Duke of Hazard: More companies distance themselves from embattled Andrew

EDWARD THICKNESSE
@edthicknesse
STANDARD Chartered yesterday became the latest company to cut ties with Prince Andrew’s Pitch@Palace scheme after KPMG jumped ship on Monday.

A spokesman for the banking giant said: “We won’t be renewing the sponsorship when it ends in February.”

Advertising Week Europe — a global summit of marketing and communications leaders — and tech firm Gravity Road are also said to have ended their association with the initiative.

The mentoring and accelerator programme brings entrepreneurs and startup bosses together with venture capital investors and so-called business angels.

A number of companies have distanced themselves from the programme in the face of increasing scrutiny over the Duke of York’s friendship with convicted sex offender Jeffrey Epstein.

KPMG is said to have ended its £100,000-a-year sponsorship of Pitch@Palace over fears of negative publicity.

Astrazeneca, another sponsor of the programme, said: “Our three-year partnership with Pitch@Palace is due to expire at the end of this year and is currently being reviewed.”

Insurance firm Aon denied any connection with the scheme, saying that the listing of the firm as a partner was an error, and that it had asked to be removed from the initiative’s website.

Pitch@Palace is a privately run firm which files accounts with Companies House. Directors listed include the Duke’s private secretary Amanda Thirsk.

Other organisations such as London Metropolitan and Huddersfield universities are reviewing the Duke’s position as patron of their organisations.

Lloyd’s takes campaign to City boozers

SEBASTIAN MCCARTHY
@SebMcCarthy
LLOYD’S of London is targeting the insurance industry’s bustling pubs and cafes as part of a company campaign to tackle harassment and misconduct.

The historic insurance marketplace will put up bar runners and posters around ECI following a wave of misconduct allegations that have rocked its reputation.

The brightly coloured spread will invite people to call out “unacceptable behaviour”, following a survey in September which found that almost 500 people in the market suffered or observed sexual harassment over the last year.

Lloyd’s chief executive John Neal, who described the results of the poll as “stark and totally unacceptable”, has promised a crackdown on the sector’s notoriously boozy culture in a bid to improve company behaviour.

The effort to target City pubs with posters comes as part of a new campaign called #SpeakUp.

Neal said: “At Lloyd’s we expect all market participants to act with integrity, be respectful and always speak up. I hope this campaign encourages more people to do so... The ambition here is to make a positive difference in many people’s lives.”
McDonnell wields his corporate cattle prod

WHILE Jeremy Corbyn and Boris Johnson slogged it out on TV last night, the City was still digesting the latest softly-spoken assault by Labour’s shadow chancellor. John McDonnell doesn’t fly into fits of outrage, not even when attacking the “obscene wealth” of billionaires. He appeared to unveil plans for the biggest revolution in company law almost with a tone of regret. But let’s judge him on what he says, not how he says it — for nobody should be lulled into thinking that McDonnell is anything other than a dangerous firebrand. When he says he wants to “take people with us” one is left with the feeling that this would involve cattle prods and forced marches. It’s worth remembering that he has listed his interests as “fermenting the overthrow of capitalism”. There is no reason at all to assume he was joking. So how would he go about it? McDonnell believes that corporate Britain needs to become democratised. For example, he wants to subject all executive remuneration packages to a binding vote by shareholders, employees and consumers. Maybe self-checkout tills at Tescos will contain a new option on the screen to vote for or against the executive’s pay. Perhaps not fully trusting that shoppers will make the right choice on executive remuneration, Labour would bring in an “excessive pay levy” starting at 2.5 per cent on salaries north of £300,000 and rising to 7.5 per cent on packages over £1m. McDonnell also wants to have the power to pass an executive’s pay on to workers if they happen to be feeling underpaid.

Another seasoned investment banker lamented that “Labour yesterday described McDonnell’s proposals as “moronic”. He is left with the feeling that this would involve cattle prods and forced marches. It’s worth remembering that he has listed his interests as “fermenting the overthrow of capitalism”. There is no reason at all to assume he was joking. So how would he go about it? McDonnell believes that corporate Britain needs to become democratised. For example, he wants to subject all executive remuneration packages to a binding vote by shareholders, employees and consumers. Maybe self-checkout tills at Tescos will contain a new option on the screen to vote for or against the executive’s pay. Perhaps not fully trusting that shoppers will make the right choice on executive remuneration, Labour would bring in an “excessive pay levy” starting at 2.5 per cent on salaries north of £300,000 and rising to 7.5 per cent on packages over £1m. McDonnell also wants to have the power to pass an executive’s pay on to workers if they happen to be feeling underpaid.

