**FUND ROW: WATCHDOG BITES BACK**

**ANNA MENIN**

THE FINANCIAL watchdog yesterday hit back at claims it put pressure on administrators to close Neil Woodford’s flagship fund because the scandal surrounding its suspension was undermining confidence in the sector.

Link Fund Solutions, which was responsible for overseeing the suspension of the £3bn Equity Income Fund (WEIF), announced on Tuesday the fund would be liquidated, triggering the collapse of Woodford’s investment empire later that day. The Financial Conduct Authority (FCA) has dismissed claims it had pressured Link to shut down WEIF as “categorically untrue”.

The Sunday Times reported Link had come under increasing pressure from the FCA to close the stricken fund as the scandal was denting confidence in the fund management industry.

“There was no pressure from the FCA put on Link to wind down the fund,” a spokesperson for the watchdog told City A.M. A Link spokesperson said it “can’t comment on what is in the FCA’s mind”, adding: “Investor interests are the absolute paramount concern for Link”.

WEIF was frozen in June after becoming overwhelmed by withdrawal requests, sparking the biggest crisis in the investment industry for a decade. The fund was unable to meet redemptions due to its large proportion of illiquid holdings.

FCA head Andrew Bailey accused Woodford of “remiss” not to have “contingency planning going on at every stage of this process”. Blackrock was appointed administrators to close WEIF’s large-cap holdings in July, however said it would not the spirit” of the rules governing liquidity.

As the authorised corporate director of the fund, Link had been tasked with repositioning the fund’s portfolio, but said on Tuesday that it had been unable to sell enough of the illiquid and unquoted assets to allow WEIF to reopen in December as planned.

City A.M understands that Link’s decision to shut down the fund took Woodford by surprise, and that the former star stockpicker was preparing to make a case for keeping WEIF open, arguing that progress had been made in reducing illiquid assets.

Link also denied claims, first reported in the Sunday Times, that it had been preparing to close WEIF since July. A spokesperson for the company said the claims were “completely and categorically untrue... The decision to close the fund was taken in the immediate run-up to the announcement.”

The decision to close the fund was taken in the immediate run-up to the announcement. Link declined to comment on reports that its managing director Karl Mili had made inquiries about appointing Blackrock to liquidate WEIF’s large-cap holdings in July, however said it would be “remiss” to not to “contingency planning going on at every stage of this process”. Blackrock was appointed administrators to close WEIF’s listed assets last week.

Woodford declined to comment.

**INDUSTRY PERSPECTIVE: P17**

**Private equity swooping on listed firms in ‘underperforming’ market**

**ANNA MENIN**

THE VALUE of private equity (PE) deals taking UK-listed companies private has more than trebled in 2018/19 to £14bn, according to research published today by accountancy firm BDO.

The total valuation of deals taking UK-listed firms off the stock market more than trebled in 2018/19 to £14bn, according to research published today by accountancy firm BDO.

The figure represents a 278 per cent increase on the previous year’s total of £3.7bn.

The beancounter said depressed valuations on the UK’s relatively underperforming stock market was helping to make listed UK firms more attractive to PE funds.

There has been a string of high-profile so-called take private deals targeting UK firms in recent months, including the £4.8bn takeover of Merlin entertainments by the Danish owners of Lego, private equity firm Blackstone, and the Canada Pension Plan Investment Board. Meanwhile the government intervened in the £4bn takeover of defence giant Cobham by US private equity firm Advent International last month on the grounds of national security.

BDO’s private equity head Jamie Austin said it was surprising there were not more deals occurring, with only eight such tie-ups over the past 12 months.

“Considering the attractive valuation of so many UK listed companies combined with the scarcity of high-quality private assets for sale in the market, there ought to be more take private transactions,” Austin said.
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HOLY DAVIDSON Gold-plated Harley Davidson motorbike signed by Pope Francis sells for more than £40,000 at Bonhams auction

A GOLD PLATED Harley Davidson motorbike signed by Pope Francis sold for £42,000 at Bonhams auction house in Stafford yesterday. The proceeds of the sale will go towards the construction of an orphanage and school in Uganda, the BBC reported.

HOLY DAVIDSON

Ant-Brexit MPs keep moving the goalposts

T HIS was supposed to be the week in which the UK finally staggered out of the Brexit-related darkness and began to consider the future – having spent three and a half years arguing about the past. Boris Johnson, against the odds, renegotiated the Brexit withdrawal agreement and was on the cusp of winning parliamentary approval for it, a feat which three times eluded his predecessor. True, it had come at a cost (losing the support of the DUP) but Conservative MPs and a small band of Labour rebels were prepared to recognise that the deal on the table was the only viable way to deliver on the 2016 referendum result. The deal was described as “admirable” by Sir Oliver Letwin who declared that he will be supporting it – just not yet. His amendment, which prevents the Commons from endorsing the deal until all associated legislation is completed, allowed every single anti-Brexit MP (and there are a lot) to regroup and plot the unpicking of the withdrawal agreement. Lib Dem MP Layla Moran and the Green party’s Caroline Lucas posed for a beaming Commons selfie and tweeted that “we have won the Letwin amendment! The fight for the People’s Vote to stop Brexit continues!” And so, with the time granted to them by Letwin, MPs will line up this week to push for a confirmatory referendum as well as permanent membership of the EU Customs Union. Johnson’s critics in parliament claimed he didn’t want a deal – indeed, that no-deal was his preference. Having confounded them, these same MPs are now set to demand membership of the Customs Union. This is becoming intolerable. Despite Mark Carney describing Johnson’s new deal as “a net economic positive” and despite the fact that, as the UK’s former EU commissioner for financial services Lord Hill put it yesterday, the EU is in no mood to prolong this process, MPs will continue to try and prevent the UK’s departure from the EU. In doing so they are testing the patience of the public and the business community as yet more uncertainty becomes the price paid for parliamentary chicanery and political intransigence.

The government, which currently operates without the benefit of a working majority, will still try to push through the legislation by 31 October, thus complying with the Letwin amendment while sticking to their own preferred timetable, but it will be an almighty, perhaps impossible task – made harder by the fact that Letwin has emboldened and strengthened those who will stop at nothing to prevent the UK leaving the EU.

STANCHANT’S BILL WINTERS SET TO ACCEPT PAY CUT

Bill Winters, the chief executive of Standard Chartered, is planning to accept a voluntary pay cut as the bank seeks to draw a line under a dispute over his £474,000 pension allowance, according to people briefed on the matter. The bank has been in discussions with investors since May.

HUWATEOY ADmits THAT US SANCTIONS ARE HURTING

Huawei is struggling to replace some apps on its mobile phones after being hit by US sanctions, the company’s executives have admitted, saying it will be years before they can develop their own alternatives. The Chinese telecoms company, which is in the middle of a global technology war between the US and China, is being hurt by the US export ban, its executives told the Financial Times.

The government tried to table a meaningful vote, as it would invalidate the Letwin amendment vote. If a meaningful vote is not allowed, the government will have to wait until Tuesday to bring forward a second reading of the Withdrawal Agreement Bill. If an initial vote on the bill is passed, MPs can then add amendments to the withdrawal agreement. Shadow Brexit secretary Keir Starmer said Labour would attach an amendment to put any deal to a confirmatory referendum.

“Whether it’s this deal or any future deal, we need to go back to ask ‘do you want to leave on these terms?’”, he said.

A number of MPs who voted for the Letwin amendment are expected to vote for the government’s deal this week. Letwin and fellow ex-Tory MP Amber Rudd said they would back the deal.

Government digs in on a second Brexit deal vote

STEFAN BOSCA
@Stefan_Boscia

MICHAEL Gove has guaranteed the UK will leave the EU on 31 October, despite Boris Johnson’s letter to Brussels asking for a delay.

The Prime Minister was forced to send the letter – which he did not sign – on Saturday after parliament voted to delay approving his Brexit deal.

The Letwin amendment to the deal passed 322 to 306, withholding parliamen-
tary approval of the withdrawal agreement for the time being.

However, it is expected that the government will try to table a meaning-
ful vote on the deal today in another attempt to push it through. Gove, the cabinet minister in charge of no-deal preparations, told Sky News yesterday the government has “the means and the ability to leave on 31 October”. When asked if the government had the numbers to pass the vote, he said: “I believe we do.”

Foreign secretary Dominic Raab told the BBC that “we seem to have the numbers in the House of Commons”. However, potential plans to hold a meaningful vote today could be scuppered by speaker John Bercow. Leader of the House Jacob Rees-Mogg said over the weekend the government would put forward a meaningful vote on the deal this week.

Bercow responded to Rees-Mogg by saying it would be “most curious” and “irregular” if Amber Rudd plans to back Johnson’s deal this week

Amber Rudd said they would back the deal.
IFS: Labour spending likely to bring increased taxes for average earners

HARRY ROBERTSON @hennygrobertson
THE DIRECTOR of the Institute for Fiscal Studies (IFS) has said Labour’s spending plans are likely to lead to higher taxes for those on average incomes.

Paul Johnson also said the party has questions to answer over its plans to renationalise the railways, utilities, and Royal Mail.

His comments came as Labour and the CBI remain embroiled in a row over the latter’s analysis of the cost of the nationalisations.

In an interview with City A.M., Johnson said the business group’s focus was misplaced. Instead, he asked: “How are you going to ensure it’s efficient? What is the regulatory structure going to be?”

Johnson added that other countries’ experiences showed that increased spending is usually funded through higher taxes for everyone. “That’s what you’d probably have to do,” he said.

Labour has said that its spending will be paid for without tax rises for 95 per cent of people, however.

A Labour spokesperson said: “We will continue to be open and upfront about our plans as they develop.”

FULL INTERVIEW: P16

LOSING INTEREST RBS retail bank chief to step down after 10 years with the lender

ROYAL Bank of Scotland’s (RBS) retail banking chief executive Les Matheson is preparing to leave the lender after nine years. Matheson, who joined RBS in 2010 and became personal banking chief in 2014, has told colleagues he is planning to quit the bank in the coming months, Sky News reported.

