROUND? Yes, there is. You can use what are broadly termed ‘lightweight formal methods’, and that is what we mostly focusing on at IOHK. We write specifications, but instead of writing them in a way that allows the computer to reason about them and check whether code works, we write them in a way that allows the computer to automatically run the software and verify that it meets the requirements.

At the end of the process, you have a computer that is guaranteed to work correctly, and you can have confidence that it will not fail. This is particularly important for systems that are mission-critical, such as medical devices or aircraft, where even a small mistake can be catastrophic.

The benefits of using formal methods are clear, but so are the challenges. They require a significant investment of time and resources, and they are not always practical for every project. However, as technology continues to evolve, formal methods may become more accessible and affordable, and they are likely to become more widely used in the future.

[Find out more at https://lendingblock.com]
two programs: the ‘high level’ executable specification – lacking details and performance, but you’re confident it is correct; and the production implementation, that you want to give to your users. We systematically test these against each other.

SO YOU ARE DOING A LOT TESTING. DO YOU USE SPECIAL TECHNIQUES THERE?

Yes, we are using what is known as property based testing, another form of lightweight formal methods, much more powerful than writing test cases manually. The idea there is that instead of writing individual test cases, you write more general properties that you want to hold under all circumstances – things like “money does not appear or disappear from the system”, “adding a transaction has the same effect in the executable specification and the production implementation”, and similar statements. You then generate lots and lots of randomised test data, and check that those properties always hold.

WHAT IS YOUR VIEW ON FUTURE BROADER ADOPTION OF LIGHTWEIGHT FORMAL METHODS?

The major barrier to adoption is that it’s often not easy to get buy in from customers. Part of that is just that it’s not yet a recognised best practice, but end up with a better product that you can be confident in.

At IOHK, we understand the benefits of a formal methods approach and that it leads to better products and an overall reduction in costs for our clients. My hope is that once we succeed, other companies will follow, and that ultimately the way that software is produced across the industry will improve.

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Blockchain to every payment made. For large companies producing multiple ranges it is simply logistically not possible to oversee every transaction. One T-shirt range might be made in multiple different small factories, where local knowledge, culture and language is needed, so brands have to trust the many intermediaries between them and the factories. With blockchain every single token can be tracked and every transaction can be linked back to the last two, which would clearly stand out.

Cryto and Blockchain could clean up malpractice within the fashion supply chain.
Surrey are enjoying a bumper summer, but Richard Gould is worried news of their prosperity might be getting lost among other cricket events.

The hype from England’s World Cup win in July has, thanks to Ben Stokes, merged seamlessly into Ashes euphoria, creating a phenomenon Surrey have been reaping the benefits of.

The club’s chief executive is still reveling in “a significant bounce” from the miraculous events across London on 14 July, with the tournament, and its free-to-air final, turning casual observers into match-going fans.

The result is that Surrey sold out all of their T20 Blast fixtures for the first time, with 165,461 people in total watching games at The Oval. Ticket sales were up more than 12 per cent from 2018 and July was their best ever month. It’s not just one-off attendees either: Surrey memberships have increased from 7,000 in 2012 to 13,000 this year.

It’s a picture of success Gould wants to shout from the rooftops of south London. So much so that earlier in the summer he took the unusual step of getting in touch with Lancashire to release a joint statement which detailed the strength of ticket sales in the domestic Twenty20 competition.

“We felt we needed to help get the message out there, because there have been so many other positive messages - the World Cup and the Ashes – we just wanted to make sure the success we’re seeing at county level is being understood,” Gould tells City AM in his office overlooking The Oval.

“I think that in such a busy, crowded season that county cricket will find it difficult to get traction, sometimes in the media and sometimes indeed within the ECB’s own voice. We felt it was important to get that through.”

A perennial debate rages in the parochial world of county cricket about the health of the game. The England and Wales Cricket Board have made their prominence known, with a new fourth format, The Hundred, making its grand entrance next summer in an attempt to solve some of the problems.