Catherine Neilan
@CatNeilan

JOHN McDonnell yesterday revealed Labour’s plans for “rewriting the rules” of business, which will include delisting firms that fail to take “adequate steps” to deal with climate change.

The shadow chancellor set out details of the party’s vision for corporate governance, accountability and regulation, bemoaning the status quo in which employees are treated “virtually as chattels” while billionaires accrue “obscene” wealth.

“No one needs or deserves to have that much money,” he told an audience in Westminster.

Central to Labour’s new policies is a plan to rewrite the Companies Act to enhance long-term thinking. McDonnell’s plan would see larger companies given the option of “adopting a unitary board or a two-tier board structure”.

The unitary board would include elected stakeholder representatives, while the two-tier board would see a supervisory board made up of stakeholders such as customers, employees and long-term investors, sit above the executive board.

“Supervisory board will have overall power to steer the direction of the company,” he said.

McDonnell also outlined plans for a so-called excessive pay levy as part of its pledge to redistribute wealth. This would start at 2.5 per cent on salaries over £300,000, increasing to five per cent on those over £500,000 and 7.5 per cent on pay packets over £1m.

British Chamber of Commerce’s co-executive director Claire Walker said: “It’s one thing to support employee ownership, stronger corporate governance and a transition to a greener economy, which have had positive impacts on many firms. But it would be misguided to impose a rigid, one-size-fits all approach.”

Ian Peters of the Chartered Institute of Internal Auditors said the plans “leave many questions unanswered”.

McDonnell accused billionaires of getting a tax break in exchange for Tory donations

McDonnell vowed to take on Big Four “cartel”

James Booth
@Jamesbooth1

SHADOW chancellor John McDonnell yesterday promised to break up the “cartel” of the so-called Big Four accounting firms if Labour wins the election.

“Under Labour the Big Four companies will not be allowed to continue to act like a cartel,” McDonnell said.

PwC, Deloitte, KPMG and EY have pushed back against the Competition and Markets Authority’s call to introduce an operational split between their audit and non-audit services.

Labour’s plans would go further, introducing a structural split and a ban on auditors selling non-audit services. McDonnell also detailed plans to introduce a statutory auditor that would examine the books of banks, insurers and other financial firms.

He called for auditors to publish information on areas such as their offshore links, political links, audit failures and lawsuits.

“IT’S TIME FOR REAL CHANGE

McDonnell warned the FCA has made the decision in compliance with the rules, then they are what they are.”

How would McDonnell’s proposals work?

Presumably Labour would have to amend or introduce new legislation, urging the Financial Conduct Authority (FCA) to delist companies if the companies do not comply with climate change legislation. However, the new government would have to prescribe what it means by climate change legislation, and what it means by non-compliance with those rules. Investors could keep a hold on shares, but then they would have a less liquid asset, affecting its value. The firm would also cease to have access to the market, which would hit its relationship with investors and may have consequences for its credit rating and reputation.

What could be affected as a result of the plan?

The bigger impact is on the competitiveness of London as a global financial centre, and its role as a premium destination to float companies. It would likely encourage companies in certain sectors to stay private for longer, or in some instances cause companies to opt for listings in less-onerous jurisdictions.

Could FTSE firms fight back against the new rules?

There is an appeals process about the FCA’s decision making, but assuming the FCA has made the decision in compliance with the rules, then they are what they are.”

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PAST and present TSB bosses have criticised parts of a damning independent probe into the bank’s catastrophic IT meltdown last year.

City law firm Slaughter and May has concluded that TSB’s board lacked “common sense” in the run-up to an IT outage that left 2m TSB customers without access to online banking.

Both TSB and IT provider Sabis were blamed for the outage by Slaughter and May, which said that a new system designed to migrate its customers had not been properly tested before going live.

However, the findings have been met with mixed reaction from former and current executives of the bank, with ex-chief executive Paul Pester hitting out at Slaughter and May’s “scattergun approach”.

Pester, who lost his job over the IT fiasco last year, said that the report was “a complex and confused read which casts very little light on lessons the industry could learn to stop something like this happening again”.

TSB’s executive chairman Richard Meddings, who yesterday apologised for the outage, said some of Slaughter and May’s conclusions “do not paint a full picture” or “arrive at the same conclusion as other reports”.

The 250-page report found that the IT meltdown was in large part caused by the fact that elements of two data centres built to support a new platform were configured inconsistently.