Auditor accused of conflict of interest over Thomas Cook work

ANNA MENIN @annamemin
AUDITOR PwC has been accused of a conflict of interest for advising Thomas Cook executives on their pay and bonuses while auditing the now-defunct travel firm.

PwC audited Thomas Cook’s accounts between 2008 and 2016. The company also earned £4m providing “recruitment and remuneration” advice to Thomas Cook between 2007 and 2012, the Financial Times reported yesterday.

The newspaper quoted the head of audit at a rival accounting firm as saying PwC’s dual role represented a “clear conflict” of interest.

The non-audit work as advisers to the remuneration committee... was approved in advance by the audit committee, complied with all relevant regulatory standards, and was disclosed in the company’s annual reports,” the spokesperson told City A.M.

British accountants have been banned from providing remuneration advice to directors of firms they audit since 2016.

Boardroom spat puts anti-Brexit group in turmoil

Former business secretary Peter Mandelson slammed Rudd’s “slipperiness” and suggested leaking the PR boss’s private emails.

The emails, which were accidentally forwarded to Rudd, lift the lid on the fierce in-fighting behind the scenes of the People’s Vote campaign.

The movement was originally focused on pushing for a second referendum, but Rudd has ruffled feathers by pushing for a wider shake-up of the political system than fundraising and strategy.

The outgoing chairman, who is the brother of former Tory cabinet minister Amber Rudd, is also said to have pushed for a wider shake-up of the People’s Vote leadership team, including director James McGregor and communications chief Tom Baldwin.

In a letter seen by the Sunday Times, Rudd said he wanted to set up a new umbrella organisation to pull together different factions of the campaign, and called for a “female founder chair.”

The push for a female leader would help to redress the gender imbalance on the campaign following polling that showed women were more likely to back Remain than men.

But one board member slammed Rudd’s involvement and said it was a “relief” he was stepping down.

“He contributed more in dinner parties than fundraising and strategy,” the executive told the Sunday Times.

“Rather than helping to bring the groups together to fight for a common aim, he was only interested in centralising the campaign around himself to the detriment of others. It became very unpleasant at times.”

Another source close to the People’s Vote campaign told City A.M. Rudd was “belatedly” trying to shake things up after requests from fellow board members. “He’s not a champion of diversity,” the source added.

Rudd is now involved in discussions with Stephen Dorrell, chair of fellow People’s Vote group the European Movement, about creating a new organisation with a fresh executive team. But allies of Mandelson are said to be setting up a splinter fundraising group in a bid to cut Rudd’s influence and take control of the campaign.
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Leadsom slams HS2 management agency

Business secretary Angela Leadsom criticised the firm for being “out of control” before more money is wasted on this out-of-control project,” she said. HS2 Ltd responded that it has met 20,000 residents in regular face-to-face meetings. A review into HS2’s viability will report its findings to Prime Minister Boris Johnson and transport secretary Grant Shapps. HS2’s budget was set at £10bn, but the Department for Transport has since revised it to £56bn.

Firms urged to cull incentive plans

JESS CLARK

BRITISH companies should reconsider their use of long-term incentive plans (Lips) in favour of restricted share awards, according to recommenda-
tions by a management think tank.

Lips are designed to boost perform-
ance, however the system has faced criticism from some industry bodies and politicians as rewards are often not tied to a company’s share price. A report by the Purposeful Company, a think tank established in 2015 with Bank of England support, has said a quarter or more of UK companies should instead consider restricted or deferred share models, the Financial Times reported last night.

Under that system, part of an annual bonus is paid out subject to conditions taking performance into account over a longer period.

Purposeful Company chair Clare Chapman told the newspaper: “There is a clear call from institutional in-
vestors for boards to be bold.” The report, which included responses from shareholders, compa-
nies, asset managers and proxy advi-
sors, said four-fifths of investors and three-quarters of companies classified deferred share schemes as the best system for certain firms and industries in some situations.

Libor rigging probe cancelled by fraud office

MICHAEL SEARLES

THE SERIOUS Fraud Office (SFO) has shut down a seven-year investigation into the rigging of Libor.

Libor is the benchmark interest rate that tracks the cost of borrowing cash. The decision comes despite evidence implicating the Bank of England, the BBC reported over the weekend.

The SFO said a detailed review of the evidence had been undertaken. It means no one from the UK will be charged for “lowballing”, where banks underestimate interest rates they pay to borrow cash.

In a statement, the SFO said: “Following a thorough investigation and a detailed review of the available evidence, there will be no further charges brought in this case. This decision was taken in line with the test in the Code for Crown Prosecutors.”

The code says any evidence must support a realistic prospect of conviction and be in the public interest.

Previously the SFO has prosecuted 13 traders and money brokers over four years in connection with rigging Libor.

The US Department of Justice has prosecuted six, while a further 11 traders were prosecuted for manipulating the Eurozone equivalent Euribor.

The anti-fraud agency was weighing whether to bring charges against senior Barclays bankers earlier in the year over alleged “lowballing” of Libor — lying about the bank’s borrowing costs.

A representative for Jon Stone, one of the Barclays officials, said: “Jon Stone is enormously relieved that there is no evidence of Libor manipulation and that Jon Stone is innocent.”

FINGER-WAGGING Metro Bank to cut off chairman Vernon Hill’s expenses budget

METRO Bank is deciding when to cut off chairman Vernon Hill’s £10,000 a month expenses budget, and could continue funding his lifestyle after he steps down as chairman of the board in December.

Climate group patron owns a stake in airport

STEFAN BOSCIA

A BILLIONAIRE backer of Extinction Rebellion has been revealed to have a stake in Heathrow airport.

Sir Christopher Hohn has clandestinely built a four per cent stake in Heathrow parent company Ferrovial worth €730m (£630m), according to the Sunday Telegraph.

It was reported in May by Spain’s Banco de Sabadell that Hohn had bought a one per cent share in the Spanish construction and services company. It has now been revealed that Hohn has bought a further three per cent share in Ferrovial.

The billionaire hedge fund manager is the largest individual backer of Extinction Rebellion with £200,000 in donations.

The activist group organised protests over the past two weeks, some aimed at London City airport.

Three flights at the airport were disrupted, after one passenger lay on top of a British Airways plane on the runway and another forced a flight to turn around after takeoff.

Despite this, Hohn has a history of investments in airports.

He is one of the three largest investors in Spanish company Aena — the majority owner of Luton airport.

Speculation is also rife that Hohn may be looking to significantly increase his share in Heathrow.

Four per cent of shares in Ferrovial are owned by the four sons of its late founder Rafael del Pino y Moreno. A source told the Sunday Telegraph that the sons are acting separately in managing their respective stakes in the company.

They said: “In a go-private situation, a buyer does not need to win over each sibling, whereas in the past, a buyer effectively required the support of the founding father.”

Hohn’s investment company TCI declined to comment. Ferrovial was contacted for comment.

Leadsom slams HS2 management agency

Business secretary Angela Leadsom criticised the firm for being “out of control”...
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ExxonMobil
Supermarket chain Iceland takes a hit as insurers freeze out suppliers

JAMES WARRINGTON
@j_a_warrington

SUPPLIERS to supermarket chain Iceland are said to have had their insurance cover cut amid concerns about the impact of Brexit on the company’s supply chain.

Part-based insurer Euler Hermes reduced the credit cover it provides to Iceland’s suppliers over the summer, while rival Atradius is also mulling a possible cut, the Sunday Times reported.

The move will come as a major blow to suppliers, which use the cover to protect against the risk of a customer going bust after an order has been made but before payment has been received.

The unusual decision to cut the cover may also have a knock-on effect on Iceland if the suppliers choose to demand payment up front.

It comes amid a period of increased caution for insurers in the retail and food sectors, which have been hit by a decline in migrant labour and rising import costs due to the fall in value of sterling since the Brexit referendum. A lack of clarity over the UK’s future trading relationship with the EU has also taken its toll.

Iceland said it was a “highly robust business” that had good relations with its suppliers and credit insurers.

Brits splurge on leisure despite confidence dip

JESS CLARK
@jclarkjourno

SPENDING in the leisure sector jumped in the third quarter of the year, despite a slump in overall consumer confidence driven by ongoing Brexit uncertainty.

A boost in disposable income confidence, which was up one point year on year, helped to drive leisure expenditure as consumers favoured experiences over buying material goods.

Disposable income confidence among 18 to 34 year olds increased 10 points compared to last year, sparking an increase in spending in nine out of 11 leisure categories.

Spending increased five percentage points on eating out, culture and entertainment and in-home leisure, while the amount spent on gyms and sports increased one point compared to last year.

However, UK consumer confidence fell to nine per cent in the last quarter, down two points compared to 2018 and one point on the previous quarter, according to research by Deloitte.

Sentiment on job security fell three points to eight per cent and confidence around job opportunities plunged five points to minus six per cent, the survey found.

Deloitte chief economist Ian Stewart said: “A decline in consumer confidence this quarter, combined with a fall in official unemployment figures show that the period of remarkable resilience in jobs and earnings is coming to an end.

“With Brexit cited as the biggest risk business face, the last quarter has also seen heightened concern over slowing growth in the UK and Eurozone and [executives] are tightening their purse strings in response... The headwinds from a major global slowdown and uncertainty at home point to weaker growth ahead.”

Simon Oaten, partner for hospitality and leisure at Deloitte, said: “Consumers enter the fourth quarter in a relatively cautious mood and maybe for good reason. While consumers have been quite resilient since the EU referendum, a deterioration in the jobs market could see some spending contraction.”

Fund manager forced to resign after investigations

ANNA MENIN
@annaamemin

A FUND manager at Capital Group was forced to resign after a BBC investigation allegedly uncovered evidence he was breaking rules by secretly purchasing shares in some of the same companies as his funds for his own benefit.

The BBC has claimed it found evidence Mark Denning ordered the shares to be purchased through a secretive fund based in Liechtenstein during an investigation into the fund management industry for an episode of Panorama airing tonight.

Denning’s departure from Capital was announced in September, but no reason was given as to why he had left the firm. A Capital spokesperson said it holds its associates “to the highest standards of conduct”, and had taken “immediate action” when it learned of the matter.

Denning, who had worked at Capital for 36 years, denies any wrongdoing. His lawyers deny he owns the shares in question.
Sellers’ market as buyers keen despite Brexit

PROSPECTIVE home buyers have been undeterred by the approaching Brexit deadline, while sellers have been put off by ongoing uncertainty, according to the latest figures.

The average number of new listings each week this month was 24,539, the lowest number in October in a decade and down 13.5 per cent on last year, as potential sellers are discouraged by the approaching Brexit deadline and muted prices.

The price of property coming to market has seen its lowest monthly rise at this time of year since October 2008. Prices are up 0.6 per cent this month, according to today’s data from real estate platform Rightmove.

However, properties are more likely to sell at the moment as buyer activity is remaining steady and the number of sales agreed in October is down just 0.5 per cent year on year.

The percentage of sales agreed that have fallen through so far this year is at its lowest since 2015. The “Brexit-induced paradox” means it is a good time to sell, Rightmove housing market analyst Miles Shipside said.

Those who are ignoring the Brexit disruption have less competition from stay-away sellers, and their prospective buyers have less negotiating power, with a reduced choice of suitable alternatives, he added.

Marc von Grundherr, director of lettings and estate agent, Benham and Reeves, said: “No fireworks and no explosions across the current property landscape, and while the market is more subdued than usual, this is of course going to be the case ahead of our supposed EU exit at the end of the month.

He added: “A healthy level of sales are still transacting, and this is proof that the UK property market is yet to disappear down the Brexit abyss.”

Industrial real estate funds to double inflows

GLOBAL industrial real estate funds could double the amount they raise this year as investors target logistics assets.

Research today showed specialist industrial property funds are projected to raise $6.4bn (£4.9bn) in 2019, up 120 per cent from inflows of $2.9bn last year driven by the yield available on logistics property.

Demand has been boosted as established e-tailers and new entrants to the online retail market seek to expand their warehouse space, and investors believe the market will continue to grow, according to research from Cambridge Associates.

Meanwhile, data from MSCI showed that yields on UK industrial property are 4.1 per cent compared to 3.9 per cent for office property.

Indeesh Tangeraas, head of real assets for Europe, the Middle East and Africa at Cambridge Associates, said: “The continued growth in online retail is driving demand for new logistics property, and there are still opportunities with attractive yields in the market.”

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PLANS to roll out 4G mobile networks on the London Underground are said to be under threat as operators fret over soaring costs.

Transport for London (TfL) has outlined plans to provide 4G access to passengers across the Tube network in 2020 after delaying the process by more than a year.

But the latest proposals have sparked fears that mobile providers such as O2, Vodafone and EE will have to pay higher prices to access the network, potentially passing on the cost to passengers.

A spokesperson for TfL said: “The London Underground network is an incredibly challenging environment in which to deliver mobile connectivity within our stations and tunnels as planned. We are currently reviewing submissions from bidders and will provide an update when it is appropriate to do so.”

TfL said it is still on track to launch the 4G network on most of the Jubilee line in March 2020, with rollout expected on further lines from next summer.

“Two pals have recently and independently taken on the task of introducing me to red Tuscan wines – with very favourable outcomes so far as I’m concerned,”toHaveBeenCalledWith.

Before their interventions, to my ill-informed mind, Tuscan red wines basically consisted of Chianti Classico and Montepulciano. In doubt whilst scrutinising a wine list in an Italian restaurant, those two words have always been my twin havens in otherwise stormy, wine-coloured seas. If I’m honest, I think of Tuscan reds as being solid but not spectacular.

First to give me a liquid leg up was Andrew. A true Tuscanophile, even down to being solid but not spectacular.

When I was a child, the only Italian wine I knew was Chianti. I thought it tasted like hay. In fact, it was a beautiful luscious red wine that was a tad young right now – I suspect that it will develop into a real cracker.

Florence, he started me off with a Chianti Classico Brolio, Barone Ricasoli 2016. The grape varieties here are Sangiovese 80 per cent, Merlot 15 per cent, and Cabernet Sauvignon five per cent. This wine was a beautiful luscious red colour. The flavour was slightly fruity. It rested warmly and easily on the tongue. Very much the sort of Tuscan red that I’m familiar with. He then led me further up market to Brunello di Montalcino, Pietroso 2014. This one is 100 per cent Sangiovese and the vines are apparently hand-picked (lucky vines). Again, the colour is richly impressive. Light on the nose, in terms of taste it seemed full of promise. Whilst it was delicious it is undoubtedly a tad young right now – I suspect that it will develop into a real cracker.

The following week I found myself being wine caddied by Ric (an appropriate term as he’s a very keen golfer) over dinner. The Tuscan red duly arrived with our main course. I knew straight away that this red was very good. Actually, it was very, very good. But I wasn’t allowed to see the label. What was it? We finished one bottle, then another. And so effortlessly we progressed to the dangerous third bottle. Eventually Ric relented and allowed me to see which Tuscan treasure we’d been unearring. It was Masseto Toscana 1998 – a Merlot.

Trust me, if you are offered even one glass you must try it. Simply superb! Ruby-coloured, this gem of a wine stands effortless comparison with the best I’ve ever tasted from France. Surely this is the sort of wine than any other nation – with very favourable outcomes so far as I’m concerned.

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The following week I found myself being wine caddied by Ric (an appropriate term as he’s a very keen golfer) over dinner. The Tuscan red duly arrived with our main course. I knew straight away that this red was very good. Actually, it was very, very good. But I wasn’t allowed to see the label. What was it? We finished one bottle, then another. And so effortlessly we progressed to the dangerous third bottle. Eventually Ric relented and allowed me to see which Tuscan treasure we’d been unearring. It was Masseto Toscana 1998 – a Merlot.

Trust me, if you are offered even one glass you must try it. Simply superb! Ruby-coloured, this gem of a wine stands effortless comparison with the best I’ve ever tasted from France. Surely this is the sort of wine than any other nation – with very favourable outcomes so far as I’m concerned.

Before their interventions, to my ill-informed mind, Tuscan red wines basically consisted of Chianti Classico and Montepulciano and, when in doubt whilst scrutinising a wine list in an Italian restaurant, those two words have always been my twin havens in otherwise stormy, wine-coloured seas. If I’m honest, I think of Tuscan reds as being solid but not spectacular.

First to give me a liquid leg up was Andrew. A true Tuscanophile, even down to being solid but not spectacular.

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IF I HAD SOMEWHERE TO LIVE...

I COULD GO ANYWHERE IN LIFE

When Abi’s mum died, life got tough. She didn’t get on with her dad and the arguments became violent. Abi felt her only choice was to leave home. With just the clothes on her back, and no idea where to go, she ended up sleeping on the streets in the freezing cold.

Right now, you could give a homeless young person like Abi somewhere to start their future.

Abi’s life changed when she was given a room at Centrepoint. A safe place to sleep and recover. A place to develop the skills and confidence she needed to rebuild her life – and leave homelessness behind for good. Now, Abi believes she can go anywhere.

Thousands of homeless young people like Abi are desperately trying to find their place in the world – but first they need a place to start again. You could help right now by sponsoring a room at Centrepoint for just 40p a day.

We know this support changes lives. 88% of the young people we help move on positively in life. So please, help someone like Abi today. Thank you.

Text PLACE to 78866 to donate £3
Call free on 0800 472 5798
Visit centrepoint.org.uk/somewhere
Or complete and return the coupon below.

Your name and address are needed to identify you as a current UK taxpayer.

Increase your donation by 25p for every £1 you donate with Gift Aid

Your donation will go towards funding Centrepoint’s vital work with young people all year round providing accommodation and support. We sometimes use models and change the names of the young people we work with to protect their identity; however all stories are true and as told by the young person.

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How Boris Johnson’s big day fell flat

Downing Street’s plans for a Super Saturday were scuppered, writes Catherine Neilan

I T WAS billed as a day of high drama. Not since the Falklands War had the Commons sat on a weekend. But as Super Saturday turned into Soggy Saturday, it was clear things were not going to pan out as the government had hoped.

Having agreed an 11th-hour deal at the European Council, Saturday was the Prime Minister’s last chance to gain parliamentary approval before the Benn Act was triggered, forcing him to write to the EU seeking an extension. The required letters were sent on Saturday night, though without any enthusiasm from Downing Street and with the hope that MPs will still vote for the deal before 31 October. But how, with the stakes so high, did it all go so wrong?

Outside parliament on Saturday, People’s Vote protesters gathered in their thousands and there was a near-miss security breach as a man tried to get through the parliamentary barriers. Behind the scenes, Downing Street and the whips office were in overdrive — courting MPs of all persuasions. Meanwhile commentators meticulously compiled tallies of how they expected the vote would go. Eurosceptics Tories in the ERG, including Bill Cash, said they would defy the Labour whip and the chance of actually passing. All of this will drive — courting MPs of all persuasions, some of whom see little sense in a further delay now that a final deal is on the table. But Westminster’s anti-Brexit forces will not go quietly, and so the drama will extend into this week — and beyond.

That deal, the DUP’s Sammy Wilson explained to the Commons at the weekend, could never be acceptable because of the border it creates in the Irish Sea. That didn’t stop Downing Street trying to win the 10 unionist MPs over. But despite Wilson and co-leaving the door open to a deal, in the end they went against the government, confirming the death of the partnership agreed in 2017.

By now the war was being waged on all fronts, with chief troublemaker Letwin having launched his delay amendment and so ending any hope the deal had of passing. Letwin was called into Downing Street on Friday evening, with the hope of persuading him to drop the amendment — which he described as an insurance policy against a no-deal, although critics were less complimentary.

Tony MPs bombarded Letwin with requests to lay down his arms, but he would not be budged. MPs coalesced around his amendment — some because they genuinely fear no-deal, others because they want to buy more time for the efforts to stop Brexit entirely. Despite the setback, Johnson remains adamant that the UK will leave the EU on 31 October.

How will he achieve this after yet another defeat? His team believes that, after a weekend of backroom chats, compromises and arm-twisting, they now have the numbers for the Withdrawal Agreement Bill, which will be published today, debated and then voted on by the Commons later this week. Assuming, that is, speaker Bercow allows it.

Remainer Tories including former chancellor Philip Hammond are said to be on board in principle, and others may fall in line. It then still has to get through the Lords — and will probably go back and forth in the process known as ping pong, before it has a hope of actually passing. All of this will take time, and some MPs are set on dragging it out for as long as possible.

It is a blistering timetable, and the threat of a delay until next January or even a second referendum is not completely off the table. A General Election this year now seems unlikely, but not impossible.

Uncertainty remains the order of the day. But this week will prove whether Johnson’s pledge to get Brexit done by Halloween can be met. Ministers are pinning their hopes on EU leaders, some of whom see little sense in a further delay now that a final deal is on the table. But Westminster’s anti-Brexit forces will not go quietly, and so the drama will extend into this week — and beyond.

Deal without a deal.

Trade Brexit.
**EU’s incoming economy commissioner calls for less restrictive budget policies**

GAVIN JONES

THE EUROPEAN Union needs looser budgetary policies and an overhaul of its fiscal rulebook, the bloc’s designated economics commissioner said in an article published yesterday. Writing in Italian financial daily Il Sole 24 Ore, Paolo Gentiloni said that while the EU’s deficit and debt rules must not be ignored, they needed to be “reviewed and updated”. “It’s time for countries which have fiscal space to use it, in an overall context of less restrictive budgetary policies,” Gentiloni, due to replace Pierre Moscovici as economic and financial affairs commissioner on 1 November, said.

The former Italian Prime Minister warned that with the EU economy slowing, “the risks of a prolonged period of low growth must not be overlooked” and the task of stimulating the economy “cannot be left to monetary policy alone”.

Gentiloni will have an important role in scrutinising Italy’s draft 2020 budget which was submitted to the commission last week.

The budget plan raises next year’s structural deficit – which excludes the effect of GDP growth fluctuations – by 0.1 per cent of GDP, reversing a previous commitment by Rome to lower it by 0.6 per cent. Brussels is understood to likely ask Italy for clarifications over its budget intentions.

**China’s Xiaomi to launch 10 new 5G phones in 2020**

JOSH HORWITZ

CHINESE smartphone maker Xiaomi plans to launch more than 10 5G phones in 2020, chief executive Lei Jun said yesterday, speaking at the World Internet conference in the eastern Chinese town of Wuzhen. Lei’s remarks come as the company faces intense competition in its home market from rival Huawei.

Last month Xiaomi launched the Xiaomi Mi 9 Pro, the company’s first 5G-enabled phone for the domestic Chinese market. According to Lei, demand for the phone exceeded the company’s expectations, leading to supply chain issues. The device’s reception has prompted Xiaomi to launch 5G models for the high, middle, and low-end price tiers next year. “People in the industry fear that next year 4G models won’t sell, this is a step you have no choice but to take,” Lei said.

“So we hope that operators can speed up 5G.”

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**Temasek meets SNC-Lavalin for Atkins sale talks**

ANNA MENIN

SINGAPOREAN sovereign wealth fund Temasek has reportedly held talks about a possible takeover of British engineering giant Atkins.

Canadian conglomerate SNC-Lavalin, which bought Atkins in 2017, is believed to have approached potential bidders including Temasek over the sale of the engineering firm, the Sunday Times reported.

Atkins, which was founded in 1938, has been involved in high-profile engineering projects including HS2, Crossrail, and Hinkley Point C. It also operates a direct-to-consumer brand behind a management buyout of online garden centre Yougarden, as the online garden centre seeks to grow its influence over the UK’s horticultural market. Founded in 2012, Yougarden specialises in providing quick and flexible delivery of live plants.

Management buyout of online garden centre backed by Kester

Anna Menin

KESTER Capital has thrown its weight behind a management buyout of Yougarden, as the online garden centre seeks to grow its influence over the UK’s horticultural market. Founded in 2012, Yougarden operates a direct-to-consumer brand and also supplies retailers including Amazon, Groupon and Shop Direct.

The terms of the management buyout have not been disclosed, but Kester is a long-term supporter of Yougarden, and provided seed capital for the firm in 2012. Kester managing partner Cameron Crocket said Yougarden “has continually taken market share from the traditional garden centre and legacy home shopping retailers”.

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**Boeing workers sent texts over 737 safety woes**

MICHAEL SEARLES

Employees of Boeing exchanged messages about the issues with the 737 Max’s automated safety system as it was being certified in 2016, new information has revealed.

A pilot said he had run into unexpected trouble during the tests, it was revealed in documents provided to politicians.

He said that unknowingly he had “basically lied to the regulators”. Issues with the safety system have been tied to two crashes killing all 346 people on board. The first incident came a year ago in October 2018 when a Lion Air 737 Max aircraft crashed into the sea shortly after taking off from Jakarta, killing 189 people.

Five months later in March of this year, an Ethiopian Airlines 737 Max crashed minutes after taking off from Addis Ababa killing 157.

The Federal Aviation Administration (FAA) said the document was “concerning” and asked for an “immediate” explanation for the delay in turning over the documents, which were handed to lawmakers ahead of hearings later this month.
NEW LARGE corporate planes that can fly farther and an industry push toward sustainable aviation fuels are seen as bright spots as the world’s biggest business jet makers assemble in Las Vegas to showcase their offerings at the sector’s largest gathering.

The National Business Aviation Association (NBAA) annual corporate aircraft show kicks off tomorrow against a backdrop of slowing global economic growth, trade tensions between the United States and China and Brexit uncertainties, factors seen softening demand for corporate jets in the next two years, industry executives and analysts say.

Nevertheless, the jet makers have had a good year, with deliveries up almost 13 per cent during the first half of 2019, according to data from the General Aviation Manufacturers Association (GAMA).

Deliveries are being fueled by luxurious new longer-range models hitting the market that offer amenities such as beds and hot showers at 40,000 feet, analysts say.

Qantas tests world’s longest flight on plane from New York to Sydney

AUSTRALIA’s flag carrier Qantas yesterday completed a nonstop test flight from New York to Sydney, researching how the world’s longest potential commercial aeroplane journey of nearly 20 hours would impact pilots, crew and passengers. Carrying 30 passengers and crew on board, Qantas Flight 7879 on a new Boeing 787-9 Dreamliner touched down in Sydney yesterday morning after a 16,200-kilometre (10,066-mile) journey which lasted 19 hours 16 minutes.

With demand for air travel rapidly growing and aircraft performance improving, carriers are increasingly looking into ultra-long-haul travel. The International Air Transport Association (IATA) expects the worldwide number of annual passengers to grow from 4.6bn this year to 8.2bn by 2037.

No commercial aircraft as of yet has the range to fly such an ultra-long haul with a full passenger and cargo load. To give the plane the needed range, the Qantas flight took off with maximum fuel, only a few passengers, restricted baggage load and no cargo.

The aim of the research was to increase health and wellness and minimize jet lag.
The argument has not gone to work," he adds. "But if it's genuinely arm's length, what benefit are you getting that you're not getting, and you couldn't get, by changing the regulatory system in the private sector?" Johnson says it's these sorts of things "the media ought to be getting them on, not 'is it £196bn', which is easy for them to bat off."

Johnson's impressive 35-year career has included various civil service roles, including as a top economist in the Treasury. His voice carries the weight of experience, then, when he says Labour needs to be more honest about how it will fund its policies, including £250bn of infrastructure investment over 10 years.

"The party has promised no tax rises for those on less than £80,000 a year, and pledged to squeeze the cash from companies and the rich. Johnson is sceptical. He argues Labour's tax plans wouldn't earn as much money as the party has claimed. Countries which do raise a lot more tax than we do," he says, "basically do it by getting more from people on average incomes. In the end that's what you'd probably have to do at least some of." Johnson is sceptical. He argues Labour's tax plans wouldn't earn as much money as the party has claimed. Countries which do raise a lot more tax than we do," he says, "basically do it by getting more from people on average incomes. In the end that's what you'd probably have to do at least some of."

Chancellor Sajid Javid's commitment to disregarding the policies of his predecessors has been just as firm as his Labour counterpart John McDonnell's. He has promised the biggest spending rise in more than 15 years next year around £13.4bn. Javid's pledges of billions more for schools, hospitals and the Home Office will take spending beyond the limits set out by former chancellor Philip Hammond. Johnson is reluctant to criticise this rule breach, however, calling the deficit "quite manageable".

Yet he is less sanguine about Prime Minister Boris Johnson's promised tax cuts, which would raise the higher-income tax threshold from £50,000 to £80,000. The IFS boss highlights Britain's ageing population and the resultant higher spending on health and social care. "My view is that it's not feasible to reduce the tax burden from where it is at the moment unless you're going to do something really quite remarkable for public services," he says, such as slashing the NHS or significantly means-testing state pensions, which he says are not "really on the cards". Johnson does have some concerns about the Conservatives' approach to spending. "Over the last three years, we've had sort of last minute top ups," he says. "It does feel a bit like government by crisis management in some of these public services."

Crime spending is one example. Johnson says Police numbers were cut dramatically under David Cameron and George Osborne, only for the new PM to restore them. "The worst thing to do is sack 20,000 police and then recruit them again," he says. "It's incredibly inefficient and expensive." But he says it's "perfectly plausible to argue" that public investment is more valuable, and it's got a higher return to those than those things that are 'crowding out'.

Johnson has led the IFS since 2011. He has been director of the Institute for Fiscal Studies (IFS), he has seen three Prime Ministers, two General Elections and — so far — one Brexit referendum.

If that wasn't enough, Britain's political leaders have recently torn up their commitment to formerly sacred economic doctrines. Gone is the Conservative devotion to austerity, while there is nothing left of Labour's restraint under former shadow chancellor Ed Balls.

The IFS — the well-respected research institute — has coped with turbulent political weather remarkably well. Its steady stream of thorough and non-partisan analysis continues, and policymakers are still puzzled by the institute taking issue with their plans. But with a General Election looming, what does its boss think of the current state of affairs? A few days before we met, the CBI harshly criticised Labour's radical plans to renationalise the railways, utilities, and Royal Mail. The business group said the moves would cost an "eye-watering" £196bn — before admitting it couldn't be entirely sure of its figures.

Johnson says the CBI's focus on upfront costs was misplaced. "The really important question is: how are you going to do it?" he says. "How are you going to ensure it's efficient? What is the regulatory structure going to be?" Labour must answer these questions with detailed answers.

Running nationalised industries from government departments "is just... [But] we don't know how long the long run is."

Johnson says with the economy growing roughly at trend and unemployment at near-record lows, public spending is "probably crowding out" some kind of private sector activity. But he says it's "perfectly plausible to argue" that public investment is more valuable, and it's got a higher return to those than those things that are 'crowding out'.

Whatever they decide to do, politicians must be clear about what their tax and spending policies are trying to achieve, Johnson says.

Higher government spending can be justified, he says, but the argument has to be stronger than: "Interest rates are low, let's spend more."
Fund managers must earn customers’ trust

Industry chief exec Chris Cummings on life after Woodford

TODAY, three-quarters of UK households trust the investment management industry with their savings, investment funds put those savings to work, helping people save for life’s big events, whether that’s buying a home, putting the first step on the property ladder or planning for retirement. That is why when the industry finds itself in the headlines, we need to take a long hard look at the issues and learn the lessons.

For an investment fund run by a high profile manager to be suspended and closed is a very rare occurrence in an industry responsible for managing £7.7 trillion on behalf of millions of savers and investors. But it is one which clearly demands serious attention. A regulatory investigation into the circumstances surrounding the Woodford Equity Income Fund is underway and it will be important the results demonstrate that savers can be reassured that their hard-earned savings are in good hands.

With millions of people crossing the country using the services of investment managers, our industry has delivered successfully for savers over many years, even during the worst market conditions. It is an industry that has helped millions of people live more comfortable lives, not just here in the UK but around the world too.

Our customers benefit from a wide variety of funds designed to suit their needs, generating the long-term returns they are seeking. As an industry, we are world-leading in terms of the choice we offer savers and the robust regulations that our firms adhere to.

Every industry should however be focused on improving the service it offers its customers. And that is why, even when the events surrounding the closure of this fund were ongoing, we were working on ways to bring more confidence to our investors.

A series of significant measures are coming into force which should help to reassure our customers and demonstrate the value delivered by funds.

Savers need to know where their money is being invested and that it is being overseen in a way that gives them confidence. That is why the industry is implementing assessments on whether their funds offer value for money, and these will be made available to investors each year — clearly demonstrating what is happening to the money we manage for them.

To ensure the strictness of the process, new independent non-executive directors are being appointed. They carry the responsibility for this important task.

Another important step is helping savers better understand their investments. Through auto-enrolment and the pension freedoms, more UK savers than ever before are relying on our industry to deliver their retirement income.

We need to be able to explain what we do in a way that doesn’t require an economics degree. This means explaining the objectives of their funds in clear and simple language, so that savers can choose the products that best help them achieve their financial goals.

Looking ahead, we have also proposed a new long-term asset fund which can help to unlock the investment in infrastructure our communities and businesses dearly need, while helping savers spread their risk and sources of investment return.

Such a fund would be subject to rigorous customer protection measures to ensure confidence, investing over many decades and moving away from daily withdrawals.

This new type of fund would prevent the issues that we have seen recently, and going a step further we are issuing new guidance to investment management firms on how they manage risks and liquidity in investing.

By heeding the lessons and taking firm action, we want to demonstrate our determination to deliver benefits for our savers and investors, helping them achieve their financial life goals.

Chris Cummings is chief executive of the Investment Association.

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LONDON’s mid-cap index was higher on Friday ahead of Saturday’s fateful parliamentary vote on the new Brexit deal, but miners slipped after data showed China’s economic growth slowed to a near 30-year low.

The FTSE 250, up more than four per cent since last week as a flurry of Brexit updates fuelled optimism ahead of Boris Johnson’s Brexit deal, before being voted down in the Commons.

Cybersecurity firm Avast rose 8.6 per cent after its results and helped the index outstrip the European benchmark. 

The FTSE 100 edged 0.4 per cent higher, as Brexit-sensitive stocks such as housebuilder Persimmon and mining bank RBS rose three per cent, respectively, offsetting weakness in miners.

Worries over how the protracted dispute between Washington and Beijing had damped economic growth were rekindled after China’s third-quarter GDP slowed more-than-expected.

At home, traders eyed Saturday’s vote on the new Brexit accord between Brussels and London. Analysts’ warnings of volatility began to sink in when the deal was ultimately voted down.

Shares in London Stock Exchange Group, whose shareholders are due to vote on its purchase of data analytics platform Refinitiv next month, outperformed the main index with a 2.4 per cent rise on higher-than-expected third-quarter income.

However, consumer goods giants Unilever and Diageo lost 0.5 per cent and one per cent respectively after downbeat earnings and forecast from their respective French peers Danone and Remy Cointreau.

The blue-chips were also hurt by a 4.6 per cent dip in Intercontinental Hotels after the Holiday Inn-owner blamed lower business bookings in China and protests in Hong Kong for a drop in revenue.

AIM-listed firm Elegant Hotels, which operates hotels and restaurants in Barbados, soared almost 56.5 per cent to hover slightly below the 110p per share offered by Marriot to buy the company.

TOP RISERS
1. RBS Up 2.63 per cent
2. Aveva Up 1.76 per cent
3. ITV Up 1.74 per cent

TOP FALLERS
1. Intercontinental Down 4.58 per cent
2. Ferraz Down 4.58 per cent
3. Relx Down 2.56 per cent

Consumers giant Unilever missed City estimates last week as tough weather and a slowdown in several emerging markets dented sales. The Ben and Jerry’s ice cream maker posted underlying sales growth of €13.3bn (€11.5bn) for the third quarter, marking a 2.9 per cent rise that narrowly came below consensus expectations. Libermann brokers take note of this but highlight management’s commitment to investing for the future and focus on shareholder returns. They give the stock a rating of “hold” with a target price of 4,735p.

To appear in CITYMOVES please email your career updates and pictures to citymoves@cityam.com
Recover that Olympic spirit to give London back its mojo

Michael Hayman

It has been Europe’s confidence capital: a feel-good supernova, a powerhouse economy, and an innovation inspiration – but confidence is fragile

Catherine McGuinness

The City’s success depends on our ability not only to compete, but to collaborate

LETTERS TO THE EDITOR

Light-touch restrictions

[Re: Kinks aside, the porn block was a pantomime of a reaction to sexual expression] As chief executive of Portland TV, the company behind Television X, I have no interest in blocking sexual expression. And yet, I am a fervent proponent of child protection initiatives like age verification. Age verification is not a “porn block” done properly, it is a light-touch check which prevents kids from stumbling across inappropriate content, despite their parents’ best attempts to protect them. Television X has been doing it for years to great success

The age verification systems proposed were the result of years of work informed by industry experts, mostly from the tech sector, who have been striving to make a clear distinction between age checking and identity verification. We don’t need to know who you are simply to check that you are over 18. Data revolutionisation has always been at the forefront of these efforts.

The abandonment of this process leaves child pornographers, sex offenders, money, and breeds consumer confusion. And it doesn’t benefit anyone, except the overzealous companies who pump a deluge of hardcore pornography into the UK that is freely available with zero age verification.

Adults’ rights to view this content have been invaded and need protecting. Let’s make one small concession – restrict children’s access in the interest of protecting their viewing habits. This should of course be accompanied by better education in schools to allow children to better understand and contextually process when encountered. Urgent action is needed on that front from the government.

In the meantime, without age verification or education, leaving children exposed to the extreme material supplied by unregulatedness provides a wholly unacceptable to the regulated industry and a young nation – and ironically only fuels calls for censorship of the internet.

Chris Ratcliff, chief executive of Portland TV and council member of the Digital Policy Alliance

BEST OF TWITTER

Stop with the “oh now they’re affecting peoples lives XR have lost the PR battle”. That happened from the start. Anyone using a bus was disrupted already. Anyone working in the City or West End being affected...

@KateMaltby

I’m not always going to be here,” says Mark Zuckerberg. He’s 35! He has total control of his company! When he is not going to be here?!

@LFDodds

My cafe loyalty app tells me I’ve earned a mini chocolate pastry. My Fitbit app tells me I’ve NOT earned a mini chocolate pastry. And they said tech was going to make our lives less confusing...

@emmamrevell

Bonos proposes strict new rules around freedom of movement, although mainly to stop his MPs joining the Lib Dems.

@havegetnews

OPINION | MONDAY 21 OCTOBER 2019

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The age verification systems proposed were the result of years of work informed by industry experts, mostly from the tech sector, who have been striving to make a clear distinction between age checking and identity verification. We don’t need to know who you are simply to check that you are over 18. Data revolutionisation has always been at the forefront of these efforts.

The abandonment of this process leaves child pornographers, sex offenders, money, and breeds consumer confusion. And it doesn’t benefit anyone, except the overzealous companies who pump a deluge of hardcore pornography into the UK that is freely available with zero age verification.

Adults’ rights to view this content have been invaded and need protecting. Let’s make one small concession – restrict children’s access in the interest of protecting their viewing habits. This should of course be accompanied by better education in schools to allow children to better understand and contextually process when encountered. Urgent action is needed on that front from the government.

In the meantime, without age verification or education, leaving children exposed to the extreme material supplied by unregulatedness provides a wholly unacceptable to the regulated industry and a young nation – and ironically only fuels calls for censorship of the internet.

Chris Ratcliff, chief executive of Portland TV and council member of the Digital Policy Alliance

BEST OF TWITTER

Stop with the “oh now they’re affecting peoples lives XR have lost the PR battle”. That happened from the start. Anyone using a bus was disrupted already. Anyone working in the City or West End being affected...

@KateMaltby

I’m not always going to be here,” says Mark Zuckerberg. He’s 35! He has total control of his company! When he is not going to be here?!

@LFDodds

My cafe loyalty app tells me I’ve earned a mini chocolate pastry. My Fitbit app tells me I’ve NOT earned a mini chocolate pastry. And they said tech was going to make our lives less confusing...

@emmamrevell

Bonos proposes strict new rules around freedom of movement, although mainly to stop his MPs joining the Lib Dems.

@havegetnews

OPINION | MONDAY 21 OCTOBER 2019

OPINION

Recover that Olympic spirit to give London back its mojo

Michael Hayman

It has been Europe’s confidence capital: a feel-good supernova, a powerhouse economy, and an innovation inspiration – but confidence is fragile

Catherine McGuinness

The City’s success depends on our ability not only to compete, but to collaborate

LETTERS TO THE EDITOR

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@havegetnews
Reforming public procurement can build a fairer, greener Britain

From the collapse of Carillion to the Brexit ferries fiasco, public procurement has had a rocky few years. But while the focus has rightly been on ensuring that such disasters don’t happen again, we must not forget that public procurement can actually be an enormous force for good.

Public procurement is the act of the government buying things from external providers, from stationery to sub-marines, nurses’ uniforms to IT systems. It’s the government’s largest spend, amounting to almost £300bn a year and representing around 13 per cent of the UK’s GDP. That’s a huge figure: almost three times what we spend on the NHS in England.

And it’s not just money, it’s an opportunity. In fact, new Demos research published yesterday outlines how this vast spending power represents the enormous potential to shape a fairer Britain.

How? By using its leverage to encourage the companies seeking these contracts to act more in the interests of society, from how they treat workers to the tax they pay to reducing their impact on the environment.

The fundamentals are already in place. Through “social value” criteria, the government can try to maximise the social, environmental and economic impact of procurement. But standards, definitions and priorities for social value remain disjointed and unaligned across the government.

Our report recommends that these criteria are clarified and properly aligned so that the government can try to maximise the full potential of the pioneering legislation that introduced these powers.

For example, in-work poverty could be tackled by requiring government suppliers to offer their workers the real living wage, as pioneering councils such as Preston are already doing.

To increase their chances of winning government contracts, some companies are striving to offer the government more social value, such as by providing high quality training and skills to areas in need. But this could be taken so much further.

Or take the environment. The government’s drive to tackle climate change and improve biodiversity could be fostered by public procurement demanding that suppliers meet strict new environmental criteria, dramatically “levelling up” the playing field.

It could also drive better tax behaviour. Our research identifies that almost three quarters of the biggest state suppliers have operations in tax havens.

That’s why we are calling for small business advisory councils – made up of small business owners themselves – in the biggest government departments. We also need to provide businesses with more information about why and how bids are awarded, improving their chances of winning contracts in the future.

Government procurement can be so much more than the purchasing of goods or services. It should be seen as a route to a fairer, greener Britain – something that politicians of all stripes should welcome.

Rose Lasko-Skinner and Ben Glover

The BBC is a well-loved and historic British institution, but it needs to move with the times. Ending its guaranteed income and making it compete for its audiences fairly and transparently could drive it to become more innovative and think more carefully about its content and services.

Many of us have fallen out of love with the BBC. Its inability to manage serious public issues in meaningful ways, its woeful digital technology platform, and the loss of millions of younger audiences to competitors mean it has already lost a meaningful connection with current and future target markets.

A subscription model could bring the BBC to the twenty-first century. It would be able to leverage its massive back catalogue of excellent material, while focusing on delivering content that all audiences can celebrate. Its news and current affairs services would also need to evolve and innovate, meaning that we might one day get a Question Time episode that holds our politicians to account. The BBC mandate from the 1920s simply no longer works.

Nicholas Mazzei is a corporate social responsibility advisor.

Could the BBC survive becoming a subscription service, as Nicky Morgan has suggested?

The BBC’s mission is “to act in the public interest, serving all audiences through the provision of impartial, high quality and distinctive output and services which inform, educate and entertain.” Becoming a subscription service would make this impossible.

To compete, it would almost certainly have to sell packages of its programmes at various prices. How could it serve all audiences fairly if budgets shifted towards the most popular services? This would demolish the BBC’s connection with elderly audiences, who are less likely to switch to a new fee model and may struggle with technology – not ideal when many are also suffering from loneliness and isolation.

Low-income households could also be priced out. Ultimately, the move would show a lack of empathy with viewers who rely on the BBC for trusted, high quality content. It is important to understand where audience attention is focused in the media landscape, but just because subscription models are popular does not mean that they are for everyone.

Sarah Baumann is managing director at VaynerMedia London.
The S&P 500 is near record highs, the US economy continues to grow, and the Fed is gradually cutting rates in order to help sustain the expansion. Yet sentiment remains fragile at best. Investors are it seems determined to find the ‘next 2008’ at every turn, fretting that a US recession is near and that a 40% drop in the S&P 500 is getting closer.

First, the bad news. Earnings are weakening, in a manner that has not been seen since 2016. According to FactSet, earnings fell 4% in Q1 and 2.7% in Q2, and a fresh decline is expected this time as well. This comes off the back of ten consecutive quarters of earnings growth, stretching from Q3 2016 to Q4 2018. A third quarter of declines would make it difficult for the S&P 500 to continue to gain in the short-term, but would not necessarily imperil the longer-term bull market.

Previous peaks in earnings have not spelled doom for the equity rally any way. If we were to assume that earnings had peaked, a very ambitious assumption, then over the previous three decades around five-and-a-half years elapse before a real bear market begins, which might suggest a significant decline in equity indices is unlikely to occur before 2024. It is more likely that this period of weakness is a necessary counterpart to the strength seen from mid-2016 until the end of 2018.

Moving on from earnings, we look at the macroeconomic picture. It is hardly controversial to say that we are nearer to the next recession than to the previous one. But this does not mean one is imminent, either. One is however likely in 2020 – unemployment claims have bottomed for now, something that usually happens around a year before the recession, while new home sales peaked two months ago, giving us, on average, another thirty months before a recession.

But this merely tells us what we already know, namely that the US economy is in the late-cycle element of the economic expansion.

Crucially, the Fed is acting to sustain the expansion by cutting interest rates in a slow and steady manner. US GDP has been growing by 2% per quarter over the previous three quarters, and while this is a slowdown on the 3% of the preceding three quarters, it remains a solid rate of growth for a mature economy like the US.

In addition, retail sales have yet to peak. The stock market is not the economy, and even in a consumer-driven economy like the US there is more to the picture than retail sales, but there seems no slowdown in the pace of overall retail sales, measured by total volume. Americans continue to spend, sending a positive signal about the longer-term outlook.

Over the longer-term, the S&P 500 is not expensive. At around 17 times forward earnings, the index is closer to its 25-year average than it was towards the beginning of 2017, when a steady one-year rally beckoned. The volatility of 2016 saw the valuation fall below the 25-year average, to around 15 times earnings. Admittedly, this is above the valuation seen before the Great Financial Crisis, which was around 15 times forward earnings, while in 1999 the S&P 500 was at 24 times earnings.

There are risks to the outlook, and it is important to be aware of them. Chief among them, of course, is the US-China trade war. While it may take time to come to a resolution, it does look as if there are grounds for optimism. As the US election nears, the desire to do a deal will rise in Washington, even if this then clears the way for Mr Trump to begin a new trade spat, this time with Europe. A broader conflict in the Middle East, where Turkey is flexing its muscles and Saudi Arabia and Iran are at loggerheads, is another reason to be cautious.

In truth, it is always easy to find a reason to be worried. The US debt ceiling crisis, the Greek crisis, the China panic of 2015 have all come and gone since the great rally of 2009 began, and all at the time seemed like harbinger of a fresh bear market. Looking back, it seems strange to think that investors become so concerned, but investing is always much easier in hindsight. The sideways movement of 2018 seems to have been a necessary reaction to the rally of 2016-2018, which itself followed on from the trading range of 2015 and early 2016. It is not hard to believe that 2018/19 will resolve into another long-term move higher.

It is entirely possible that, backed by strong earnings and healthy economic data, plus a supportive Fed, equities in the US will continue to move higher.

Spread bets and CFDs are complex instruments and come with a high risk of losing money rapidly due to leverage. 75% of retail investor accounts lose money when trading spread bets and CFDs with this provider. You should consider whether you understand how spread bets and CFDs work, and whether you can afford to take the high risk of losing your money.
Luke Graham speaks to Mercato Metropolitano’s founder about saving the world from bad food

The words Elephant & Castle and trendy food market don’t normally go together. It’s an area that’s unfortunately more associated with crime and poverty than gourmet dining.

But since 2016, a patch of unploughed land around the corner from the Ministry of Sound has played home to Mercato Metropolitano. This upscale food market has played home to Ministry of Sound has played home to

Mercato Metropolitano now plans to open several more sites in the capital, including in Mayfair and Ilford. And the business has been asked to open locations in Europe and the US, too.

FROM MILAN TO LONDON

However, the story of the market doesn’t begin in London – the original concept was tested at the 2015 World Expo in Milan. Andrea Rasca, a serial Italian business entrepreneur and the founder of Mercato Metropolitano, transformed a disused railway station there into a thriving food hall.

“We had 2.5m visitors in four and a half months, without spending one pound in advertising,” Rasca recalls.

“That Mercato was the full synthesis of what I’d been through in my career, my studies, everything. We created this space, which represented me and how I want to live my life – a table, with people around, cooking together and eating together.”

Sadly, Rasca was forced to close it due to a decision by the site’s owners.

“I love Italy, but we do not tend to have a long-term view on things,” he laments. “They said ‘you have to dismantle and we have to decide what to do with that space’. That was 2015, now it’s 2019, and it’s still empty.”

Not to be deterred, Rasca turned his attention towards London. Friends in the city showed him several possible locations, but he was unimpressed until he was brought to the spot in Elephant & Castle.

Before it became Mercato Metropolitano, the site was a paper factory that had been disused for decades. It belonged to the housing association Peabody Trust, which had struggled to develop the site – until Rasca came along.

“When I came here, there were dogs and guards. It was a disaster – an ex-paper factory that was abandoned,” he recalls.

“But if you look at a map, it’s at the heart of London. I saw the potential for an amazing place. I talked to Peabody, which didn’t know what to do with it. We agreed on a very low, accessible rent, because it wanted to get rid of paying business rates.”

Three months after the agreement, the market opened.

“The beginning is always difficult, because we do not advertise – it’s all word of mouth. But then we grew: in 2017 we did around £9m of sales, in 2018, we closed at approximately £12.5m, this year we are targeting £12m,” Rasca says. “It was scary to begin with. When you’re an entrepreneur, you need to be scared. If you’re not scared, it means that there’s something wrong.”

COOKING UP SUCCESS

Mercato Metropolitano is also a social enterprise, running events and workshops for the local community like film screenings, cooking classes, and yoga sessions. What also sets it apart from its competitors is how it deals with vendors.

Rather than simply charging a flat rent for space, the market is more like an incubator programme, working with young food and drink start-ups and taking a percentage of their sales, so the vendors only pay if they are doing well.

However, this arrangement means that the startups must give up some independence. Vendors have to provide the Mercato with a list of ingredients and where they’re sourced from, and be willing to open their fridge at a moment’s notice. They also have to work with the executive chef team who inspect how they operate.

“Everything has to be controlled by us, so the food is mostly organic and mostly local. It’s not only about quality control, I want to know and understand who is the supplier,” explains Rasca. “My real concern is the visitor, and to give them the best possible experience. And because we have such a big space, I can charge less rent and negotiate with suppliers. Everybody’s happy, and no one wants to leave.”

Rasca’s concern over where vendors’ ingredients come from may seem a touch extreme. He is very passionate – bordering on angry – about food issues in the world. He argues that big retailers and manufacturers have degraded food quality, and that society stopped eating well after the industrialisation of farming.

People started thinking about the money in their pockets and not the people they were feeding. They started to maximise the profit on wheat, for instance, by creating a wheat flour that was not nutritious, but could sit on a shelf for two years. That sounds fantastic, but who cares – I want food to go rotten, otherwise there’s something wrong with it.

It was scary to begin with – when you’re an entrepreneur, you need to be scared.

“We’ve been educating people that food has to be cheap. This is the biggest stupidity in the world. Food has to be good, healthy and nutritious, and then we have to make it accessible to everybody. Cheap is not the first thing we have to think about.”

It is worth noting that, thanks to developments in food production that Rasca dismisses, globally the number of people classed as undernourished has fallen dramatically over the years, from over one billion in 1991 to 820m in 2017, according to data from the UN’s Food and Agriculture Organisation.

But Rasca is adamant. He talks about the rise in diabetes-related illnesses in the UK, about childhood obesity, and scoffs at the idea of banning junk food adverts – as Transport for London did this year – as the answer.

“If you still sell Coca-Cola in every corner of this city, and then ask me how you combat child obesity, I’d like to take your head and smash it against a wall,” he says jokingly (I hope). “It’s not by banning adverts on buses.”

Rasca argues that the answer instead is to create places where industrial food is not allowed, like in his market.

“This is a safe haven from the bombardment of advertising. I opened this place because I wanted to give an answer to the food issues facing the big cities.”

Certainly, Mercato Metropolitano takes these issues seriously. The website hosts a manifesto about food rights, sustainability, and ensuring access to nutritious and adequate food for everyone. I tell Rasca that he sounds more like he’s on a mission to save the world than just run a business, and he agrees.

“Mercato was born to create a positive, alternative solution and way of living. It’s not just about food, it’s about how we live. This is a mission, not just a business.”

Andrea Rasca opened Mercato Metropolitano in London in 2016.
TRAVEL

ON THE RIGHT TRACK

Josh Martin hops aboard the Glacier Express linking two of Switzerland’s most-famous ski resorts

WHERE TO STAY
For chic beachside glamour head to QT Hotels Bondi Beach, the only high-end boutique apartment that’s right there on the sands. The suites are huge and its near all the restaurants and bars. Visit qthotelsandresorts.com

WHERE TO GO
This one is a real secret, its whereabouts whispered in hushed tones. But if you have a chance, check out Bondi Beach where you can bask in the sun, sea and surf that exists in the eternal Australian summer of your dreams.

WHERE TO DRINK
China Diner is the perfect excuse to smarten up after a day on the surf. Its black stuff in town.

WHERE TO EAT
We may thank the Italians for our coffee culture, but it’s the Aussies who have really pushed the envelope in the last decade. Try Mecca Coffee for the finest black stuff in town.

ON THE RISE

You could almost feel our compartment teeter over the edge of the crossing as the whole carriage readied cameras and phones to capture the iconic photograph. The Landwasser Viaduct on the Swiss rail network’s Glacier Express is the piece de resistance of the journey between swish alpine resort towns of Zermatt and St Moritz.

And judging by the ferocious snapping and uploading as we clacked across its towering bridge, 63 metres above snow-crusted forest below, to marvel at this engineering feat is not reserved only for train nerds. Seconds later, the climax of the journey subside as we plunged into the darkness of the umpteenth tunnel of the 180 mile excursion.

I scrolled through my own amateur efforts. Useless, all of them. The glare of mid-winter sun hitting the snow or reflections of fellow passengers on their Canons and Nikons meant my attempts would soon be deleted. I should have stayed seated taken it all in through the carriage’s wrap-around windows – a slow-travel mantra that’s hard to abide by when the panoramas are such beautiful Instagram bait.

At around eight hours into our journey, seeing this emblematic view – if only through a lens – was a long time coming on what’s billed as ‘the world’s slowest express train. We had the fortune of being seated across the first-class carriage from a large family who, once the obligatory photos were taken of champagne flutes toasting our morning departure from Zermatt, seemed content to stare a social media feed and Candy Crush.

I’m not normally one for effusive audio commentary headlines, but the earphones did help in drowning out our neighbours’ squabbles, as we whisked by the bright white ski fields of Andermatt. The clear winters day meant sunglasses were essential for passengers squinting out to witness the cross-country skiers trying to match our pace, while the curved roof windows allowed us to follow every peak and black run slalom.

And thanks to my audio-commentary saviour I now know that the Oberalppass we next entered, at 2033m above sea level is one of Europe’s highest stretches of railway, integral in transporting commuter vehicles loaded onto trains during the winter months, when the roads are closed by snowfall. I looked beyond our disinterested neighbours – now arguing over a book – to an adjacent train stacked with cars.

To find the Glacier Express route so consistently beautiful is no small ask since our starting point, the car-free alpine town of Zermatt, sets the bar unfairly high. Pressed up against the Matterhorn punctuating every backdrop. European ski villages don’t have to try too hard to look inviting, but to have one of the world’s most-famous peaks lurking behind your snow-side selfies sets it apart. I’m certain our piste guide Valerie tired of us requesting yet another photograph “because, don’t you think, the Matterhorn looks a little different from this angle?” But she lied it well. Perhaps it was the twentieth photo stop that prompted her to suggest I follow her down an unroomed black run named Berter – a challenge I almost immediately regretted accepting as my knees aged a decade as I grimaced down the tree-lined run.

A barely panting Valerie saw my plight and knew just the thing for it: schnapps, a sun trap and (yet another)
fantastic view of the famed peak.

Our lunch stop Findlerhof was marked only by a path of patrons’ skis plunged deep into the snow, an unassuming restaurant among a hamlet of huts, their blackened wood exteriors testament to the frequent sunshine this part of the Swiss Alps enjoys.

The rustic charm did not extend to the menu, however, with Findlerhof opting for high-end rather than homely as we dined on fresh oysters, foie gras, beef tartare and local apricot sorbet drowning in schnapps. It’s sure to at least delay the burning in your legs until after the final tracks of the day.

At the other end of the Glacier Express, St. Moritz offers a more in-your-face version of snow-dusted glamour, in part because of its claim to be the birthplace of the winter ski holiday.

We were told as much within minutes of being whisked from the scenic train terminus beside the resort town’s now frozen lake up the hill to the Kulm Hotel St Moritz. The oft-repeated story goes that in 1864 then-owner Johannes Badrutt made a bet with his English guest in the summer that they would be able to top up their tans in mid-winter if they were to return in snow season.

If they were unhappy with the winter weather they could stay for free, he wagered. The ones that took up his offer were so impressed they stayed into the spring, Badrutt won his bet and so launched a 155-year tradition of Brits coming to St Moritz to indulge in skiing, skating and curling. And, according to the view from my balcony, horse racing on the mid-winter ice of Lake St Moritz too.

The suite was certainly plush, but the best seats to look down on this Ascot-on-ice spectacle were poaching in the hotel’s hillside and heated infinity pool. A scene unblemished by squabbling first-class carriage families or aching hamstrings: serenity at the end of the line.

NEED TO KNOW

HOTELS
Kulm Hotel St. Moritz
www.kulm.com
Hotel National, Zermatt
www.nationalzermatt.ch

INFO
For more information on Switzerland visit myswitzerland.com or call Switzerland Travel Centre on 00800 100 200 30 or email info.uk@myswitzerland.com; for packages, trains and air tickets sales@stc.co.uk.

FLIGHTS
SWISS offers more than 150 weekly flights from London City, Heathrow, Gatwick (seasonal), Manchester, Birmingham and Edinburgh to Zurich, Geneva or Sion (seasonal). One way fares start from £74 to Zurich and £83 to Geneva. For more information visit swiss.com or call 0345 601 0956

TRAINS
The Swiss Travel Pass offers unlimited travel on consecutive days throughout the rail, bus and boat Swiss Travel System network. This pass also covers scenic routes and local trams and buses in around 90 towns and cities. Prices from £185 for 3 days in second class. For the ultimate Swiss rail specialist call Switzerland Travel Centre on 00800 100 200 30 or visit swisstravelsystem.co.uk

GLACIER EXPRESS
Reservation fee for Glacier Express (on top of the Swiss Travel Pass): 1st and 2nd class CHF43, Excellence Class CHF420

SKI RESORTS
Zermatt lift passes start at CHF79 per day and can be bought online at matterhornparadise.ch. Day passes at St Moritz’s Engadin ski areas are around CHF57, book online at engadin.ch
OFFICE POLITICS

Personal assistants are the City’s unsung heroes

They are the gatekeepers of their bosses’ diaries, but their value goes much deeper

Accepting a leadership role has always meant taking on a certain level of stress and pressure. However, evidence suggests that the strain on executives is increasing. A worrying study by the Institute of Directors found that 57 per cent of managers and directors have experienced mental health issues as a result of workplace pressures, with lack of work-life balance and heavy workload reported as the biggest triggers. And the pressure only looks set to rise further, as digital technology and the “always on” culture make the issue worse for already frazzled executives.

While some organisations are already tackling the problem with wellbeing programmes and flexible working options, one element that is often overlooked is the vital role that personal assistants (PAs) can play. PAs are frequently the unsung heroes, enabling executives to focus on their primary responsibilities and priorities, while minimising the admin that can lead to excessively long hours. According to a 2018 study by Tiger Recruitment, this support is invaluable – with 75 per cent of UK leaders agreeing that PAs help to reduce stress levels, while those with a PA tend to work nine hours less a week on average compared to those bosses without. A good PA will build up an extremely close working relationship with their executive, understanding how they work, where they need support, and how best to provide it. They can anticipate an executive’s needs before their boss even knows themselves. It also isn’t unusual for a PA’s responsibilities to span the professional and the personal, by helping executives to organise their work around family, exercise, and other aspects of their life outside the office.

Our research found that PA support is particularly important for female leaders, who are more likely to have an assistant, spend more time with them each week, and whose stress levels are more readily alleviated with their help. Given that the proportion of women in senior roles is still woefully low and the gender pay gap remains a pressing concern, an experienced assistant can go a long way to making the balancing act easier. Yet, despite the vital role that PAs play, 28 per cent of executives claim that their business lacks the PA support it needs. Gone are the Mad Men days when most executives had dedicated PAs. Due to the automation of administrative tasks, one PA can today look after two, three, or even more executives. This means that they’re spread more thinly, while the workloads and stress levels of senior execs continue to rise. Mental illness cost the UK economy over £35bn last year, and organisations are gradually waking up to the sometimes unrealistic expectations placed on their leaders.

PAs have long been the gatekeepers to bosses’ diaries, but we can now see that their value goes much deeper than that, with support staff helping to reduce the culture of long hours for business leaders. As taboos around stress and mental health in the workplace continue to diminish, businesses must do more to acknowledge the critical role that PAs play, while ensuring executives are adequately supported with the highly skilled support staff they need.

Rebecca Siciliano is managing director of Tiger Recruitment.

COFFEE BREAK

SUDOKU

KAKURO

WORDWHEEL

M N A R T E

P A R T N E R

Using only the letters in the Wordwheel, you have ten minutes to find as many words as possible, none of which may be plural, foreign words or proper nouns. Each word must be of three letters or more, all must contain the central letter and letters can only be used once in every word. There is at least one nine-letter word in the wheel.

ACROSS
1 Explosive device (4)
2 Pleasant arrangements of musical notes (6)
3 With intolerance (11)
4 Flavour sensation that remains following eating or drinking (10)
5 Coach, trainer (10)
6 Require as useful, just, or proper (11)
7 Request (5,5)
8 Of the highest quality (coll) (1-3)

DOWN
1 Nutsh (6)
2 Floor-cleaning implement (3)
3 Preparation for dry skin (11)
4 Connecting parts of a chain (5)
5 Rummage deep (in) (5)
6 Top card (3)
9 Prepare leather (3)
11 Small bird (3)
12 Change to ice (6)
13 Notions (5)
14 Bundle (5)
15 Animal kept as a domestic pet (3)
16 Without further straightway (3)

Rebecca Siciliano is managing director of Tiger Recruitment.
Liverpool’s flawless title charge hits a bump at resurgent United

Five things Frank Dalleres learned as the Premier League leaders fell short of record equalling win

T WOULD be a stretch to call this a slip for Liverpool, yet it was a stumble of sorts in their quest to become champions of England for the first time in 30 years. Instead of equalling Manchester City’s record of 18 consecutive Premier League wins yesterday, they had to battle back from Marcus Rashford’s opener to salvage a draw through Adam Lallana and ensure that their lead at the top of the table was only trimmed to six points.

Liverpool have seldom had it easy at Old Trafford, where Arsenal’s 49-match unbeaten sequence ran agonizingly wide from 15 years ago, and they were hindered by the absence of Mohamed Salah. But history is one thing; on current form they might reasonably have ended the weekend with victory. Salah’s ankle injury, which saw Sadio Mane take up his role on the right of the attack and Divock Origi start on the left. But Jurgen Klopp dipped into his attacking options after the break, throwing on Alex Oxlade-Chamberlain, Lallana and then Naby Keita in a bid to maintain their attack and provide some much-needed width.

REVELISED RASHFORD
If Rashford’s struggles have been symptomatic of United’s wider malaise, then his encouraging performance against Liverpool equally took his team up several levels. Having enjoyed a confidence-boosting night for England in Bulgaria last week, he looked a different man here and posed an early threat with a surging run to the byline. Inevitably it was Rashford who struck for United, touching Daniel James’s cross past Alisson after his smart movement deceived Virgil van Dijk, and he might have had a second late on when he cut in from the left and fired narrowly wide.

LALLANA PROVES THE ANSWER
Liverpool were oddly out of sorts in the first half, perhaps in part due to Salah’s ankle injury, which saw Sadio Mane take up his role on the right of the attack and Divock Origi start on the left. But Jurgen Klopp dipped into his attacking options after the break, throwing on Alex Oxlade-Chamberlain, Lallana and then Naby Keita in search of the breakthrough. It finally came through Lallana, who scored his first goal since May 2017 when Andy Robertson’s cross evaded all bodies in a crowded penalty area and he stole in to tap home at the far post.

VAR WATCH
Premier League matches rarely seem to pass without some debate over the use of the video assistant referee (VAR) and this was no exception. Rashford’s goal was allowed to stand despite suggestions of a foul on Origi at the start of the move, with referee Martin Atkinson deemed to have had a clear view. Moments later, Mane had a would-be equaliser chalked off by VAR for handball – although there was little contentious about that call.

SOLSKJAER’S SHOT IN ARM
United, too, will have mixed feelings when they reflect on this scrappy but compelling contest. Conceding five minutes from time was a bitter pill for Ole Gunnar Solskjaer’s side, who were hanging on at the end but given the talk of crisis hanging over the club before this match, a disciplined and lively display that halted the leaders’ 100 per cent record can only be seen as a much-needed shot in the arm for Solskjaer’s tenure.

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AND THEN THERE WERE FOUR Wales join Springboks, England and All Blacks in semis

VINDICATION FOR JONES

England head coach got all big calls right in World Cup win over Australia, says Michael Searles

NUMBER of questions hung over England and Eddie Jones ahead of their Rugby World Cup quarter-final against Australia on Saturday. Were they undercoocked? Was dropping George Ford a mistake? Were Mako Vunipola and Henry Slade ready to start? Could Owen Farrell be a decisive leader during the heat of battle?

All of those questions were answered swiftly and emphatically as England romped to a 46-6 win over the Wallabies in Oita and set up a semi-final showdown against holders New Zealand this weekend.

The cancellation of England’s final pool match against France due to Typhoon Hagibis raised questions about whether England would be battle-hardened for their first knockout-out encounter.

But when a coach as notorious for his intense training sessions as Eddie Jones is in charge, being underprepared is never an option.

Jones’s starting XV and in particular his intense training sessions as Eddie Jones was confident in his tight preparation for his side.

And as the refreshed Billy Vunipola put in a mammoth shift alongside fellow backrowers Tom Curry and Sam Underhill, it was evident that Jones had been right.

England had the luxury of a fully-fit squad to pick from – bar Jack Nowell – and, despite some debate over Jones’s starting XV and in particular the absence of George Ford, the result vindicated his decision as he got the tactics spot on.

A backline including Farrell, Manu Tuilagi and Henry Slade dealt excellently with the threat posed by 17-stone Samu Kerevi and 19-year-old Jordan Petaia.

WORLD-CLASS Australia applied plenty of pressure early on, as expected, but were restricted to penalty kicks by a great England display as England held their shape and refused to let the Wallabies pull them out of their defensive line.

It allowed England, who ceded much of the possession, to make the most of the opportunities that arose and they went into halftime with a 17-6 lead.

The decision to start Slade was also justified by what he offered in attack – in particular, his world-class assist for Jonny May’s second try. Intercepting a pass near the halfway line, Slade produced a quick turn of pace and well-executed kick downfield for his team-mate to run on to, really handing England the ascendancy in this match.

Meanwhile Farrell, England’s best fly-half defensively, also proved his worth as captain and kicker.

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