Surrey were the only county out of 18 to vote against The Hundred – a “historical note,” Gould is “very happy to be recognised” - and the club’s chief executive since 2011 is concerned the progress in the existing short format might be undermined.

“Clearly we want to make sure T20 is recognised as the premier domestic short-form competition,” he says. “Your next question will be ‘is that because The Hundred is coming next year?’

And the answer is yes. We need to make sure T20 doesn’t take a backwards step next year.

“We want The Hundred to be successful, because it’s a project the ECB is investing a lot of money into, and we’ve got a responsibility to make sure it is successful, but we also need to make sure that T20 continues to grow.

“Back in 2012, T20 audiences across the country were around 250,000. This year it’ll be around 1m - that’s not a bad growth profile, so we need to make sure there’s no cannibalisation, so we use the success of the T20 to make sure crowds come along for The Hundred, because that starts after. T20 is an opportunity for a run-up.”

FRATIOUS RELATIONSHIP

Despite their reservations about the concept and a fractious relationship with the governing body, Surrey’s iconic home ground will play host to The Oval Invincibles, as they are set to be named next summer following an ECB commissioned marketing campaign and consultation with Surrey.

Surrey will team up with Kent and although Tom Moody has been lined up as head coach and Gould says the club’s directors of cricket, Alec Stewart and Paul Downton, speak regularly, he admits there remains some confusion ahead of next month’s player auction.

Having ruffled feathers at the ECB, and reportedly been threatened with the stripping of hosting rights, Gould is now more diplomatic in his approach.

“Clearly there have been disagreements,” he says. “Now we’ve moved into pragmatic delivery mode. There is still an awful lot of work to be done clearly and our role is to do as much of the heavy lifting as we can.

“Our focus is always going to be on our club, and our club is Surrey. But we also have a huge amount of pride when we host England.”

Although they are resigned to it, the feeling remains that The Hundred is an expensive solution to a problem Surrey don’t believe they have.

“We’ve got a huge amount of growth,” Gould continues. “The ECB have decided they want to bring in The Hundred that they hope will add to the growth. We just need to make sure that it does and doesn’t go the other way, because we are cognisant of the marketing spend.”

That marketing spend is quite something. The Independent reported in March that each franchise in The Hundred would be given a budget of £800,000 per year, or £200,000 per fixture. For context, Gould says Surrey currently allocate £80,000 to £100,000 for their seven T20 Blast home fixtures.

DISENFRANCHISED

The Hundred is being touted as a new, “sage out there, because there have been moments of parochialism about county cricket, or Draughtsman’s, as they are set to be named

There have been disagreements. Now we’re in pragmatic mode. There’s an awful lot to be done exciting way to engage a different, younger and more diverse audience. But Gould believes the existing audience is “very loyal”, “still very important” and feels “disenfranchised” by the ECB’s priorities.

“The ECB have got a better understanding of our audience, the game as a whole, across the whole country,” he says. “I’m more likely to focus on what we’ve got here: of our T20 audiences, 65 per cent of them have never been to a cricket match at The Oval before. From that I know that we’re engaging a new audience, as well as keeping the existing one.

“What we’re doing this year is clearly working. The ECB has a wider responsibility and maybe there were some areas where they weren’t getting the audiences they were expecting, and that’s probably the rationale behind the decision they’ve made with The Hundred and new teams. It also probably explains our difficulties with that. However, the decision has been made and we’ve got to go with it.”

While The Hundred is understandably a hot topic in county cricket, it is far from the only one and it isn’t the biggest thing for Surrey, who after the success of the World Cup and T20 Blast are excited to host the final Ashes Test next week. Unless England lose this week’s fourth Test at Old Trafford, The Oval will stage the series decider.

Much like their T20 Blast fixtures, the first four days of the fifth Test are sold out, while Stokes’s miracle innings at Headingley inspired a 4,000 ticket-buying burst last week, and Gould is looking forward to rounding off a historic season in style ahead of what could be a tumultuous 2020.

“If we see a reduction in the number of people coming to county cricket, or international games then we will have failed in trying to make the most of this golden summer of cricket,” he says.

This summer has inadvertently raised the stakes, and with those inside the game still far from convinced, The Hundred faces a make or break period on which it simply must capitalise.
Defending champion Naomi Osaka was knocked out of the US Open by Belinda Bencic in the last 16 yesterday. Osaka will lose her No1 world ranking after going down 7-5, 6-4 to the Swiss 13th seed at Flushing Meadows. Bencic will play Donna Vekic in the quarter-finals after the Croatian defeated Julia Goerges. “I had to be on top of my game and am really pleased with how I played,” said Bencic, who has now beaten Osaka three times in 2019. “She has a lot of power, I was just trying to play it a little bit like chess, anticipate and make a tactic on the court.”

Croatian defeated Julia Goerges. “I had to be on top of my game and am really pleased with how I played,” said Bencic, who has now beaten Osaka three times in 2019. “She has a lot of power, I was just trying to play it a little bit like chess, anticipate and make a tactic on the court.”

Rory McIlroy, Andres Romero and Kalle Samooja cut their teeth before climbing to the top tier of European golf. This can be an anxious time of year for players trying to keep their European Tour membership and panic can set in.

Soderberg landed a first European Tour title in Switzerland, where he edged out McIlroy (inset)

SEBASTIAN Soderberg would have been forgiven for thinking his chance to win a first European Tour title at the 56th attempt had gone when he three-putted and bogeyed the 17th hole of the European Masters.

Had the 28-year-old Swede made par he could have played the final hole with a degree of comfort. Instead, after finishing his round of 66, he had to sit there sweating as Italy’s Lorenzo Gagli lined up a putt to win the tournament in Switzerland.

Although Gagli narrowly missed – meaning they both finished tied with Rory McIlroy, Andres Romero and Kalle Samooja on 14 under par – Soderberg’s late wobble left him looking very unlikely to win the five-man play-off.

But he battled his demons when they replayed the 18th, hitting a huge three wood to find a very difficult fairway. And while two of his rivals – Gagli and McIlroy – had shorter puts, he sank his to make a birdie at the first extra hole and turned his day, week and season right around.

ANEW TIME
It all made for a very exciting climax to the event. It was also a great advert for the Challenge Tour, where Soderberg, Gagli and Samooja cut their teeth before climbing to the top tier of European golf. This can be an anxious time of year for players trying to keep their European Tour membership and panic can set in.

Soderberg has bounced between the European and Challenge Tours since 2016 and admitted himself that he made a bad start to this year. Before this win on Sunday he was just outside the all-important top 110 on the Race To Dubai but is now up to 47th, so this was a huge result for him.

It also means that he will get entry to more high-profile events. There are four big-money Rolex Series tournaments before the European Tour season finale in Dubai, including the BMW PGA Championship at Wentworth in a couple of weeks.

Soderberg has the magic key now. This could transform his life and there is no telling what may come next for him.

ROARY BOUND FOR NO1
McIlroy had about 10 shots that lipped out or didn’t quite happen for him in some other way over the last two days alone but still almost made it back-to-back wins following his FedEx Cup success in the US.

He is always going to be up there near the top of the leaderboard, as he has been all year. His consistency has been extraordinary, almost Tiger-esque, although at his peak Woods would have won five or six more events than McIlroy’s three in 2019.

Rory just needs that killer instinct. When you’re as good as he is it must be hard to have aims once the Majors are finished for the year, but he has said he is determined to return to the top of the rankings. He is currently second to Brooks Koepka.

It is a distinct possibility before 2019 is out but even if he doesn’t manage it that soon, I agree with his statement that it is a matter of time when he is playing this well.

Maybe world No1 is the target he needs to turn some of his near misses into more titles.
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