Slaughter and May concluded that the firm’s head of IT, Carlos Abarca, made an “ill-judged” assessment of TSB’s readiness for the upgrade.

Sabis, the IT services arm of TSB’s Spanish owner Sabadell, “was not ready to operate the new platform”, the group also said.

Pester accused Sabis of “rolling the dice” in its testing and withholding the decision from him and the board.

Tata Steel plans to cut 3,000 jobs leave British staff in fear of sack

UNIONS have called for clarity from Tata Steel over its plans to cut 3,000 jobs in Europe, amid fears the announcement could affect workers in Port Talbot in south Wales.

On Monday Tata announced the cuts — equating to roughly one-sixth of its workforce — as the steel maker fights plunging profit after a failed merger with Thyssenkrupp.

The firm, which employs 8,500 UK staff, said about two-thirds of the job cuts would be office-based workers.

That means the majority will likely be from its operations in the Netherlands, but some estimates still forecast up to 1,400 British job losses.

Investor group urges Aviva to revisit strategy

A GROUP of institutional investors has pushed insurer Aviva to overhaul its strategy ahead of its capital markets day today.

The Investor Forum, whose members manage assets worth about £21 trillion, has urged Aviva to produce a long-term plan to boost its value, Sky News reported.

The Forum wrote to Aviva over the last few weeks ahead of today’s investor day.

The letter asked Aviva’s board to detail plans to reduce its debt and deal with challenges in its life insurance business.

Aviva’s new chief executive Maurice Tulloch is set to give his views about its strategy today.

On Monday, Aviva’s share price fell 4.5 per cent after it said it would not sell its Singapore and China businesses in response to reports it was considering a sale.

Fund manager Richard Buxton told the Sunday Times at the weekend that his view of Aviva was: “If you didn’t exist, no-one would create you now.”

Aviva and the Investor Forum declined to comment.
**Leadsom signals assent to £4bn Cobham buyout**

**ALEX DANIEL**

Cobham’s £4bn buyout at the hands of US private equity giant Advent took a step closer to going ahead yesterday, as business secretary Andrea Leadsom said she is “minded to accept” the buyer’s provisions to address national security concerns.

Advent has offered to make sure existing security arrangements around defence giant Cobham would “continue to be strengthened”. It will also maintain defence capability and honour its existing contracts with the Ministry of Defence (MoD), and let the department know in advance if it plans to stop providing key services.

On top of this, it will let the MoD know if it plans to sell any of the business.

Leadsom said that although she had not made a final decision, she had taken advice from the Ministry of Defence on the measures, and would now run a public consultation until 17 December.

Leadsom said a decision would be taken by the end of the month backed by 93 per cent of Cobham investors.

However, it has faced stern opposition from the company’s founding family. Lady Nadine Cobham, daughter-in-law of founder Sir Alan Cobham, has railed against the takeover in recent months because she feels it does not value the company highly enough.

The national security concerns have centred around the fact that one of Britain’s most prized defence firms would be owned by a foreign company.

Cobham shares rose 3.78 per cent to 160.65p yesterday.

**TRUMP INQUIRY** Top White House official slams Ukraine call and ‘cowardly’ attacks

A TOP White House official yesterday said US President Donald Trump’s call with Ukraine’s leader was improper, while blasting “cowardly” attacks on witnesses.

A TOP White House official yesterday said US President Donald Trump’s call with Ukraine’s leader was improper, while blasting “cowardly” attacks on witnesses.

Lieutenant colonel Alexander Vindman was testifying at an impeachment hearing.

**Halma raises dividend as profit grows in record year for earnings**

**EDWARD THICKNESSE**

Halma, the global life-saving technology company, increased its interim dividend yesterday on the back of record first half results.

The FTSE 100 company saw revenue grow 12 per cent to £633.7m, up from £565.5m in the same period in 2018. A combination of organic and acquired growth saw profit before tax rise 14 per cent, from £112.9m last year to £128.8m.

Earnings per share also rose 14 per cent to 22.4p. The blue chip declared an interim dividend of 6.54p, up from 6.11p in 2018.

The company also announced that it had completed five acquisitions in this financial year across three sectors and four geographies, part of its strategy to expand into core and adjacent markets and expand the firm’s geographical reach. The US contributes almost 40 per cent of the firm’s total revenue.

Halma shares rose 8.5 per cent to 2,059p to top the main index.

**UK manufacturing sector continues decline despite positive forecasts**

**HARRY ROBERTSON**

UK MANUFACTURING output continued to fall in November despite signs that the sector’s fortunes could be improving.

Orders picked up by more than had been expected from the decade low seen in October, but stayed well below their historical average, the CBI said yesterday in its monthly industrial trends survey.

Britain’s factories have suffered in 2019 as Brexit uncertainty has put off investment and the US-China trade war has dented global demand.

The CBI survey yesterday painted a mixed picture of the sector. Output volumes fell at a similar pace in October, expanding in only five out of 17 sub-sectors. Yet the survey of 307 manufacturers found that total order books improved compared with October.

Anna Leach, CBI deputy chief economist, said: “While the thick fog of uncertainty from a nodal Brexit has lifted somewhat, the manufacturing sector remains under pressure from weak global trade and a subdued domestic economy.”

She added: “Order books remain below average, and output volumes continue to fall.”
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Infrastructure in ‘urgent’ need of green funding

JAMES WARRINGTON @j_a_warrington

THE GLOBAL infrastructure system is in need of an “unprecedented” overhaul if governments are to meet global climate change targets, a new report has warned.

Research by The City UK and Imperial College Business School today revealed that current investment in low-carbon infrastructure is well below the required level.

In the UK, investment in making the energy sector more eco-friendly must double from an average of £10bn to £20bn annually if it is to reach the government’s aim of net-zero carbon emissions by 2050, according to the Committee on Climate Change.

Globally, an additional $1.1 trillion (£851bn) is needed each year from now until 2040 to meet the International Energy Agency’s targets.

The report warned there were a string of significant barriers to increasing green investment from the private sector, including political concerns and poor data.

Government policy and market-driven incentives will be key to removing these barriers, it stated.

“Climate change has risen rapidly up political, regulatory and investor agendas, but persistent barriers are preventing the scale of investment that is so urgently needed,” said Anjalika Bardalai, chief economist and head of research at The City UK.

“Markets have a key role to play in addressing this challenge by financing the unprecedented transformation of the global infrastructure system towards clean, resilient and environmentally sustainable economic growth.”

She added: “Governments, regulators and industry must work together to unlock the huge amounts of money necessary to meet the unparalleled challenge of climate change.”

One of the report’s key recommendations was a new, standardised definition of so-called low-carbon or green infrastructure, alongside better benchmarking and transparency for investors.

Trading giant Robinhood makes its UK debut in Revolut challenge

EMILY NICOLLE @emlyncale

A US FINTECH startup valued at $7.6bn (£5.9bn) has today arrived in the UK, launching its commission-free stock trading service in a challenge to British rivals Freetrade and Revolut.

Robinhood will today roll out the waiting list for its popular app to UK investors, with a formal launch penciled for early next year.

Users will be able to invest in more than 3,500 US-denominated stocks, including Apple, Amazon and Tesla.

Accounts can be opened with a minimum of £1, after which Robinhood will exchange the funds into dollars to begin trading with no execution fees.

The startup gained authorisation from the City watchdog to operate in the UK in August, making Britain its first international location.

Its debut comes as Revolut attempts to trade places with Robinhood, targeting a US launch before the end of the year. The two share a number of investors, including DST Global and Ribbit Capital.

Pub chain Ei Group’s earnings drop ahead of £1.3bn Stonegate buyout

JESS CLARK @jclarkjourno

EI GROUP, the pub operator being bought by Slug and Lettuce owner Stonegate, yesterday reported that earnings dropped this year after the disposal of 354 venues.

Earnings before interest, tax, depreciation and amortisation slumped from £282m to £268m.

The company reported a loss after tax of £209m from a profit of £72m last year, and a basic loss per share of 15.2p. Revenue was up 4.17 per cent from £695m to £724m, in the 12 months to 30 September.

In January Ei Group announced the sale of a large chunk of its 412-strong commercial pub portfolio to Tavern Fcoop, a newly-incorporated private fund owned by Davidson Kempner Capital Management in a deal worth £348m.

The pub operator, which was formerly known as Enterprise Inns, said the money would reduce its debt pile and provide shareholder returns. The sale came ahead of an offer by Stonegate Pubs, which also owns Walkabout and Yates, to buy Ei Group for £1.3bn.

The deal is expected to complete in the first quarter of next year.
Labour tax will hit £80k earners

CATHERINE NEILAN
@CatNeilan

A LABOUR government would raise taxes for nearly 2m people before the end of Jeremy Corbyn’s first full term, according to fiscal watchdog the Institute for Fiscal Studies (IFS).

The party is planning to introduce a new 45 per cent income tax rate for those earning more than £80,000 and 50 per cent on those with incomes of £125,000 or more.

The IFS estimates that would affect 1.6m people from the outset, rising to 1.9m people by 2023/24.

Labour's policy would add further burden to the country’s biggest tax contributors, with the top five per cent of income tax payers currently contributing half of all income tax revenue, up from 43 per cent just before the financial crisis.

But the IFS warned the amount this policy would raise was “highly uncertain”, with estimates ranging from a high of £6bn to an actual cost of around £1bn, if the policy resulted in a flight of capital from the UK.

Lawyers have previously warned that high net worth individuals are poised to shift billions out of the country in the event of a Corbyn government. Shadow chancellor John McDonnell said he has scenario planned for a run on the pound.

Xiaowei Xu, a research economist at IFS and an author of the report, said: “The likely extent of these responses is highly uncertain, though the more Labour reduces the scope to shift income into more lightly taxed forms like capital gains, the more revenue its income tax proposal would be likely to raise.

“It is worth noting that we are already extraordinarily dependent on this small group of individuals for tax payments — they account for half of income tax revenues today.”

Brexit Party probed by watchdog

STEFAN BOSCIA
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THE BREXIT Party is being investigated over concerns it has not properly disclosed people’s personal data, leading to a so-called subject access request. A response must come within a month.

A Brexit Party spokesperson said “there was a co-ordinated attempt to flood [the party] with subject access requests” during the EU election.

It’s fair to say the election hasn’t been box office so far and that seems to be reflected in a new Kantar poll. Forty-five per cent of people planning to vote Tory say the party is “the best of a bad bunch,” while 54 per cent of Labour voters say the same about Jeremy Corbyn’s outfit.

GOOD DAY

Iain Dale asked the question of the election so far, quizzing Lib Dem leader Jo Swinson on a fake news article which went viral last week suggesting she delighted in torturing squirrels. Fair play to Swinson, who confirmed she “likes” both grey and red varieties, and railed against misinformation.

BAD DAY

Leave.EU founder and self-styled bad boy of Brexit Arron Banks had thousands of Twitter direct messages leaked yesterday, in a cyber attack which is being investigated by Avon and Somerset Police. Banks accused the social media giant of taking too long to address the hack. Twitter said it had “taken steps to secure the compromised account.”
Google’s Stadia fails to live up to user expectation

ANNA MENIN
@annafmenin

GOOGLE’s Stadia has been beset by user complaints that streaming delays are affecting services on the tech giant’s new cloud-based gaming platform.

Early adopters have complained about heavy latency – delays between when they press a button and that action being carried out in-game, also known as lag – on the service, launched this week.

Google vice president of engineering Madj Bakar had claimed that games played via Stadia, which allows users to play games without the need for a console, would perform quicker than those run on a console or computer.

The tech giant warned users that Stadia requires a fast broadband or data connection, with some images circulated on social media indicating Google has suggested players should not use their internet connections for other activities while gaming.

One user complained that Google had essentially advised gamers: “Don’t use the internet while using Stadia”, accompanied by a screenshot of a troubleshooting page advising users not to stream other content while gaming.

Google said the firm was working to lower latency on the new platform. “The overall Stadia system design is focused on low latency gameplay,” said a spokesperson. “We achieve this through the overall architecture and detailed design of the Cloud, endpoints, and input devices like the Stadia controller.”

They added that Google was “optimistic about continued work around minimising lag concerns even further... We are working on lowering the end-to-end latency with our scaled deployment.”

London-listed Asos delivery firm in talks for £300m go-private bid

JAMES WARRINGTON
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THE FOUNDER of Clipper Logistics, which provides delivery services for online retailers such as Asos and John Lewis, is said to be preparing a £300m bid to take the company private.

Steve Parkin, who founded Clipper in 1992, has approached fellow board members about the proposed takeover, Sky News reported.

Parkin is said to have teamed up with US private equity firm Sun Capital Partners for the bid, which comes five years after Clipper’s London initial public offering.

The Leeds-based firm specialises in handling online orders and returns for retail customers including Asda, Marks & Spencer and Wilko.

Parkin, the firm’s executive chairman, holds roughly a third of its shares. With the support of allies, he is understood to count roughly 40 per cent of the company’s stock in favour of his takeover.

Clipper is expected to release a statement to the London Stock Exchange today confirming the offer.

New York state attorney general set to investigate former Wework boss

ANNA MENIN
@annafmenin

EMBATTLED office space firm Wework and its founder are said to be under investigation by the New York state attorney general’s office (NYAG).

NYAG is making inquiries into whether Wework founder and former chief executive Adam Neumann indulged in self-dealing to enrich himself, among other matters.

Self-dealing is when a person with fiduciary responsibility for a company behaves in a manner that takes advantage of their position and acts in their own interests, rather than in the best interest of their clients or shareholders.

Neumann was ousted as head of Wework last month in a deal netting him $1.7bn (£1.3bn) from rescuing investor SoftBank.

While at the firm Neumann borrowed against his own stake in Wework, and had also revealed plans to charge parent the We Company $6m to use the trademark “We”.

A Wework spokesperson yesterday confirmed it had been contacted by the office of the NYAG, following reports by Reuters.

“We received an inquiry from the office of the New York state attorney general and are cooperating in the matter,” the spokesperson said.

FINTECH startup Snoop, launched by ex-Virgin Money boss Dame Jayne-Anne Gadhia, was given approval yesterday by the UK’s financial watchdog to become an information service provider for financial data, a key step in the company’s ambitions. Snoop is an app that pledges to use consumer’s financial information to deliver “personalised insights to help consumers avoid rip-offs and make the most of their money” automatically transferring them to better deals when they become available.
**EasyJet takes off with its net-zero emissions plan**

ALEX DANIEL  
@alexmdaniel

EASYJET yesterday became the world’s first major carrier to offset all carbon emissions from its flights, as airlines come under mounting pressure to cut their environmental impact.

The budget carrier said the measure, which involves stopping deforestation in South America, installing solar panels in India and reducing wood-burning water sanitation in Uganda, would cost around £25m a year until 2022.

Chief executive Johan Lundgren said the firm would shoulder the cost, rather than the passenger, because it is “the right thing to do”.

The promise came as the airline reported a 26 per cent fall in profit to £4.27bn over the last year, which was at the upper end of expectations.

Lundgren added: “We recognise that offsetting is only an interim measure, but we want to take action on our carbon emissions now.”

Lundgren said that although Easyjet could benefit commercially from its flights being less detrimental to the environment than others, this was not the reason for the decision.

“Customers increasingly expect companies to do something about [climate change]. But fundamentally, it’s just the right thing to do,” he said.

Commercial flights make up about two per cent of global emissions.

Shares rose 5.3 per cent to 1.344.5p.

**LYGSKAM, or “flight shame” is a movement that, until this year, few had heard of. Originating in Sweden, it describes the guilt felt by jet passengers for travelling by air and therefore contributing to the growing emissions of the aviation industry. But thanks to 16-year-old activist Greta Thunberg publicly chiding politicians on both sides of the Atlantic, it has caught on. On the face of it, this is not a positive trend for airline bosses. But yesterday, Easyjet became the first major airline to go net zero across its whole network of flights. — from today,”**

**bottom line**

**so good. But Lundgren is right to admit that carbon offsetting is only an “interim measure”. Flying remains miles behind other modes of transport on, for instance, electric power, which most experts agree will have little impact on the mass aviation market within the next two decades. Meanwhile, air travel continues to grow, with airline emissions jumping 26 per cent between 2013 and 2018, and passenger numbers to double by 2037. Easyjet’s quick reaction to calm consumers’ concerns by auto-offsetting their flights is a good way to ease the flygskam of its passengers, but there is a long way to go.**

ALEX DANIEL

**US FAA could overhaul its aircraft certification plan**

ALEX DANIEL  
@alexmdaniel

THE US aviation regulator, the Federal Aviation Administration, is considering plans to overhaul its certification process for aircraft.

The FAA’s administrator Stephen Dickson told the Wall Street Journal yesterday the regulator could become more closely involved in the design of the aircraft.

It comes after two Boeing 737 Max jets crashed, killing 346 people, in two incidents widely linked to the plane’s anti-stall feature.

The FAA has sustained heavy criticism for failing to test the feature properly, instead outsourcing large parts of the testing process to the manufacturer.

Dickson has been in charge of the FAA since August.
Equiniti shares suffer after 2019 guidance drops

EDWARD THICKNESSE
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SHARES in British-based financial services firm Equiniti fell over 13 per cent yesterday after it announced that its full-year earnings would be towards the lower end of market expectations.

In a trading update, the company said earnings for the year were estimated at between £336m and £342m, due to weaker higher margin UK corporate activity. The company also said that its expectations for revenue would be at the upper end of its guidance of £550m to £567m.

Despite the change in guidance, Equiniti said that the company’s performance had been reassuring. Client retention remained strong across the group, and it had secured new customers across all of its divisions.

Equiniti’s investment solutions division has continued to take market share, with new wins including Marshall and Vitec Group. Growth in the intelligence solutions business was driven by a combination of remediation services and software sales.

The company added that there would be no more non-operating charges in the second half of the year. In a statement the company said: “Whilst we expect the uncertainty in the macro environment to continue, Equiniti remains well positioned.” Shares fell 11.4 per cent to 196.3p.

Nostrum blames challenging year for oil prices as revenue falls 20 per cent

EDWARD THICKNESSE
@edthicknesse

NOSTRUM, which focuses on oil and gas production in the Caspian basin, blamed a “very challenging” year as revenue dropped 20 per cent.

Revenue for the first nine months of this year was £250.3m (£193.5m) in 2019, down from £311.4m in the same period last year. The company added that there were no non-operating charges in the second half of the year.

Initial testing of well 361 in the Vorobyovsky reservoir failed to show any commercial flow of oil, while extensive testing of well 41 in the Frasnian reservoir has likewise been unable to sustain a commercial flow. Nostrum said it did not expect any production from the well in 2019, but was considering whether it could take any other approach to production at the reservoir.

Alpine resorts are in hot demand after interest cuts by Switzerland’s National Bank

SEBASTIAN McCARTHY
@SebMcCarthy

SWITZERLAND’s ultra-wealthy are snapping up ski chalets as a way of protecting their money against a backdrop of negative interest rates.

As the skiing season draws near, rich Swiss residents are turning to Alpine resorts to store their capital rather than letting it depreciate in the bank. Questions have been mounting over Switzerland’s monetary policy experiment, which began five years ago when the National Bank took interest rates into negative territory.

The move, aimed at preventing their currency from appreciating too much, has seen high net worth individuals flock to property as a safe haven for their capital.

WINDS OF CHANGE

Renewables are set to provide half of UK’s electricity by 2025

The UK will have the highest renewables share of any European market excluding hydro by 2025, according to a new report from Moody’s. It said the combination of falling wind power prices and the decline of coal generation were responsible.

Google claims 2020 DfT data cloud contract

STEFAN BOSCIA

THE DEPARTMENT for Transport (DfT) has awarded a major contract to Google, after previous criticism that Whitehall relies too much on Amazon Web Services (AWS).

The DfT has awarded the search giant a contract to become its data cloud provider from 2020. Google Cloud will set up and manage the department’s data management system to ensure it becomes a so-called cloud-first organisation by June next year.

It comes after recent criticism that government departments rely too heavily on Amazon to provide digital services. This has been touted by some as a potential security risk.

The announcement to award the DfT contract to Google Cloud was two years in the making, according to DfT chief investment officer Mark Lyons.

“Capabilities the platform offers are helping us to utilise data better to support decision-making, policy making, reporting and governance, as well as provide new digital services to engage with citizens on transport related initiatives,” he said.

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BIG YELLOW’s profit rises 50 per cent

ANNA MENIN
@annamenn

BIG YELLOW’s pre-tax profit jumped over 50 per cent in the first half thanks to a higher revaluation gain, as the self storage firm reported increased revenue despite the “less than helpful” economic and political environment.

For the six months ending 30 September Big Yellow’s profit before tax increased 56 per cent to £95.8m, up from £61.4m a year earlier.

The group reported a 3.4 per cent increase in revenue to £64.3m, with a 4.2 per cent increase in like-for-like revenue, which Big Yellow said was driven by a growth in average occupancy and rate.

The self storage firm reported basic earnings per share of 57.6p for the first half, a 48 per cent increase on last year, and announced an interim dividend per share of 17.1p.

“I am very proud to present another set of positive results, following an extremely busy year for the group, with both top line revenue and profit growing and the successful completion of our first major acquisition,” said chief executive Nicholas Vetch.

Big Yellow is focusing on expanding its existing base of 75 stores, and the acquisition of development sites in Slough, Hayes and Harrow takes its pipeline to 13 sites.

Yesterday’s results were boosted by a strong revaluation surplus for open stores during the period, which hit £55.7m. It also reported a revaluation uplift of £5.2m on investment property under construction.

Shares fell 3.8 per cent to 1,147p despite the announcements.

Audio firm Focusrite records strong annual growth but warns on future

JAMES WARRINGTON
@j_a_warrington

SHARES in audio equipment firm Focusrite dropped almost eight per cent yesterday as it warned of a more subdued first quarter of trading following a bumper year of growth.

The Aim-listed company posted revenue of £84.7m for the 12 months to the end of August, up almost 13 per cent on last year, while pre-tax profit rose from £11.7m to £13m.

Focusrite, which acquired German studio monitor firm Adam Audio for €18m (£15.4m) in July, hiked its dividend more than 15 per cent from 3.1p to 3.8p.

“Once again we have demonstrated our ability to deliver strong growth in revenue, cash flow and profit,” said chief executive Tim Carroll.

Focusrite said its more cautious outlook came as a result of tough comparative figures last year, when it lifted prices in response to an increase in US import tariffs.

The firm benefited from people starting their own low-budget audio projects

Storage firm Big Yellow’s profit rises 50 per cent

Audio firm Focusrite records strong annual growth but warns on future

 Talks continue between RMT and South Western over strike action

ALEX DANIEL
@alexmdaniel

CRUNCH negotiations between RMT union and South Western Railway took place yesterday, in a bid to avert 27 days of strikes over the Christmas period.

Union bosses and the rail franchise are still clashing over a dispute involving the role of guards on trains. Drivers and guards will strike from 2 December until the New Year, only stopping for a brief period around the General Election on 12 December and for Christmas Day and Boxing Day, when trains do not run anyway.

Downing Street has called the action “unacceptable”. Negotiations are taking place under the watchful eye of Acas, the conciliation service, in a bid to find an agreement. The union has said every train needs a guard as well as a driver, but South Western has refused to give it assurances that this will be the case in coming years.

Mick Cash, the RMT’s general secretary, said: “We enter into these talks in good faith as always.”
MOTHERCARE has revealed that it’s going into administration, 58 years after it was founded, following unsuccessful efforts to find a buyer. Around 2,500 UK jobs are now on the line. The company’s future was already in doubt, having recently admitted that in-store sales were down 23.2 per cent and online sales down 12.1 per cent. YouGov data shows consumer perception of the brand has been dominated by negative headlines since the beginning of month. Buzz scores (a net measure of whether consumers have heard anything positive or negative about the brand in the last fortnight) have fallen from an already low plus 0.7 on 1 November to minus 16.4. Similarly, impression scores (whether someone has a positive or negative impression of a brand) also fell 6.1 points from plus 13.3 to plus 7.2.

Retail analysts have linked Mothercare’s issues to the rise in competition from supermarkets, fast fashion brands and the internet. Mothercare isn’t the only high street retailer aimed at new parents to have suffered recently — nursery brand Mamas & Papas also called in administrators this month. This does suggest that competition is being felt across the industry from those who can provide goods quickly, en masse and delivered to the home.

Brits who are expecting a baby are 12 per cent more likely to think that online shopping makes their life easier than the rest of the population (78 per cent versus 66 per cent). Low prices aren’t the biggest pull factor for expectant parents — 38 per cent shop online because they’re using online exclusives and special offers, while 16 per cent do so because they’re purchasing through adverts.

Almost three-quarters (72 per cent) of Brits with children aged eight and under — the age bracket Mothercare caters for — have a positive impression of the brand. But that was not enough to keep the business going if it didn’t cater to the shopping habits of its core customers.

Stephan Shakespeare is chief executive of YouGov

Stephan Shakespeare

CONSUMER PERCEPTION OF MOTHERCARE DOMINATED BY NEGATIVE NEWS

Source: YouGov BrandIndex

Winter forecast: very cool

Inspired by the chic diving watches of the 1960s, the C65 Trident Automatic is the perfect fusion of retro design and cutting-edge watchmaking. And thanks to its Swiss mechanical movement, it’ll keep perfect time, whether you’re swimming under the winter sun or battling the British weather. Do your research.

Christopher Ward
christopherward.co.uk

OK BOOMER Fox applies for trademark on viral slogan for new reality TV show name

FOX has become the latest firm to attempt to trademark the phrase “OK, Boomer” — a way of mocking older generations for being out of touch. The slogan has gone viral in recent weeks, even being used by New Zealand MP Chloe Swarbrick in parliament.

UK retail giants shutter almost 6,000 branches

JESS CLARK
@jclarkjourno

MAJOR UK high street chains have closed almost 6,000 stores so far this year as the retail industry continues to struggle with high rents, business rates and slumping sales. