WEWORK’s parent firm is considering a dramatic cut to the valuation it will seek when it makes its market debut on Wall Street.

The New York-based We Company is weighing up a valuation of just over $20bn (£16.2bn) for the business, less than half the $47bn price tag it received in private fundraising in January this year.

The lower valuation reflects nerves among potential investors that the office-sharing tech giant could never turn a profit, people with knowledge of the matter told Reuters yesterday, despite having rapidly expanded to more than 500 locations in 100 cities in just nine years.

A spokesperson for WeWork declined to comment on the possible reduction last night.

The We Company lost more than $900m in the first half of 2019 despite its revenue climbing to $1.54bn, it revealed in a filing last month.

“There is an awful lot of blue sky in WeWork’s valuation that it will need to fill in the coming years with real returns such as profit and cash flow,” said Fraser Thorne, chief executive of investment research group Edison.

The We Company is understood to want to raise between $2bn and $4bn in a listing before the end of the year.

It has strong backing from Japanese mega investor Softbank, which has put in over $10bn since 2017. Investors have voiced concerns over WeWork’s business model, in which it rents out its properties to clients on a short-term basis, but pays long-term rent contracts to landlords.

There are also worries about the grip of founder and chief executive Adam Neumann on the We Company. The proposed multi-class share structure would leave him with operational control even after going public. Fellow tech firm Facebook and its boss Mark Zuckerberg have faced similar criticism, as a result of the co-founder’s influence on the business as its chief executive and chairman.

The We Company came under fire on Wednesday for last-ditch attempts to improve its image. The firm said it would add a woman to its all-male board of directors once public, and unwind a $5.9m payment to Neumann for use of his “We” trademark.

Separately, underwhelming flotations this year from other loss-making tech starlets such as Uber and Lyft are hanging over the co-working behemoth’s plans to pursue a listing. Shares in the two ride-hailing giants hit fresh lows earlier this week, as investors balked at the companies’ potential to turn a profit.

Next month, WeWork will open its largest European location on London’s York Road in Waterloo. The 280,000 sq ft office building will house a games lounge, a “brainstorming room” and a “wellness room”, with space for more than 1,000 staff.

Thorne added: “The real challenge for WeWork is whether it will be able to meet market expectations as a listed entity with all the extra scrutiny that will bring.”

Catherine Neilan and Alexandra Rogers
@CatNeilan @city_amrogers

US VICE president Mike Pence told a City audience last night that the White House wants to offer Britain a trade deal “immediately upon the completion of Brexit”, insisting that President Donald Trump stands “shoulder to shoulder” with Prime Minister Boris Johnson.

Some of the biggest names in British business flocked to the Square Mile to see Pence talk at a lavish dinner aimed at bolstering US-UK trade ties post-Brexit.

The Guildhall event boasted a guest list of City grandees including London Stock Exchange chief executive Nikhil Rathi, Lloyd’s of London chair Bruce Carnegie-Brown, former Barclays director Gerry Grimstone and Vodafone boss Nick Read.

Pence told the audience: “We believe an FTA [free trade agreement] between the US and UK could increase trade between our two countries three or four times. And we are already going to work on that FTA. “When you’re ready, we will be ready,” he added.

© CONTINUES ON P2
A special relationship is something to cherish

MID all the division and uncertainty of our current political challenges, one thing has remained constant: London’s standing as a beacon of international commerce. Money, people and ideas from all over the world continue to arrive and thrive in our capital city in much the same way as they have done for hundreds of years. The ancient Guildhall has become a physical embodiment of this spirit, hosting dozens of international conferences and celebrations each year. The City’s lord mayor takes the message to the world, acting as the Square Mile’s roving ambassador and trade minister. It was with this in mind that the City welcomed US vice president Pence to Guildhall last night, with the great and the good turning out for the occasion. There will have been many there, and many across the Square Mile, who are less than aligned with the current US administration. But the warm words Pence offered about our shared history, the value of trade and his desire for an even closer partnership between our countries should be universally appreciated. We hope, too, that the vice president appreciated trade secretary Liz Truss’s warnings about the need to make the case for free trade in every generation. Pence’s boss in the Oval Office has not shown himself to be entirely on board with the concept during his time as President, and this would not have been lost on the VP. Differences aside, it is worth recognising the undeniable advantage that comes from having an American government so overtly supportive of Britain. The President is clearly a big fan, and other senior figures in the US government appreciate the value of the ties between our two countries. The commercial links are no less important than the diplomatic ones, and they are thriving. Of course, not everybody celebrates the special relationship. Jeremy Corbyn would rather dine with the leaders of Hamas and Venezuela than of our closest and most important ally. Throughout his life, his foreign policy has been shaped by an instinctive aversion to the US and its interests – and other senior figures in the US government would rather dine with the leaders of Hamas and Venezuela than of our closest and most important ally. Throughout his life, his foreign policy has been shaped by an instinctive aversion to the US and its interests – regardless of whether they overlap with our own. Despite this week’s parliamentary chaos, it remains more likely than not that the UK will leave the EU in one way or another. It is incontestable that our efforts to make a success of it will be better served by enjoying a close friendship with Washington. Recognising this reality does not require the turning of blind eyes to US policies with which we disagree, but those disagreements should never morph into the knee-jerk anti-Americanism spouted by Corbyn.

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CONTINUED FROM FRONT PAGE

Pence added: “The President told me today to tell Prime Minister Johnson that we will begin negotiations right away. The message is clear – the minute the UK is out, the US is in.”

The black-tie dinner at Guildhall was also attended by international trade secretary Liz Truss, who argued that “after 1945 it was the UK and the US who together created the modern trading systems which have hugely enriched our lives”.

Truss hailed America’s role in promoting free trade across the world, despite the trade war led by Trump since his election in 2016. “Over the last three decades free trade has lifted more than 1bn people out of abject poverty,” she said. “And our great countries – two of the freest, most democratic, open nations in the world – have been on the front line setting the example for others to follow.”

The high-profile event attracted tight security measures at the insistence of US authorities.

Councillors were prevented from remotely accessing their emails last night, while wi-fi was also disabled around Guildhall from the early morning.

Other names on the guest list included Starling Bank chief Anne Boden, Ocado boss Tim Steiner and HSBC UK chief Ian Stuart.

A raft of Tory MPs, including Truss’s predecessor Liam Fox, transport minister Nusrat Ghani, Bim Afolami and Andrew Rosindell, were also invited to the event.

Some councillors were unhappy with the choice of Pence as guest speaker in light of his opinions on a range of social issues when the event was first revealed by City A.M.

One councillor told this newspaper: “This was a dinner the City was bullied into hosting, with a speaker they didn’t invite who couldn’t be bothered to stay for the meal. “Those who think a US-UK trade deal will be anything other than one-sided only need look at the behaviour of the Americans around this dinner to realise how gravely mistaken they are.”

Earlier in the day, the US vice president visited Boris Johnson at Number 10, where the two “reiterated their commitment to negotiating an ambitious free trade deal after the UK leaves the EU”, Downing Street said in a statement.
PM digs in over Brexit extension as brother quits

CATHERINE NEILAN
@CatNeilan

A FRESH showdown in Westminster on Monday looks certain after Prime Minister Boris Johnson yesterday said he would rather “die in a ditch” than ask Brussels for a Brexit extension.

Johnson told assembled journalists an extension would cost £1bn a month and be “totally pointless”.

Johnson said he “hates banging on about Brexit”, adding: “I don’t want an election at all... but frankly I don’t see any other way.”

“We must, must, must settle this EU debate,” the Prime Minister said.

The PM’s defiance that Brexit must not be delayed beyond 31 October came hours after his brother, Jo Johnson, quit Cabinet and resigned as an MP over the Brexit issue.

“In recent weeks I’ve been torn between family loyalty and the national interest – it’s an unsolvable tension and time for others to take on my roles as MP and minister,” the younger Johnson said after resigning.

The Prime Minister, when asked about his brother’s resignation, said Jo “does not agree with me about the European Union because it’s an issue that obviously divides families and divides everybody.”

Tories Dame Caroline Spelman and Nick HUD, the MP for Runnymede, also said they will not be standing at the next General Election – the date of which Johnson reiterated yesterday he would like to hold on 15 October.

Leader of the House Jacob Rees-Mogg confirmed yesterday that the government would bring another motion relating to an early General Election. It has been scheduled to return on Monday.

A similar motion, to dissolve parliament and go back to the ballot box, was rejected on Wednesday night.

Johnson lost his working majority on Wednesday, when Phillip Lee defected to the Liberal Democrats, and was weakened further by sacking 21 rebels who voted against the government on the bill to take no-deal off the table.

Former Labour MP, Independent Group MP Luciana Berger followed Lee in joining the Lib Dems yesterday.

British Land launches legal battle over Monsoon restructuring plans

JESS CLARK
@jclarkjourno

BRITISH Land has filed a legal challenge against Monsoon Accessorize’s recently agreed rescue plan, which will see the retailer slash rents across more than half of its UK stores.

The owner of Sheffield’s Meadowhall shopping centre is aiming to block the retailer’s company voluntary arrangement (CVA) following its approval in July, Sky News reported.

The CVA proposals would cut rents by between 25 and 65 per cent at more than half of Monsoon’s 258 UK branches.

British Land, a FTSE 100 landlord, owns five Monsoon stores, and voted against the restructuring proposals in July, which were approved by more than 90 per cent of the company’s creditors.

The property giant is said to be unhappy about the structure of funding provided by Monsoon owner Peter Simon, and alleges that he failed to listen to landlords’ concerns about the terms of other CVAs.

Sources told Sky News that there is a chance that the challenge could be settled before it reaches court as talks between the two parties are ongoing.

SOLD! Sotheby’s shareholders give green light to $3.7bn sale to billionaire art buyer

SOTHEBY’S shareholders yesterday approved the $3.7bn (£2.9bn) sale of the auction house to French-Israeli billionaire art collector Patrick Drahi. The sale garnered the approval of over 90 per cent of shareholders at a special meeting.

FEDERAL RESERVE WARNS OF $860BN GLOBAL TRADE HIT

The US-China trade war is set to cost the world about $860bn (£700bn) in lost output, the US Federal Reserve said in research published this week, and cost the US economy over $20bn. The Fed said that uncertainty over trade has “shot up to levels not seen since the 1970s” after the US ratcheted up tariffs on China over the last year, leading Beijing to respond in kind. In a paper looking at the effect on global growth, the US central bank said the total drag on the global and US economy as investment and trade slowed would be just above one per cent going into 2020. As global GDP is over $86 trillion, the cost would be around $860bn, according to City A.M.’s calculations. America’s GDP is over $20 trillion, resulting in a drag of over $20bn. Investors were cheered yesterday by news that the two sides would re-enter talks in October.

GRANT THORNTON TO FACE FRESH AUDIT SCRUTINY

Embattled auditor Grant Thornton is set to face renewed scrutiny as Patisserie Valerie’s liquidators prepare to pursue claims against third parties connected to a multi-million-pound hole in the cafe chain’s finances. Administrators KPMG will pass the case on to FRP Advisory later this month. The financial services giant said in July that it could not investigate Patisserie Valerie’s auditor Grant Thornton due to a conflict of interests. Grant Thornton also checks KPMG’s accounts. In a progress report KPMG said: “We expect that the liquidators will be assessing and, if appropriate, pursuing potential claims against third parties in respect of the apparent accounting misstatements that were uncovered in October 2018.” FRP’s investigation will explore legal claims in an attempt to return money to investors who lost funds when the business collapsed.

Great tasting coffee, simple
**Banks hit with cost crush from PPI claims rush**

**SEBASTIAN MCCARTHY**

@SebMcCarthy

BRITAIN’s banking sector is bracing itself for a multi-billion pound compensation sheet backlash from a worse-than-expected rush of payment protection insurance (PPI) complaints that were lodged late last month. Some of the country’s largest banks are facing huge costs following a stampede of consumers making claims for mis-sold PPI in the run-up to the 29 August deadline.

Clydesdale Bank-owner CYBG and Royal Bank of Scotland have warned that an unprecedented number of complaints could cost up to £900m and £450m respectively, with both blaming higher claims last month for a worse-than-expected drop in profit.

Yesterday CYBG’s share price closed down 21.4 per cent at 110p, with analysts worrying that the PPI costs could endanger the firm’s dividend.

New City Agenda has predicted the total PPI bill could cost up to £31bn. Martin Lewis, the founder of Money-savingexpert.com has been at the forefront of the PPI compensation campaign. “I think it will certainly be over £40bn and it would not surprise me if it was closer to £50bn. But it is difficult to estimate what proportion of people will get a payout, because this isn’t about people with PPI complaining about it, it’s people asking whether they had it and could complain about it.”

**UK firms appoint staff at weakest rate in three years in sign of job slowdown**

**HARRY ROBERTSON**

@harryrobertson

COMPANIES hired permanent workers at their weakest rate in three years in August, according to a new survey, in a sign that Britain’s jobs boom is slowing.

August also saw the lowest increase in total job vacancies in more than six years, the Recruitment and Employment Confederation (REC) and professional services firm KPMG revealed in a report today.

Unemployment in Britain remains remarkably low, however, despite employers being racked by Brexit uncertainty. Just 3.9 per cent of the working age population are without a job, a figure not seen for 45 years. Some economists have said businesses are reluctant to invest and so are hiring workers who can be laid off in a downturn.

Yet there are signs that Brexit uncertainty and a global economic slowdown could be catching up with the jobs market.

Today’s KPMG and REC jobs report said: “An uncertain outlook also weighed on candidate numbers.”

Permanent job vacancies in the private sector rose at the slowest rate since January 2012, while the growth in demand for temporary staff eased to a 79-month low.

KPMG vice chair James Stewart said: “Businesses desperately need clarity on Brexit.”

**Electric car sales charge ahead with record monthly demand**

More electric cars were sold in Britain last month than ever before, as zero-emission vehicle sales rose fivefold amid an otherwise subdued automotive market.

Zero-emission car sales came to 3,147 vehicles in August compared to just 659 this time last year, according to the Society of Motor Manufacturers and Traders (SMMT).

Tesla’s Model 3 was the third-most popular car in the country in August - the first time an electric car has been in such high demand. SMMT boss Mike Hawes said August is usually the quietest month, “so the huge increase in electric vehicle registrations is... especially welcome”.

**Leadsom to chair small business finance council**

**ANNA MENIN**

@annamenin

MINISTERS are reportedly set to launch a finance council to support lending to small and medium-sized businesses (SMEs) post-Brexit, following complaints the government has not done enough to help prepare the firms for the UK leaving the EU.

The Treasury and the Department for Business, Energy, and Industrial Strategy will announce the launch of the council following a meeting with business leaders, said Sky News.

It will reportedly be chaired by business secretary Andrea Leadsom, and City minister John Glen.

CBi head Carolyn Fairbairn said that moves towards parliament passing a bill preventing a no-deal Brexit were a “chink of light”, but warned “the cloud has not gone away” until a deal is reached.

**IN BRIEF**

**US services sector growth accelerates**

US services sector activity accelerated in August and private employers boosted hiring, suggesting the economy continued to grow at a moderate pace despite trade tensions which have stoked financial market fears of a recession.

The upbeat reports yesterday came on the back of data this week showing the manufacturing sector contracted for the first time in August as the trade war between the US and China intensified.

**London investment firms get EU licences**

More than 100 asset managers, trading platforms and investment firms in London have so far obtained licences to run new hubs in the EU after Brexit, officials said yesterday. Licences are granted by national regulators, but the European Securities and Markets Authority (Esma) ensures they don’t offer sweeteners to UK-based firms that want a base to serve EU clients after Brexit.

**Global effort to aid devastated Bahamas**

An international relief effort gathered pace yesterday to help stunned residents of the Bahamas, where the health minister predicted a “staggering” death toll from Hurricane Dorian. The death toll from the officially 23 has yet to be finalised once authorities continued to retrieve and register bodies, health minister Duane Sands said. But he said the toll would be far higher.

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12 month contract period. Subject to credit check. Monthly charge assumes voluntary billing. You will not get £60 speeds using a 5G cap, phone or 5G speeds using a 5G or 4G phone. Ported use only. Unlimited Plan: Unlimited UK mins, texts, and data – 5GB Fair Use policy applies outside the UK. Parental, non-commercial use only. If you regularly call 12 or more minutes, we will consider this own-personal use and have the right to move you to a more suitable plan. We will consider usage above 1000GB/month to be commercial use and have the right to move you in a business plan. Six standard customers can gift up to 10GB, all other unlimited customers can gift up to 10GB. Data usage on this plan will decrement from your data allowance. Any data that is used will be added to the allowance based on the type of content. Subject to availability. Other plans apply, see ex.co.uk/conditions. Information and pricing correct as at 22.08.19. RIOO 1 NETWORK. Based on ranking in the RootMetrics® UK RootScore® Report 11-21 Mar 2019. Tested in locations across the UK with the test commercially available smartphones on 4 national mobile networks across all available network types. Your experience may vary. The RootMetrics award is not an endorsement of EE. Visit ROOTMETRICS.COM/UK for more details.
UNFOLDED Samsung reveals new foldable phone UK launch date after months delay

SAMSUNG’s foldable phone has been given a brand-new launch date months after having to abandon its initial roll-out due to reports of breakages. The Galaxy Fold will hit markets today in South Korea, and in the UK on 18 September for £1,900.

Unfolded

Redrow builds profit to fresh high but warns over end of Help to Buy

JESS CLARK
@jclarkjourno

REDROW reported the sixth consecutive year of record figures yesterday but warned that the cancellation of the Help to Buy scheme could impact future trading.

Revenue was up 10 per cent to £2.1bn from £1.9bn the previous year. Profit before tax increased seven per cent to £406m in the year to 30 June from £380m in 2018. The FTSE 250 property developer said it is “understandably cautious” about the eventual impact of the impending changes to the Help to Buy scheme, which will be cancelled completely in March 2023. Help to Buy accounted for 1,881 of the housebuilder’s private reservations in the year, up from 1,794 in 2018.

In order to mitigate the effects of the scheme ending the group is pushing its “heritage collection” forward, with the aim of attracting more buyers from the secondary market who would not normally consider buying a new build home. Redrow chief executive John Tutte said: “Notwithstanding the political and economic uncertainty we face, we have every reason to be confident that 2020 will be another successful year for the group.”

French Connection

Sofas exclusively at dfs

£100 off the Zinc 4 seater sofa, now £799

Ends Monday

After sale £899

UNFOLDED Samsung reveals new foldable phone UK launch date after months delay

Investors revolt as Dixons faces director pay row

SEBASTIAN MCCARTHY
@SebMcCarthy

ELECTRICAL goods giant Dixons Carphone faced an investor backlash at its annual general meeting (AGM) yesterday following controversy over share awards handed out to its chief executive.

Almost 20 per cent of shareholders voted against proposals to approve the annual pay report for directors at the firm and re-elect boss Alex Baldock as a director.

Investor opposition came in the wake of a recommendation from proxy adviser Institutional Shareholder Services to vote against the motions at yesterday’s AGM.

Earlier this year, Baldock was granted almost 1.2m shares with a face value of over £2.3m as part of a long-term incentive plan.

The revolt came on the same day as Dixons posted a double-digit drop in mobile phone sales during the last quarter.

While it said it was still on track to meet its financial guidance for the year, Dixons reported a 10 per cent drop in like-for-like mobile phone sales in its UK and Ireland markets during the 13 weeks to 27 July.

The consumer electronics giant has been hit by a growing volume of customers keeping their handsets for longer and going for SIM-only deals rather than long-term contracts with a specific network.

Despite the slump in its home market, Dixons enjoyed a four per cent rise in like-for-like revenue overall, bolstered by higher sales in the Nordics and in Greece.

A strong performance in white goods, tablets and gaming helped deliver a two per cent revenue rise in electrics within the UK and Ireland, in spite of a slight fall in large screen TV sales compared with gains that were made as a result of last year’s World Cup.

The group’s share price closed up 1.4 per cent yesterday at 115.50p.

Melrose gains boost despite GKN job cuts and car industry decline

ALEX DANIEL
@alexmdaniel

TAKEOVER specialist Melrose Industries yesterday forecast the downturn in the global automotive industry will persist until at least the end of the year.

However, Melrose’s shares jumped 8.79 per cent as it allayed investor concerns about the effect the industry’s struggles were having on its own business.

Melrose pre-tax loss was £128m for the first six months of 2019, a significant reduction on the £372m reported this time last year. Revenue rose 100.2 per cent to £5.7bn, on a year-on-year basis.

Boss Simon Peckham said there could be job cuts in the automotive division as it made further cost reductions. “As with every other automotive business in the world right now we are reducing overheads and people where necessary.”

He told City A.M: “I don’t know where the auto cycle is going. We’ll do what we need to do in that context.”
Record high after revenue forecasts increase

Boohoo shares hit record high after revenue forecasts increase

No tears left to cry

William Hill boss to depart as losses hurt bookmaker

William Hill's chief executive is set to step down at the end of the month as turbulent times hit the UK's high street bookmaker. Philip Bowcock will quit the top job and his role as company director on 30 September to make way for the bookie's chief digital officer, Ulrik Bengtsson, to take the reins.

The switch at the top follows William Hill falling to a pre-tax loss for the first half of the year as it came under pressure from the government's new fixed-odds betting cap.

The regulation could force William Hill to close 700 stores, putting 4,500 jobs at risk.

Second proxy backs Cobham's £4bn private equity deal

ANOTHER influential shareholder adviser Glass Lewis has recommended Cobham shareholders back the company's £4bn takeover by Advent International, after Institutional Shareholder Services (ISS) said the same two days ago.

Glass Lewis is the second-most prominent advisory service in the world behind ISS, and has told shareholders to choose the "bird in the hand", in this case being the all-cash offer at a significant market premium over the £4bn deal to be made by private equity firm BC Partners.

The advice follows the family of the founder of Cobham stepping up its fight against the takeover, with Lady Nadine Cobham writing to the top 15 investors urging the offer "significantly undervalues the turnaround of a recapitalised business".

Involve you for an evening of Gin & Croquet

Tuesday 24th September
6pm - 9pm
The Private Members Lounge
At M Threadneedle Street
RSVP: ruby@mrestaurants.co.uk
Open to non-members

Licencing Act 2003 Application for a new Premises Licence

Notice is given that St Andrew Holborn Church Guild Church Council has applied to the City of London Corporation on 3 September 2019 for the grant of a premises licence to permit the sale of retail alcohol on the premises between 18.00-23.00 Monday – Friday and from 12.00 until 23.00 on a Saturday and Sunday at St Andrew Holborn Church, 5 St Andrew Street, London EC2R 5AF. The record of this application is held by the Licensing Authority and can be viewed on the website www.cityoflondon.gov.uk or inspected at the offices of the City of London Corporation, Policy, Health & Public Protection (Licensing), Wallbrook Wharf, 78-83 Upper Thames Street, London, EC4R 1TD during normal office hours (Ring in advance for appointment).

Any person wishing to submit representations to the application must give notice in writing to the Licensing Authority at the address shown above giving in detail the grounds of objection by 2nd October 2019. Representations must be received by the Licensing Authority by the date given above. The Licensing Authority will have regard to any representations made when considering this application. It is an offence under section 158 of the Licensing Act 2003 for anyone to recklessly or knowingly make a false statement in connection with a licensing application. The maximum fine on conviction is £5,000.

Property

If Taylor's looking for an investment, Camden could be a good shout

Property

HeLEN CRANE

On 'London Boy' Party Prices Page 18

Cityam club
NAVIGATING YOUR PENSION AND THE LIFETIME ALLOWANCE

WILL YOUR PENSION SAVINGS EXCEED £1M?

To register your interest in this event, please visit www.cityam.com/event/netwealth. Places are limited and subject to availability.

This event is for professionals only, with minimum investable assets of £100k.

THOMAS SALTER, CHIEF OPERATING OFFICER, NETWEALTH
MATT CONRADI, HEAD OF CLIENT ADVISORY, NETWEALTH
CHRISTIAN MAY, CITY A.M. EDITOR

JOIN OUR EVENING EVENT

OUR SPEAKERS

THE DISCUSSION

Having a strategy for when and how to draw from your pension is essential. Weighing up your objectives between maximising income in retirement and passing wealth on to the next generation will help define the appropriate strategy for you.

Our panel of experts will help you to understand how to optimise your pension savings.

During the evening we will:
- Look at the impact the LTA charges could have on your pension
- Consider the strategies for navigating the LTA in accumulation and drawdown
- Learn how controlling certain factors when investing can improve your chances of achieving your goals

JOIN US

Tuesday 24th September
Registration 6.30 pm
Discussion 7-8 pm
Drinks and canapés 8-9 pm

LOCATION

Andaz London, 40 Liverpool St,
London EC2M 7QN

To register your interest in this event, please visit www.cityam.com/event/netwealth. Places are limited and subject to availability.

This event is for professionals only, with minimum investable assets of £100k
Europe ‘will not accept’ US safety ruling on grounded Boeing 737 Max

Alex Daniel

Europe’s aviation safety regulator will insist on running its own tests on Boeing’s troubled 737 Max before allowing it to fly again, rather than accepting the verdict of its US counterpart.

Such a decision from the European Aviation Safety Agency’s (Easa) could dash Boeing’s hopes of a quick return to service in Europe for the best-selling jet, which was grounded in March after two crashes killed 346 people.

Easa chief executive Patrick Ky revealed a list of four conditions given to the US authorities in a presentation given to the European parliament’s committee on transport and tourism on Tuesday.

One of the four conditions was a refusal to accept delegation on the decision. Easa also demanded an “additional and broader independent design review,” that the two fatal crashes were “deemed sufficiently understood” and that flight crews had been sufficiently trained in changes to the plane.

Boeing declined to comment, but has previously expressed hopes that the jet will be back to full service by the end of the year at the latest.

US regulator the Federal Aviation Administration (FAA) has faced criticism for being too trusting of Boeing after it allowed the manufacturer to carry out the final safety tests on the jet, rather than doing them independently.

Go-ahead boss warns of expiry on Southeastern

Alexandra Rogers

Go-Ahead boss warns of expiry on Southeastern

Alexandra Rogers

The squeezed timeframe means that the competition for the franchise will be “slightly wrong” and “counterintuitive” for the Department for Transport (DfT) to bring in a new operator for the franchise.

The competition for the franchise was unexpectedly scrapped last month and a five-month extension awarded to Gavia, the joint venture between Go-Ahead and Keolis, until April 2020.

Speaking to City AM yesterday, Brown said: “They [the DfT] haven’t got the time to have a new competition; they can’t bring in another operator. To bring in another operator when we are achieving the best customer satisfaction would be slightly wrong. It would be counterintuitive.”

The squeezed timeframe means that Go-Ahead could either receive an emergency direct award, or the Operator of Last Resort – the function that allows the state to intervene in failed franchises at the last minute – could take over the line.

A DfT spokesperson said: “As confirmed by the secretary of state on 7 August, Southeastern will continue to provide services until April 2020. We are considering all arrangements, which must be in the best interests of passengers and taxpayers, and able to align with the recommendations from the Williams rail review.

Meanwhile, Go-Ahead’s pre-tax profit slumped by 33.4 per cent to £97m for the year ended 29 June, while revenue increased by 18 per cent to £3.81bn. Shares rose three per cent at yesterday to 2,208p.

Tory mayoral candidate Bailey confirms he will raise Tube fares

Alexandra Rogers

Tory mayoral candidate Shaun Bailey has confirmed he would put up Tube fares after saying Sadiq Khan “would do the same.”

Bailey, who is looking to replace Khan as London mayor in next year’s election, said a Transport for London (TfL) fare hike was a “done deal.”

“It’s not me putting them up, it’s the reality of the world putting them up,” he told an event organised by the London Chamber of Commerce and Industry. What I would have done is not done the bogus fares freeze at the beginning to leave us with such a big gap to jump,”

A spokesperson for Khan said: “This says everything that Londoners need to know about the Tories in London. Throughout his time as mayor, Sadiq Khan has frozen TfL fares and introduced the Hopper bus fare, while TfL fares went up by more than 42 per cent under the last Tory mayor and the new Tory candidate is promising to increase TfL fares every single year if he wins.”

Nissan boardroom bust-up roars back into life with fresh pay furore

Alex Daniel

Nissan’s Hiroto Saikawa has admitted he was overpaid – but will return the money

He said the scheme was one of several “from the Ghosn era”. He denied any active role in the scheme, and that he plans to return excess payments.

The alleged improper payments include tens of millions of yen Saikawa received through a stock appreciation rights scheme. The revelations were made at a meeting of Nissan’s audit committee yesterday, according to Reuters.
If nothing else, the Lords at least offers some good debate

WATCHING a debate in the House of Lords can lift the spirits. Admittedly, this isn’t always the case. After all, the place is so rammed with political clichés and platitudes, the drums of quangoland that following its proceedings can often feel like a punishment.

However, on a bad day, washed-up local scientists, ethicists and philosophers offer their expertise. On a bad day, washed-up local government officials bicker with partisan stooges. This week, with Brexit-related procedural tussles requiring the input of peers, we saw glimpses of both. Rebel MPs needed the Lords to nod through their anti-no-deal motion, and though their lordships’ acquiescence was never in doubt, more than a handful put up a good fight. Lord Rennard deserves to contribute to the further anti-France sentiment.

But the real story was on financial crime, specifically fraud against individuals, has reached epidemic proportions, says the Financial Conduct Authority’s chair, Charles Randell.

Randell said to contribute to the Citizens Advice Scams Action service and to create a scams ad reporting tool, as part of the settlement of litigation against them by Martin Lewis. I hope that Facebook will take down the ads for good, she said.

“Financial crime, specifically fraud against individuals, has reached epidemic proportions,” Randell said.

“One we spent almost all of August in rural Herefordshire. Let me stress that if you haven’t been to this county you should seek to rectify your mistake. It is beautiful. But imagine my surprise when, during a rare instance of the outside world creeping into our temporary blissful seclusion, I learned that the country was in the grip of a coup.

A glance around the village pub’s beer garden that evening left me with the clear impression that the people of Herefordshire were untroubled by reports of fascists seizing power. Perhaps they just don’t follow Hugh Grant on Twitter and so were unaware of developments. Fearing the arrival of tanks and thugs, Old Etonians we retreated to our cottage to ride it out. When the time came, it was hard to leave our sanctuary. Not because of events in Westminster but because it had been the most relaxing, restorative and enjoyable holiday I’ve ever had,” said Randell.

“We have seen a number of the internet giants to play a greater role in tackling crime, specifically fraud against individuals, has reached epidemic proportions,” Randell said.

Randell said the internet giants “as a minimum” should take down suspected fraudulent content immediately when requested to do so by the authorities.

“I would expect them to use their extraordinary resources to work with law enforcement and regulators to develop algorithms and machine learning tools to identify potentially fraudulent content,” he said.

Randell said he did not think such measures would prejudice freedom of speech “or that dissent and democracy in our society will be any weaker if we throw some well-aimed stones into the cogs of the online scammers”.

“Throughout the whole process, the Central People’s Government took the position that they understood why we have to do it. They respect my view, and they support me all the way,” she told reporters.

Lam had in June said the bill would “address the discontent” in the territory. In a press conference, Lam was repeatedly asked why it took her so long to withdraw the bill, which would have allowed citizens to be extradited to China.

Lam did not answer the questions, and said: “It is not exactly correct to describe this as a change of mind.”

Chinese state newspaper the People’s Daily said the withdrawal was supportive of her government’s decision to scrap the bill, she added.

Recession risks rise in Germany as exports hit

WEAKER demand from abroad drove a bigger-than-expected drop in German industrial orders in July, suggesting that struggling manufacturers could tip Europe’s biggest economy into a recession in the third quarter.

Germany’s export-reliant economy is suffering from slower global growth and business uncertainty caused by US President Donald Trump’s “America First” trade policies and the planned, but delayed, Brexit.

Contracts for Made in Germany goods fell 2.7 per cent from the previous month in July, data showed yesterday, driven by a big drop in bookings from non-Eurozone countries, the economy ministry said. That undercut a Reuters consensus forecast for a 1.5 per cent drop.

“The misery in manufacturing continues. The decline in export demand is likely to worsen in coming months, adding to recessionary pressures,” said the ministry.

Germany’s gross domestic product contracted by 0.1 per cent quarter-on-quarter in the second quarter on weaker exports, with the decrease in foreign sales mainly driven by Britain and China.

“The danger is great that negative growth will also be recorded in the third quarter,” Gitzel added.

The economy ministry said a weak start to the third quarter means that the outlook for the sector was also looking grim.

Hong Kong executive says China ‘respects’ withdrawal of the bill

Hong Kong chief executive Carrie Lam is backed by pro-democracy protesters

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Ocado to lever its way into the food delivery market: it’s hardly surprising. 

Aging stores, a pricey deal with Ocado to lever its way into the food delivery market: it’s hardly surprising. 

Of course, Norman, the Marks & Spencer chairman, put a brave face this week on the retailer’s demotion from the FTSE 100. Nothing to see here, he said: the business was exactly the same on the day after its relegation. Focusing on it was just the reddest of herrings. 

In a sense, he is right – but the decline of the “burning platform” he has repeatedly called M&S couldn’t be more aptly symbolised than by its relegation after 35 unbroken years in London’s blue-chip share index. 

Unfortunately for Norman, that decline is becoming harder to arrest with each passing quarter. Stock supply issues, continuing leadership turmoil in its clothing business, ageing stores, and a pricey deal with Ocado to lever its way into the food delivery market: it’s hardly surprising that the shares are close to a 20-year low. 

Whether it’s this side of the crucial Christmas trading period or not, further management change looks inevitable – but which world-class retailer would now jump at the chance to run today’s M&S, outside the FTSE 100 and potentially destined never to return? 

**SWAPPING OUT A MANUCCA FOR A MONTAGUE** 

It’s no slight against Paul Mandauc, the Prudential chairman, that few of the 2.3m workers in Britain’s financial and related professional services would be able to name him as chairman of TheCityUK’s advisory council. 

That doesn’t make it an unimportant job: in the decade since the trade association was established, it has fought the City’s corner in key battles on regulatory reform, immigration, taxation and corporate responsibility. 

Today, Mandauc will make way for his successor, who I can reveal will be Sir Adrian Montague, the Aviva chairman. 

Montague’s appointment implies that he will remain in his role at the FTSE 100 insurer for some time, when there had been a growing assumption among investors that he would make way once Maurice Tulloch, its new chief executive, is properly embedded. 

It is a key moment for Montague to take the reins at the lobbying group. A no-deal Brexit and a General Election that could usher in the most left-wing Labour government for generations both loom large, with potentially profound implications for Britain’s financial services sector. 

Montague is a solid choice at a time when the City’s response to domestic and global political tumult is about to be tested like never before. 

**PASSPORT MAKER DE LA RUE’S BIG BAZOOKA MOMENT** 

You couldn’t make it up. De La Rue’s propensity for shooting itself in the foot has acquired myriad new techniques during a torrid few months, but after a string of profit warnings, contract losses and governance failings, it’s dispensed with a handgun and moved into full-blown bazooka mode. 

Appointing Kevin Loosemore as its chairman is arguably the worst-timed piece of boardroom recruitment of the decade. Less than a week after a profit alert scrubbed about a third of the stock market value off Micro Focus, the software company he serves as executive chairman, Loosemore has plumped for another hands-on job. 

His decision to relinquish the chairmanship of privately owned software company Iris is an irrelevant sop. For the next 12 months, De La Rue and Micro Focus will each be close to full-time jobs. Both need to rebuild the confidence of customers, shareholders and employees. Both are vulnerable to opportunistic takeover bids. Both have become graveyards for previously robust boardroom reputations. 

Can either be salvaged in their current form? The share prices and sense of shareholder disgruntlement suggest an M&A-led outcome is likely. 

At least two private equity firms have been circling Micro Focus for months, while parts of De La Rue remain attractive to strategic acquirers. In each case, their board’s ability to mount a vigorous defence has likely been fatally undermined by their failure to deploy an invaluable commodity: common sense. 

Loosemore’s acceptance of the job at the banknote printer smacks of arrogance. The offer to him, and the timing of the announcement, smack of rank incompetence. 

It has left Crystal Amber, the activist investor, with an open goal. The fund manager threatened in July to call an extraordinary general meeting if Philip Rogerson, the incumbent De La Rue chairman, did not step down immediately. 

If Crystal Amber believes that is still the right course of action – with the wider objective of clearing out the board – it doesn’t have a moment to waste. It won’t be short of support. 

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**Measuring Diversity and Inclusion: How to make it work**

Yesteray, 50 attendees joined The Lord Mayor and Lady Mayoress for the second Power of Inclusion breakfast workshop of 2019, sponsored by Barclays. Shared by Tamara Box of Reed Smith, the event enabled speakers to share practice and long-tail knowledge on measuring D+I data and how this data can inform business decisions.

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**M&S’s FTSE exit a symbol of terminal decline**

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**UK EQUITY OUTFLOWS RISE OVER UNCERTAINTY**

Cautious investors pulled £1.2bn from UK equity funds in July, with outflows increasing amid heightened political turmoil. UK equity funds experienced net outflows of £1.2bn, a significant rise on the £144m of outflows reported for June, according to figures from the Investment Association. The funds have consistently seen new outflows over the past year, with the exception of an inflow of £543m in May.

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**DIVERSITY IN NUMBERS**

77% of employers recognise diversity as a priority for them and are committed to supporting people with protected characteristics. (Equality and Human Rights Commission)
HSS tools up for challenging times in hire business as losses slim down

ANNA MENIN
@annamenin
TOOL hire company HSS yesterday reported a substantial narrowing in pre-tax losses for the first half, despite increased expenditure.

Pretax loss was down almost 28 per cent to £7.4m, compared to £10.2m for the first half of 2018, the company said.

Revenue grew 3.9 per cent to £161.4m during the first half, up from £155.4m for the same period a year ago. HSS said this rise was due to improved first-half trading across both its rental and service divisions.

The Manchester-based firm reported adjusted earnings before interest, tax, depreciation and amortisation (Ebitda) growth of 10.9 per cent, with an increase of £5.5m.

Chief executive Steve Ashmore called the results “a solid performance...in which the continued focus on driving profitable revenue growth through strong price control and effective cost management led to a significant improvement in return on capital and a further reduction in leverage.”

He added: “We have taken additional action to further optimise our operating cost base and have a clear strategy to build upon our existing excellent market positions.”

Shares closed up 1.9 per cent at 32.10p.

Equinor owners smile as it starts $5bn buyback

AUGUST GRAHAM
@AugustGraham
NORWEGIAN state oil giant Equinor yesterday launched a $5bn (£4bn) share buyback as it also promised to bring a massive new oil field online earlier than expected.

The firm said that it would immediately start repurchasing $1.5bn in shares, and will complete that first tranche before the end of February.

Shares bounced on the news, closing the day up 9.15 per cent to $67.70.

“We have over the last years built a strong financial position with solid credit ratings and a net debt ratio around 20 per cent,” said chief executive Eldar Saetre.

Meanwhile, Equinor said that it would start pulling oil from the Johan Sverdrup field in October, a month ahead of what it had forecast.

The field, which was the biggest discovery in the North Sea for three decades, will produce cheap energy for the company.

It comes as other firms, especially US majors, scale back from the dwindling basin.

Yesterday, Reuters revealed that US giant Exxon Mobil has agreed to sell undiluted.

Norway, will keep its 67 per cent stake in the oilfield.

It comes after the firm in June said it was looking to sell the portfolio, including stakes in several fields run by Equinor and Shell.

Equinor-owned parts of the 20 fields produced around 170,000 barrels of oil equivalent per day in 2017.

Sources told Reuters that the company has held talks with Equinor and a handful of other potential buyers.

The sources did not reveal which of the potential bidders has won the race for the fields.

Exxon is reportedly also looking to sell its British North Sea stakes.

Ofgem slaps Engie with a £2m fine for rigging the gas markets

AUGUST GRAHAM
@AugustGraham
FERNC energy giant Engie was fined yesterday as regulator Ofgem found it had manipulated gas prices in 2016.

A trader at the company had spoofed the market between June and August that year, Ofgem found.

The trader had placed bids and offers to trade gas on the wholesale markets even though they had no intention of following through. Then they were able to sell at higher or lower prices, Ofgem found.

The regulator fined subsidiary Engie Global Markets (EGM) £2.1m, with a £1m cooperation discount.

Ofgem found that the company did not do enough to prevent the breach by a trader. It also failed to detect the spoofing once it started.

“Whilst Ofgem notes EGM did have some measures in place, they were inadequate,” the regulator said.

It said that a participant in the market got in touch after seeing “suspicious activity”.

Engie said it “strongly condemns practices that distort the market.”

Oil firms at risk from climate investments

AUGUST GRAHAM
@AugustGraham
MORE than $50bn (£40.6bn) has been invested by oil and gas companies since 2018 in projects critics say undermine global climate change goals.

Think tank Carbon Tracker said that the projects, which do not take into account global targets, will also be unsustainable if governments legislate in accordance with the goals.

“This is the best way to both preserve shareholder value in the transition and align with climate change goals,” he said.

The study estimated that some of the world’s largest oil and gas companies invested 30 per cent of their capital expenditure on projects inconsistent with the International Energy Agency’s most ambitious low emissions pathway.

Carbon Tracker said that companies would need to slash investment to ensure which break even at costs below $40 per barrel.

Otherwise they risk wasting $2.2 trillion by 2030.

Crude services M&A fail to bounce back from downturn five years ago

AUGUST GRAHAM
@AugustGraham
LEVELS of consolidation in the oil services sector is slowing, experts warned today, as companies in the sector face difficulties.

The number of mergers or acquisitions (M&A) in the sector fell to 37 in the first half of 2019, new data showed, a reduction from 64 in the same period last year.

It comes as the sector has failed to bounce back from a 2014 downturn in the price of oil which ripped through international markets. This year’s figures showed the fewest deals since the downturn.

Meanwhile, the value of deals in the sector has also dropped, though not as steeply, according to the data.

In the first six months of 2018, companies spent $7.4bn (£6bn) on M&A. In the same period their year they splashed out $7.2bn.

Alan Kennedy at KPMG, which compiled the data, said that the slowdown might be a sign of calm before the storm.

“Vendors believe that earnings and hence valuations will continue to improve and so are reluctant to transact just yet, whereas buyers are still cautious and want to see more evidence of sustainable earnings growth,” he said.

Several firms, including Gulf Marine Services, are still struggling after the downturn.
Competition authority suspends legal action against ticket reseller Viagogo

JAMES WARRINGTON
@j_a_warrington

THE COMPETITION watchdog has suspended court action against Viagogo, saying the ticket resale site had addressed its concerns about how key information was presented to customers.

The Competition and Markets Authority (CMA) had launched legal proceedings against Viagogo for contempt of court after the firm allegedly failed to comply with an earlier court order.

The complaint centred around the Switzerland-based website’s use of so-called hover text to display information such as ticket prices and refund deadlines, which the CMA said was in breach of UK consumer law.

The regulator also accused Viagogo of using misleading information, including stating that there were more tickets left on sale than were actually available.

However, the CMA yesterday said it had dropped the court case after Viagogo addressed its outstanding concerns.

CMA chief executive Andrea Coscelli said Viagogo’s website was now “worlds apart” from its previous format, but slammed the company for its delayed response.

“What is clearly not acceptable is the time it’s taken to get to this stage,” she said. “Stronger consumer powers are required in the secondary ticketing sector and we will continue to work with the government on the most effective way to achieve this.”

Automation use doubles as firms ramp up robots

JAMES WARRINGTON
@j_a_warrington

THE NUMBER of businesses adopting automation at scale has doubled in the past year, though most say they have yet to assess how this could have an impact on their employees.

Roughly eight per cent of companies have deployed over 50 cases of automation this year, twice as many as in 2018, according to a report by Deloitte seen exclusively by City A.M.

Overall, 58 per cent of organisations worldwide have implemented some form of automation amid a rapid rise in the new technology.

Despite the increased uptake, the report today finds that many businesses do not yet consider how automation would affect their staff.

“Automation has been top of the business agenda for many years, promising to boost productivity, cut costs and redefine the role of the worker,” said Deloitte partner David Wright. “It is exciting to see that the technology is finally being embraced in a sizeable way, but there is now an urgent need for leaders to address the impact it will have on the workforce. A lot more thought needs to be given to the integration of humans and machines and the new roles that will be created.”

Bosses said they expected automation to increase workforce capacity – a company’s ability to ensure sufficient staffing levels – by 27 per cent, showing the potential productivity boost.

Critics of automation have raised concerns that the declining demand for human workers will put thousands of jobs at risk.

Figures released earlier this year by the Office for National Statistics revealed as many as one in three City jobs are under threat.

However, previous research by Deloitte has suggested technological advances will lead to a net gain in employment.

While new roles will be created to work in tandem with machines, there will be a greater demand for more strategic and creative thinking which only humans can bring,” Wright said.

Ad watchdog increases pressure on influencer marketing clarity

JAMES WARRINGTON
@j_a_warrington

THE ADVERTISING watchdog has ramped up calls for clear labelling of social media ads amid concerns users still struggle to identify sponsored posts.

The Advertising Standards Authority (ASA) said yesterday its findings dispelled any arguments that clear labelling was not needed and re-stressed the importance of influencers being clear and upfront.

The watchdog said current regulation that requires influencers to label sponsored posts with #ad was “necessary as a minimum”, but it did not outline any further measures.

The ASA warned that influencers who did not disclose ads were treating their followers unfairly and were eroding trust in the wider influencer community.

Any influencer who falls foul of the regulations faces a possible investigation and enforcement action, it added.

DANSKE BANK POACHES NEW FINANCE CHIEF

Danske Bank named Stephan Engels from Commerzbank as its finance chief yesterday as part of an overhaul by the Danish lender’s new boss to restore trust after its involvement in a damaging money laundering scandal.

Danske is under investigation in the US and several other countries for payments totalling $230 billion (€180 billion) through its tiny Estonian branch, many of which the bank said were suspicious. The Engels’ appointment follows a string of appointments from big international banks, including Philip Vollot, chief compliance officer, who came from Deutsche Bank.

Natasha’s Law to prevent fatalities from food allergens put before MPs

AUGUST GRAHAM
@AugustGraham

A LAW in memory of tragic Pret a Manger allergy teenager Natasha Ednan-Laperouse was laid in front of parliament yesterday, making sure that allergens are properly listed in cafes across the country.

Natasha’s Law will close a loophole that allowed food that was prepared on the premises to be sold without an allergy warning.

It came after Ednan-Laperouse died after eating a Pret a Manger baguette on a plane in 2016. The shop at Heathrow where the sandwich had been bought did not say that the bread contained sesame seeds, which the 15-year-old was allergic to.

Natasha’s family paid tribute, saying: “Natasha was a spirited campaigner for justice and today she is smiling down on us knowing that this law will help ensure others do not suffer in the way our family does, and always will, following the loss of our beloved daughter and sister.”

Food Standards Agency head Heather Hancock, said her organisation would work with businesses “to get this right”. This is an important step towards our ambition for the UK to become the best place in the world for people who have food allergies and intolerances.”

Salaries for new roles jump despite concerns

UK employers ramped up salaries last month as they looked to snap up the new recruits in a notoriously difficult period for hiring. Salaries for new roles rose 38 per cent year-on-year in August, according to the latest job market data from CV Library. The research showed that the south east enjoyed an even larger increase of 54 per cent, beaten only by the huge 80 per cent boost posted in the north east.

NEW FINANCE CHIEF

Former chief executive, Jill Easterbrook has quit after three years in the role, the retailer announced yesterday, as the fashion brand warned 2019 profit would take a hit from investment in its multi-channel offer.

Easterbrook, a former executive at Tesco, will step down at the end of the year to develop a non-executive director portfolio, which already includes chairing the remuneration committee of AutoTrader.

BODEN CHIEF EXECUTIVE STEPS DOWN

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IN BRIEF
Strong sterling knocks FTSE 100 as exporters hit

The FTSE 100 slipped yesterday as a surge in sterling pushed exporter stocks lower, missing out on a globally led by growing hopes of a resolution to the US-China trade war.

The blue-chip index slid 0.6 per cent, to 7,271.17 per cent, with multinational companies such as spirits company Diageo and pharma giants Astrazeneca and GlaxoSmithKline slipping about three per cent as a stronger pound meant the value of their US earnings was lower. Stocks trading without dividend entitlement on the day such as Melrose, which jumped nine per cent after its first-half profit estimates were lifted, were boosted by renewed trade hopes later this month.

Another prominent gain was turnaround specialist Melrose, which jumped nine per cent after its first-half profit estimates were lifted, as it announced upbeat full-year production view and cutting seven per cent after affirming its high after raising its annual revenue target.

Boohoo, the online fashion retailer, surged seven per cent after its major shareholder Emirates NBD Bank sold stock at a discount. There was no crying at Aim-listed online fashion retailer Boohoo as it shot up by 15.1 per cent to record high after raising its annual revenue growth forecast.

Small cap oil Enquest climbed seven per cent after affirming its full-year production view and cutting debt.

Milwaukee.

Against the backdrop of news that the Dow Jones jumped 1.41 per cent yesterday, while strong US economic data eased fears of a domestic slowdown,

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YOUR star employee brings in the money, keeps the customers smiling, and boosts your online reviews. On the surface, they are driving your business forward single-handedly.

You can’t imagine things without them. They’re indispensable, and the thought of them leaving brings you out in a cold sweat – the firm would never survive. But is this the case?

Look into the background. Are they over promising, forcing the rest of your conscientious team to scramble around, trying to meet unrealistic deadlines? Your best employee’s success may well come at the cost of increasing your team’s stress level.

No wonder one person is bringing in more dosh than the others – the rest of the team are too busy picking up the pieces to be able to sell anything. In fact, the customer service is down to those guys in the background who are silently (or not so silently in some cases) cursing your star achiever.

And at the end of the month, resentment builds further when they scoop up the bonus which rightfully belongs to the team as a whole.

Does any of this sound familiar?

We’ve all been in a situation where a member of the team is an absolute nightmare to manage, but they bring in the results. But why are they so difficult to manage? And at what cost do they bring in these results?

Here’s another scenario. Perhaps your best employee is receiving excellent customer reviews and feedback, far exceeding their colleagues.

Of course, they could be genuinely brilliant – or are they offering free upgrades? If you’re working in hospitality, maybe they’re giving away free food and drink? This success is only surface-deep if it’s cutting into the company’s profit margin.

Maybe they’re difficult because when you explain this to them, they are remorseful, but then immediately slip back into the same routine.

What about the team clown? They are great for morale, keeping energy levels up, and creating a buzz in the office. But perhaps they’re difficult because they’re flaky and forget to attend meetings, or they’re always late, or are constantly making mistakes that their colleagues cover up?

There are so many scenarios that I could go on forever, but the way to tackle this problem is the same across the board: be consistent.

Treat everyone the same, even if some produce great results and you’re tempted to overlook things. Short-term special treatment leads to long-term resentment from the rest of the team.

After all, your business is only a success because of your team. Each member of the team drives your business forward in some way, and deserves to be rewarded if they’re brilliant, and given constructive feedback if they’re not. You can’t reward excellence but ignore misdemeanors, because that simply isn’t fair.

The way to deliver this sort of feedback is away from the others, so that the individual is not embarrassed. Acknowledge the fact that they’re doing a great job, but highlight what’s not so great, and advise them in a constructive way how you would like them to do it differently next time.

Tell them how they affect the team or the business, and explain why it’s so important that they make changes. Also, make sure that you record this, monitor regularly, and repeat the feedback if there’s no change.

At the end of the day, no one is indispensable. If they’re going to continue to be disruptive, there will come a time when you’ll have to let them go.

We all hate this part – especially if you like the person involved – but if they’re not fulfilling their role and performing to the standards clearly set out then ask yourself: are they really invested in my business? Do they care? Would the team be more productive without them?

You’ll soon realise that in fact, they’re not your best employee at all.

Marianne Page is an author and the founder of Marianne Page Ltd.

This app can help make it an easier task.

Choose from 14 different language courses catering to complete beginners or advanced speakers. The app also uses speech recognition tech to help make sure that your pronunciation is on point.
Neither tragic nor hero, Boris is just in thrall to the Brexit fates

W hen a Prime Minister who has spent his career leaning heavily on his classical education – peppering speeches with references to Pericles, the sword of Damocles, and how the EU subjugating Britain is like the Romans trampling over Carthage – loses his first four votes, his majority, and 23 MPs in the space of four days, the comparisons to Greek tragedy are inevitable.

And there is certainly a sense of tragic irony about Boris Johnson’s story lately. He has been all his life and was until recently still marching all day, all his life and was until recently

disastrous for Boris – from losing his majority live on air when Phillip Lee declared he was joining the Liberal Democrats, to watching his other brother quit as a Conservative MP because he is “torn between family loyalty and the national interest”. If he thought being Prime Minister would be easy for someone so apparently gifted in leadership, charisma and rhetoric, he has had a rude wake-up call.

But Boris ultimately only wants two things for Britain: to leave the EU by the 31 October deadline, and to win an election. While none of them are easy, there are still options available to him for achieving the former – from ramming through a jampacked version of Theresa May’s deal at the last moment, to ignoring legislation passed by MPs to request an Article 50 extension and letting the battle play out in the courts. Did No. 10 think being Prime Minister was too powerful or as important in this on-

time with his family. Good call. Seems Jo Johnson has become the many-headed hydra of Brexit. It may not be in the foreground, but farsighted businesses are already gearing up for tougher competition: for talent, for contracts, for suppliers and for customers.

Economists will tell you that productivity and exports are strongly correlated. That’s because exposure to best-in-class global competition brings out the best in domestic firms.

British business owners I talk to say that already they are fighting hard to prove their value to international customers. The best are using the time ahead not only to get ready for Brexit, but also to get match fit for the future.

Uncertain times may not be good for business investment, but they can be good for business readiness. And now is the right time for UK businesses to study the best and beyond them – their pioneering peers in the UK or other countries. There is much for business to be purposeful about, regardless of drama in Westminster and Brussels.

Perhaps it is time for a focal lens. Prepare for 31 October, but simultaneously see that October is just the end of the beginning.

In Wednesday’s speech, the chancellor began by talking about no-deal preparations, before moving quickly on to measures in pursuit of a decade of renewal. The prize is great, but so is the price if we fail to face the future now.

Tony Danker is chief executive of the British Chambers of Commerce.

For those wondering what happens next, the Apothecary of the Household instigates the Trial of the Pyx. Should that fail, the Hereditary Lord Falconer of Scotland dons the Cap of Maintenance for the Swan Upping. As a last resort, the Rouge Dragon Pursuivant plays the Quit Rents. @Mr_John_Oxley

It’s been an honour to represent Operation for years & to serve as a minister under three PMs. In recent weeks I’ve been torn between family loyalty and the nation’s interest – it’s an unrelenting tension & time for others to take on my roles as MP & Minister. @JoJohnsonUK

Seems Jo Johnson has become the first minister to resign to spend less time with his family. Good call. @amcmaichaelHP

Letters to the editor

Round the houses

As our political parties squabble over our European future and the country sits in a state of political paralysis, note that our property market has retained dignity even if our politicians have not.

UK house prices and rental values are higher than before the referendum, by eight per cent and five per cent respectively, and while transactions in London in particular are now lower, much of this can certainly be attributed to the assault on stamp duty orchestrated by a couple of chancellors ago, where the top rate is now an asphyxiating 15 per cent.

This is remarkable resilience overall. And, yet, not content with successive attempts at destroying the market and sucking positive sentiment out of it, enter stage left the Labour party, with a nuclear option to finish the job that the Conservatives seem to have started.

Sizable assets to cap rents, and therefore the investment yields that landlord investors may achieve. John Mann MP has even gone as far as to call for landlords until, presumably, their pigs squawk. And now wishes to steal 20 per cent of the value of the houses and gift that to their tenants with a neat backhandedness.

If this short-sightedness succeeds in becoming law in the event of a change of administration, the glebe of the Treasury and tenants respectively will be very short-lived indeed when it becomes evident that there are no landlords left with which to fight.

The property market underpins our economy, provides much of our social housing via the private rented sector, employs hundreds of thousands of peoples and contributes billions of pounds of direct and indirect taxation.

Like the proverbial prawn, if you bash it for long enough it will crawl up the floor and then disappear in all directions. Mark Rees, head of communications, Benham and Reeves

Best of Twitter

It’s interesting that the three people we’re now debating as to the worst PM of the 21st century – Cameron, May and Johnson – found their biggest problem wasn’t economic, or disaster, or war, but their own party. @catlilmanor

For those wondering what happens next, the Apothecary of the Household instigates the Trial of the Pyx. Should that fail, the Hereditary Lord Falconer of Scotland dons the Cap of Maintenance for the Swan Upping. As a last resort, the Rouge Dragon Pursuivant plays the Quit Rents. @Mr_John_Oxley

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One Prime Minister – two if you rather than take on the challenge. If it defeats a third, perhaps we should view Boris as less the protagonist in his own personal tragedy, and more the victim of circum-
stances he should never have sought rather than take on the challenge. Yes, it may be satisfying to watch a man so convinced of his own super-
ior intellect see his master strategy unravelling, but the reality of a Brexit extension and then call an election, allowing Boris to run on a platform of “parliament versus the people” – was a sound one.

The probability that the Labour party will be clambering for an election for years, would suddenly U-turn looked remote, as did the possibility of a brokerage Conservative MPs’ voting against their party on an effective motion of no-confidence and ending their po-
icratic careers.

That miscalculation by Cummings is humiliating, but with the infor-
mation available, it’s hard to see what alternative course of action would have been more successful.

Finally, it is not yet clear how much of this actually matters. The week has undeniably been

A brand new chancellor, same old challenge. It’s the issue that brought us in: Brexit. Boris inherited the leadership of a country that is very much not busi-
ness as David. Untested by the majority of the population, he stepped into the ruins of govern-
ment left behind by a predecessor crushed to inconsequence by the in-
comprehensible result of parliament, public and party.

The House of Commons maths that had back then was for Theresa May having an inescapable corner did not

Business must look beyond no-deal prep and plan for a globally competitive future

for new competitive realities.

As freedom of movement ends, we are not going to hire our

hands on the levers that count. That’s why it was heartening to see the new chancellor redouble of our G7 peers.

Of course, the timing matters, but the message that Boris is the man championing Brexit (and, by his def-
inition, democracy) in the face of near-overwhelming resistance from an out-of-touch establishment is a powerful one. If he wins, the last few days will seem a distant dream.

And if he loses?

The many-headed hydra of Brexit will underpin its impact: the issue that brought us in: Brexit. Boris inherited the leadership of a country that is very much not busi-
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for new competitive realities.
Britain cannot afford to ignore Labour’s interventionist agenda

Kate Andrews

OR THE past three years in Westminster, it’s been difficult to think more long-term than the next few hours. Nearly every day has dragged us further into uncharted political territory. Meaningful votes, Brexit extensions, and leadership contests have been making and shaping history – though it would be fair to say that for all the chatter, little substantial had changed up until this past week.

The political realignment, predicted by academics like my colleague Dr Steve Davies, has now been accelerated. We are witnessing the overhaul of party allegiance in real time. The left-right divide has become secondary to the fight between populist protectionism, and liberalism.

While tensions among Conservatives have been steadily simmering for years, in just three short days a fundamental split and shift in the oldest party in modern history has occurred. Whenever the looming General Election comes, the Conservative party will not look remotely like it did the last time it asked the public for their votes in 2017. Down 23 MPs (so far) because of its unapologetic “divorce” stance on leaving the EU by 31 October, it will be going to the polls with a hardened and clearer line than it had before.

So will the Labour party, but on very different grounds. Labour has had a topsy-turvy relationship with Brexit, having U-turned dramatically over the past two years to now back a second referendum. But on the economy, Labour’s top team have been quietly and swiftly doubling the economy, Labour’s top team have now back a second referendum. But on different grounds.

Labour has had a topsy-turvy relationship with Brexit, having U-turned dramatically over the past two years to now back a second referendum. But on the economy, Labour’s top team have been quietly and swiftly doubling the economy, Labour’s top team have now back a second referendum. But on different grounds.

In the midst of Brexit upheaval, the Financial Times has been running a series on the Labour party’s agenda: its ideology, its plans, and the cost of its policies if implemented. This week, the research estimated that the party would need “at least £30bn in new tax revenues” to “end austerity” according to Labour’s own definition of the term. It would also confiscate roughly £30bn worth of company shares to carry out its plan for “inclusive ownership funds”, in what researchers describe as “the biggest state raids on the private sector to take place in a western democracy”.

The costs of these proposed policies would be economically damaging in their own right, but this could just be the beginning. The party is increasingly advancing plans for mass redistribution, in ways which appear to be in direct conflict with the pillars of a free society. Labour is not stopping at nationalising parts of private companies, which on its own threatens fundamental aspects of liberalism and private property; it is turning to housing as well. Shadow chancellor John McDonnell has plans to implement a “right to buy” scheme for private tenants (which, it has been suggested, would not have to be sold at market rates). This would break the fundamental principle of property rights, which does not allow other people to use or take your belongings from you without your permission.

As Dr Eamonn Butler succinctly put it in his IEA book Foundations of a Free Society, “freedom creates prosperity”. Political parties, by nature, tinker at the edges of these freedoms, debating marginal tax rates, the merit of regulations, and how prevalent the state should be in our daily lives. But it should be a cause of great concern when there is talk of expropriating private property, without any meaningful challenge from the other side. Brexit will be dominating politics for the foreseeable future. But it shouldn’t be forgotten that the last General Election was supposed to be fought on such grounds, and quickly diverted to the domestic policy issues that, according to public sentiment, had been neglected for far too long. If we don’t push ourselves to see past the next few hours, days, or weeks, we risk overlooking major plans to re-shape our economic and social future – for the better, and most certainly for the worse.

The ‘right to buy’ plan would break the fundamental principle of property rights

Kate Andrews is a lecturer and head of Distribution at the Institute of Economic Affairs.
Although it is only divided from Kew by a thin stretch of river, Brentford and its West London neighbour could not be more different.

Take their history, for example. While the former started out as a country retreat for royals, Brentford has built itself on being a hive of industry.

In the Victorian era a dock designed by Isambard Kingdom Brunel was built there, where workers loaded up boats with coal, steel and timber from the railway to be sent along the river to the Docklands. Post-war, Brentford became the starting point of The Golden Mile – a stretch of art deco factories that once produced everything from gyroscopes to potato crisps.

Developer Ballymore is now trying to capitalise on this industrial heritage by creating a new district combining housing, independent shops and restaurants and cultural spaces. It is called The Brentford Project, and the first homes are available to buy this week.

There is a template for this kind of thing in Peckham and Hackney. But what does post-industrial regeneration look like when it happens just down the A4 from Heathrow?

Walking down Brentford High Street, the development is impossible to miss. This is because the floor and walls have been painted bright blue, in an installation by artist Huw Morgan. Ballymore’s sales director Jenny Steen tells me this is to signpost the presence of the water, which “even some residents have forgotten about” because it was closed off for many years.

Ballymore has already opened a hipster-friendly cafe and events space on the waterside to try and pull people into the 11.8-acre site. Over the summer it has played host to live music, art and baby yoga. It is building a total of 876 new homes, the first phase of which will comprise 300 studio, one, two and three-bed apartments starting from £369,500. Steen says The Brentford Project is aimed at “people who love to be in their home,” and the spacious show flat boasts unusually high ceilings, a range cooker and a balcony that could comfortably fit a dining table and four chairs.

In keeping with the local area, lots of the apartments will have an industrial feel: think cantilevered balconies and concrete worktops.

Ballymore also has plans for 50 new retail spaces, including a new set of pedestrianised ‘lanes and yards’ which will play host to independent retailers, craftspeople and artisans. A 15th-century church will become a ‘cultural and foodie hub’ with an open-air pool in the grounds.

John Mulryan, group managing director at Ballymore, says he wants the project to “bring fresh energy to the area in a way that honours and builds its historic past – as well as its abundance of creativity and culture.”

Already installed on the site is classic car restoration business, Duke of London. As well as a working garage and forecourt, it also runs an events space, The Factory, which is as likely to be found hosting a supper club as it is a meet for motor enthusiasts. It will soon be offering food from Le Swine and Santa Maria Pizza, and is even set to host an event for London Fashion Week.

“I’ve lived in this area all my life, and before this there wasn’t much reason for people to venture past the Chiswick roundabout,” says founder Merlin McCormack.

There is still a long way to go – but it looks as if that is starting to change.
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When Taylor Swift released her latest album, Londoners were surprised to find she had penned an ode to our city in a track called London Boy. In the song, she travels around the capital using routes that anyone with a cursory knowledge of the transport system would find completely illogical, such as going from Shoreditch to Highgate then back to Hackney.

She also describes her love for having high tea, browsing in Camden Market and watching rugby in the pub with her boyfriend, British actor Joe Alwyn.

So if Tay-tay decided she liked London enough to buy a pad here, which of the locations in the song would be her best bet?

Researchers at Savills have totted up the totals and say Shoreditch represents the best value, with the average second-hand home coming in at just £516,250 in the year to May.

In the song Swift expresses a penchant for hanging out in Hackney over Louis Vuitton on Bond Street – and she could pick up a tidy bargain there too, with the average sale price in Hackney Central sitting at £576,339.

This is the third-cheapest location after Shoreditch and Brixton, which comes in at £539,433.

If she’s looking for an investment, though, Camden might be a good shout. It is the only area that has seen house prices go up, rather than down, in the year to May, and by a not-insignificant 8.4 per cent. In the last five years, the average sale price has increased by 35.1 per cent – again the highest on the list, and compared to a London average of 22.3 per cent.

The West End (which takes in Soho and Bond Street, both mentioned in the song) is unsurprisingly the priciest location at £2.08m. While the pop star won’t have any problem handing over that kind of cash, she might want to consider that the sale price of homes in the area fell by 37.1 per cent in the last year. It is the also the only London Boy location where the average sale price is lower now than it was five years ago.

Nick Verdi, head of Savills Shoreditch, says: “Shoreditch is home to some of London’s coolest bars and restaurants, Brixton is renowned for its food markets and the woods in Highgate provide some quiet space in the city.
“It’s great to be able to draw attention to some of London’s well-loved areas and all that they offer.”

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If ever there was a long-awaited London development, then Chelsea Barracks is it. Empty for a decade, and five years under construction, residents will finally start to move in this month.

This week, the first show apartment was revealed – and even if we don’t have the £24m required to snap up this four-bedroom 4,000 sq ft residence, it’s a pretty good second-best to have a nosey around. So follow me inside.

Both the show apartment, and the residents’ Garrison Club have luxury interiors by Elicyon. Founded just five years ago by the architect and interior designer Charu Gandhi (ex-Candy and Candy), the Kensington-based firm couldn’t wish for a more prestigious showcase. Gandhi says she is passionate about “materiality, texture and craft” – elements that are in abundance in every room, yet handled with restraint. This precision echoes the past, when the British Army was on parade here, buffed and polished and perfect in every detail.

Burnt orange as an accent colour (hint: cushions update), and its associated palette of russet, ochre, tan, brushed brass and champagne, flow through the design, complemented by either deep inky blues or velvety greens, and a base colour of dove grey. Symmetry creates order and calm, and in the master bedroom, where the bed, headboard and bedside cabinets obey symmetry and geometry, the yin to this yang is in the suite’s softly structural curves of the sofa and chairs.

There’s a lot to take in in every room. The scale is grand – wide doors and corridors and 2.8m ceilings. Texture is sub-tely layered everywhere you look, creating interest yet never overwhelming, even down to the “leather-feel” texture of the marble installed underneath the breakfast bar. Not one inch has been overlooked, yet they have succeeded in making both the apartment and the club feel like a home – if your home has someone to continually karate chop the cushions.

“Lots of the art you see is craft-or-fashion treated as art,” Gandhi says, pointing to a vintage Hermès scarf framed for a bedroom wall. In the spa, Francesca Sharkey, Chelsea Barracks’ development manager, points out the precision-laid brass inlays within the marble floor. “It’s easier to do this with joinery than in stone,” she says, explaining that the craftsmen had plus or minus half a millimetre margin for error. What Sharkey doesn’t know about marble isn’t worth knowing.

Nothing is fussy, yet it’s not predictable either – opening the doors to a meeting room reveals, surprisingly, a symphony in leather – a bespoke Elicyon-designed handstitched leather-topped boardroom table with a set of iconic Cab chairs by Mario Bellini for Cassina in cognac-coloured leather. The de Gournay wallpaper was handpainted and meticulously hung, and when you’ve become accustomed to the pops of burnt orange, suddenly in the billiards room, the accent is crushed raspberry.

At £24m, this show apartment isn’t even the Top Trump of Qatari Diar’s development. Next up are the individual townhouses – at £37m each. Time to form an orderly queue.

£
chelseabarracks.com; elicyon.com

Sharkey, Chelsea Barracks’ development manager.
IT CHAPTER 2

DIR. ANDRÉS MUSCHIETTI

BY STEVE DINNEEN

Pennywise the dreadful clown is brilliantly twisted metaphor for our childhood fears. He is less brilliant as a literal space alien who can only be defeated through some arcane Native American ritual. Alas, that’s where Stephen King’s bulging 1,200-page novel ends up.

Director Andrés Muschietti’s sequel to his 2017 reboot leans into this absurdity, with plenty of knowing jokes about how the novel’s central character can’t write endings. But that doesn’t change the fact that the “Losers Club”, now a bunch of 40-somethings returning to their hometown after 27 years, end up doing battle with an utterly depersonalised version of the first film’s terrifying antagonist.

First the good: the casting is excellent, with each of the adult characters instantly recognisable from their younger selves. Bill Hader gets all the best lines as stand-up comedian Richie “Trashmouth”, whose acerbic put-downs have only gotten sharper over the last three decades. Jessica Chastain takes on the role of Beverly, the physical embodiment of the cycle of abuse, having moved straight from violent father to vicious husband. Hypochondriac Eddie is given manic energy by James Ransone; overweight romantic Ben grown up to be a hunky architect played by Jay Ryan; stuttering author Mike, given manic energy by James McAvoy. They share an easy chemistry, their rekindled bonds plausible and touching. It’s here that the film works best: as a nostalgia piece, Stranger Things for grown-ups, full of sepia-tinted flashbacks to hanging out at arcades and riding bikes down picket-fenced avenues. It deals with the melancholy of age, how the bitter-sweet emotional rollercoaster of childhood is destroyed by the pressures of everyday life.

Unfortunately, the material demands the characters are almost immediately separated, each going on a spurious quest to locate some totem from their past. These sequences soon suffer from diminishing returns, with the set-piece horror routines - chases involving monstrous old ladies and animated statues – all tonally similar; by the fifth time around the carousel you’re more likely to be yawning than screaming.

These pacing issues persist throughout the grotesquely bloated run-time of almost three hours. Muschietti simply doesn’t make enough choices, his film eventually partly turning into a war of attrition. By the time the characters face off against the alien-clown, my brain was as numb as my buttocks.

Thankfully Bill Skarsgard’s heavily stylised Pennywise is always a joy, giving even the most protracted scenes a joyously malevolent energy. He almost makes it all worthwhile.

Almost, but not quite. It Chapter 2 is more of the same: the same scares, the same pacing issues, the same cuddly nostalgia. It’s the perfect companion piece to an imperfect movie.

UNMISSABLE

THEATRE

HANSARD

NATIONAL THEATRE [LYITTELTON]

BY STEVE DINNEEN

George Osborne was in the audience for this blistering political drama by debut playwright Simon Woods. No doubt taking some credit for lines such as “It’s so easy to mistake an expensive education for a genuine understanding of the world”.

Hansard – the title taken from the verbatim record of everything said in Parliament – is ostensibly about the political heavyweights of the late 1800s, told through the prism of a Tory back-bencher and his left-leaning wife.

Robin returns from parliamentary business to find Diana luxuriating in her dressing gown, her artfully shabby Cotswolds home heavy with the fug of gin fumes. The pair immediately begin to spar, with Robin’s upbeat pragmatism the perfect foil for Diana’s droll disdain. They giddily tear strips off each other, neither conceding an inch in a grandstanding battle we assume has been underway for decades.

“It’s the great mystery of our time,” remarks Diana. “The insatiable desire of the people of this country to be fucked by an Old Etonian.”

Someone once counted up the jokes per minute of popular sitcoms (Veep won with one almost every 12 seconds); were they to repeat the task with plays, Hansard would surely be up there.

There are also some pointed gags about our own political situation, such as the dysfunctional Tories looking across the house and thinking: “We can’t believe our luck.”

But as the nimble 90 minutes tick by, the argument turns increasingly nasty. This isn’t, we realise, a pair of lovers engaging in verbal one-upmanship, but two damaged people dancing around some catastrophic event neither can bare to face head-on.

In criticising the Tories’ lack of empathy, Diane circles back time and again to the party’s indefensible backing of Section 28, the act outlawing the “promotion of homosexuality” in schools, hinting at some terrible event in their own history.

In the end it leaves you with the axiomatic truth that tribalism pales into insignificance in the face of personal tragedy. It’s an incredibly assured debut, one that left me a little broken but eager to see more from Simon Woods.

RECOMMENDED

THEATRE

THE SECRET RIVER

NATIONAL THEATRE [OLIVIER]

BY SIMON THOMSON

A smash at the Edinburgh Festival, The Secret River has transferred to the National Theatre. Slow-paced, thoughtful and direct, it demonstrates a basic truth; that the process of colonisation is inherently violent.

Will Thornhill was living in Dickensian poverty in early 19th century London, forced into thievery, and – like Magwitch – transported to New South Wales. We meet him in Sydney, on the day he receives his pardon. His wife, Sal, has joined him in Australia, along with their sons Willie and Dick. She encourages him to return to England as soon as they have money for passage. But Thornhill has set his sights on a 100-acre plot of land 30 miles along the coast, which he wants to develop as a farm. Unfortunately for all concerned, the land is already occupied, by the Aboriginal Dharug people.

From the first anxious encounter between the Thornhills and the Dharug, the tragic course of The Secret River is never in doubt. As the narrative fluxes determinedly towards its conclusion there are rapid, unexpected and steady building intensity. The humanisation of all characters – indigenous and interloper alike – gives real emotional weight to the eventual brutality. The matter-of-fact way in which the mass slaughter of the area’s original inhabitants is approached by the settlers, and the absence of lengthy reasoning or genuine attempts at justification, reinforces the sense that the outcome was an inevitable consequence of the colonialist mindset.

Written by Andrew Bovell (who co-wrote the screenplay for Strictly Ballroom, The Secret River is based on a 2005 work of historical fiction by Kate Grenville: Director Neil Armfield’s production is economically staged, and benefits greatly from live music performed just off stage – but still in view of the audience – by its composer Iain Thomas. Graceland is also responsible for an excellent, fourth-wall breaking sight-gag. The cast is capable, and the fact that most of the Aboriginal actors are speaking in the Dharug language hardly seems like a barrier to understanding.

The Secret River’s narrow focus, on two families and a single piece of land, represents in microcosm the kinds of terrible events that must have played out for decades across the continent. Australia is beginning to examine this legacy, and as Britain talks of re-establishing ties with the Commonwealth, it might be timely for us to reflect on our own culpability, as the former colonial power.
Haydock rain means Dreams can come true for Sir Michael

Despite the fact that jockey Frankie Dettori is only a few months away from his 49th birthday, he appears to be in the best form of his career.

The evergreen Italian steered Enable to an effortless victory in the Yorkshire Oaks a couple of weeks ago, which was also his 14th Group One success of an incredible 2019.

He has a chance of landing another tomorrow when he partners favourite Advertise in the Betfair Sprint Cup (4.10pm) at Haydock.

The three-year-old has been in rude health this summer, landing both the Group One Commonwealth Cup at Royal Ascot and the Prix Maurice de Gheest at Deauville.

These two successes sandwiched a solid second to Ten Sovereigns in the July Cup when the cards didn’t really drop in his favour.

Even though there was plenty of cut in the ground when Advertise won at the Royal meeting in June, I’m not sure he wants it really soft and that’s a concern if you’re getting involved at 1/4.

All the first rain means that, even though he has been declared, it would be a surprise if Ten Sovereigns was allowed to take his chance.

Khaadem made a mockery of his handicap mark in the Stewards’ Cup at Goodwood last month and is another with form on rain-softened ground.

However, he may not want it too soft either and at as short as 4/1 with the sponsors I’m prepared to look elsewhere.

One horse who will relish every drop of rain is Sir Michael Stoute’s DREAM OF DREAMS who got within a head of beating Blue Point in the Diamond Jubilee Stakes two starts back.

You can draw a line through his last run in the July Cup where the combination of fast ground and an undulating track were against him.

Conditions are spot on for the five-year-old and he looks the value call at around 8/1 with such an unsettled forecast.

Stoute last won this valuable prize with Ajdal back in 1987 so you could say it’s been a long enough time between drinks!

Looking at his dangers and it would be no surprise to see fellow three-year-old Hello Youmzain give him most to think about, as he is another who handles soft underfoot conditions and goes well at Haydock.

The same can also be said of Brando who was a gallant second to The Tin Man in this 12 months ago on bottom-gross.

Regular followers of this column will remember I selected FIRST IN LINE who was narrowly touched off in the Melrose Handicap at York a fortnight ago on ground that was too quick.

He gets a chance to gain some compensation in the opening staying handicap (1.50pm) now that the rain has come and the 11/4 should be snapped up.

Finally, on a busy afternoon, don’t miss GOSSIPING as he returns to the all-weather in the ‘London Mile’ (3.15pm) at Kempton.

Gary Moore’s seven-year-old can race here off an 8lb lower mark than his turf rating, and with Thomas Greatrex taking off another 5lbs he is effectively racing off just 83.

He was only beaten a handful of lengths off marks in the high nineties at Goodwood in two starts last month so shouldn’t be far away here around 8/1.

**Spanish City and Arbalet have Cunard Handicap claims**

Racing and food take centre stage at Ascot tomorrow when the course’s two-day Italian Tourist Board Festival of Food and Wine weekend end – and the prosecco corks will be popping if punters can find a winner or two.

The big betting race of the day is the Cunard Handicap (2.45pm), which Ripp Off won 12 months ago.

David Elsworth’s five-year-old is back to defend his crown off only a pound higher mark, and with form figures over course and distance of 131254, it is easy to see why he has been well-backed this week.

He gets a chance to gain some compensation in the opening staying handicap (1.50pm) now that the rain has come and the 11/4 should be snapped up.

He is now back on a very tempting mark, has conditions to suit and is a nice each-way price at 8/1.

**Spanish City e/w**

**Arbalet e/w**

**Spanish City e/w**

**Arbalet e/w**

**(Ladbrokes)**

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Super League aiming to build on World Cup momentum

Promising signs for bumper year in women’s top flight
writes Felix Keith

ENGLAND head to Newcastle United’s St James’ Park for their final warm-up game against Italy tonight before they fly to Japan for the World Cup — and what an occasion it will be.

Newcastle seems to be turning into a real hotbed of rugby after hosting the Challenge Cup and Champions Cup in May, so it’s a real shame the Falcons were relegated from the Premiership.

It’s traditionally a football city, but I’m sure there will be a cracking atmosphere as England gear up before flying out on Sunday.

Eddie Jones has named what he calls a “mix and match” squad for the occasion, with three players — Joe Marchant, Matt Kvesic and Charlie Ewels — involved despite not being in the 31-man World Cup squad.

That gives it an odd dynamic in a way, as those three ready themselves for what is undoubtably a “mix and match” squad for the occasion, with three players – Joe Marchant, Matt Kvesic and Charlie Ewels – involved despite not being in the 31-man World Cup squad.

That gives it an odd dynamic in a way, as those three ready themselves for what is undoubtably an awesome opportunity but one which could lead nowhere.

All the other players will be buzzing, talking about Japan, while at the moment they’re not going.

However, any chance to play for your country should be savoured and injuries mean there’s always something more to play for.

Jack Nowell is out with an ankle injury and is also recovering from appendicitis while Jonathan Joseph and Henry Slade are not fit yet so Marchant, Matt Kvesic and Charlie Ewels — involved despite not being in the 31-man World Cup squad — have a real chance to shine.

It’s tricky for Jones to find the right balance in selection and his hand has been forced by circumstances in many cases. The consideration of giving players minutes to provide confidence and match sharpness has to be weighed up against the risk of injury.

That is certainly the case with Billy Vunipola, who starts a fourth successive match at No8. Jones says he needs forward would be devastating so late.

For others there is plenty to play for besides just fitness. Anthony Watson starts at fullback for the first time since March 2018 following injury problems, while Ruaridh McConnochie will finally be due to make his England debut after pulling out of both of the Wales games with knocks.

Watson has worked very hard to come back and is an exciting prospect, while McConnochie will want to impress, because, with Nowell struggling, he could play a big part in Japan.

Italy are the perfect opposition really. The back three should get plenty of ball, space to run into and chances to score tries. Ben Youngs is in a similar boat, as he’s currently way off form, and with Italy, he’s got a real chance to impress.

Rugby League’s centre Joe Marchant has a chance to impress against Italy.

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FOR A tournament that is supposed to be pan-continental there is already a distinctly British flavour to next summer’s European Championships. Of 51 matches, 10 will be staged in London or Glasgow, with Wembley hosting both semi-finals and the final.

But the Britishness could yet go up several notches, with all five British Isles teams still in contention to qualify. Only twice before have four made it to the same major international tournament; only once – in 1958 – have all four Home Nations done so.

How many make it to Euro 2020 will be determined over the next two months, starting with the resumption of qualifiers this week.

England, who host Bulgaria tomorrow at Wembley and Kosovo on Tuesday in Southampton, look all but certain to reach the 24-team finals. They sit top of Group A, above rivals who have played more games, having begun their campaign with back-to-back five-goal victories over the Czech Republic and Montenegro. With the first two in each group assured of a place in November’s draw, it would take a monumental reversal in fortunes to fall behind the Czechs and Kosovo, currently second and third. Even in that unlikely event, England would have a second chance to qualify via the play-offs next March, by virtue of having won their Nations League group.

Northern Ireland are, perhaps surprisingly, the Home Nation currently best placed to join England at the finals. Michael O’Neill’s side sit proudly above both Germany and Holland at the summit of Group C, having plundered maximum points from four matches so far. The bad news is that they are still to face the Germans and the Dutch, who both have games in hand. Jogi Löw’s men visit Windsor Park on Monday. Mick McCarthy’s Republic of Ireland are also sitting pretty at the summit of Group D following their 1-1 draw with Switzerland last night. The Swiss and Denmark are their chief rivals for a top-two finish and, again, both have games in hand on the Irish. But the Republic, who reached the last 16 in France three years ago, have put themselves in a strong position to reach a third successive European Championship. Euro 2016 semi-finalists Wales face perhaps the toughest task of the British Isles teams. They tie fourth of five teams in Group E behind leaders Hungary, Slovakia and Croatia, on three points after three games. More positively, they have already played their two most daunting fixtures, away to Hungary and Croatia, and lost only narrowly each time. Tonight’s visit of whipping boys Azerbaijan to Cardiff is a must-win if they are to get back on track for only a third major tournament in the team’s history.

Scotland, too, have some catching up to do after a slow start to Group I, which included a 3-0 defeat to Kazakhstan. Alex McLeish paid the price for that embarrassing result and Steve Clarke replaced him in May, leading his new charges to a win over Cyprus on debut followed by a loss to runaway group leaders Belgium. Scotland’s challenge is to catch the other teams ahead of them, Kazakhstan and Russia, who visit tonight in a six-pointer. With Clarke at the helm and Liverpool’s Andy Robertson, Manchester United’s Scott McTominay, Aston Villa’s John McGinn and Bournemouth’s Ryan Fraser making their mark in the Premier League, there is a sense that years of decline could be in reverse at last. And should they fail to qualify from their group, they would be guaranteed a second chance via the play-offs.

With Hampden Park set to host three group games, Scotland – like all the British Isles nations – can look forward to the next best thing to a home tournament if they can reach the competition proper.

ONLY ONCE – IN 1958 – HAVE ALL FOUR HOME NATIONS MADE IT TO A TOURNAMENT
McGoldrick maintains Ireland's unbeaten run

David McGoldrick scored a late header to earn the Republic of Ireland a point against Switzerland last night and ensure Mick McCarthy's side remain unbeaten in Euro 2020 qualifying. McGoldrick headed in James McClean's cross in the 85th minute, moments after Glenn Whelan struck the bar. It was enough to earn a 1-1 draw after Newcastle's Fabian Schar had finished off a Swiss move 10 minutes earlier. The result moved Ireland onto 11 points from five games, leaving them three ahead of second-placed Denmark. Elsewhere, Northern Ireland beat Luxembourg 1-0 in a friendly thanks to an own goal from Kevin Malget. Michael O'Neill's side play Germany in a Euro 2020 qualifier at Windsor Park on Monday.

Hales and Nash hammer Middlesex in T20 Blast

Middlesex failed to reach T20 Blast finals day after being on the receiving end of a 10-wicket thrashing by Nottinghamshire Outlaws in the quarter-finals last night. England white-ball captain Eoin Morgan (53 from 31 balls) was the only batsman to get going as Middlesex posted 160-8 batting first at Trent Bridge. Chris Nash (74 from 53) and Alex Hales (83 from 47) then knocked off the total with 22 balls to spare in a stunning unbeaten partnership of 165 as the away side dropped the chances came their way.

Bale: I'm not happy with Real Madrid situation

Wales forward Gareth Bale has admitted he's not happy playing for Real Madrid. Bale nearly left the Spanish club in the summer transfer window, with manager Zinedine Zidane trying to sell him. But the move to Chinese club Jiangsu Suning fell through and the 30-year-old remains at Real this season. "I understand I was made more of a scapegoat than most," he told Sky Sports. "I wouldn't say I'm playing happy but I'm playing, when I'm playing I'm professional and I'm always giving all I can."

F1 needs to become safer for drivers, says Vettel

Sebastian Vettel has called on Formula One to improve driver safety following the death of Anthoine Hubert last weekend. Formula Two driver Hubert was killed after a 170mph crash at Spa, Belgium on Saturday. "I still think there's things we can do better and improve," Ferrari's Vettel said ahead of this weekend's Italian Grand Prix. "Some people think Formula One is too safe and too boring, but I would rather have boring Formula One championships forever and bring Anthoine back."

Casey leads European Open after first round

Paul Casey holds a one-shot lead at the European Open after overcoming tough conditions on the first day in Hamburg. The Englishman defied wet and windy weather to shoot a six-under round of 66 in Germany. Austria's Matthias Schwab is second, with Scotland's Robert MacIntyre, Germany's Max Rottluff and England's Ben Stow all a further shot back. "That's one of the finest rounds I've played this year," said Casey.

ANOTHER ONE Smith doubles up as sloppy England toil on day two

Steve Smith ground England into the dirt with a fantastic double-century which left Australia in a commanding position at Old Trafford. Smith was dropped on 65 and dismissed off a Jack Leach no-ball on 118 on the way to making 211 – his third century of the series – as the visitors declared on 497-8. England were sloppy in the field, also dropping Tim Paine, who made 58, while Mitchell Starc smashed an unbeaten 54. The hosts will resume this morning on 23-1, with Australia eyeing wickets and a win which would see them retain the Ashes.
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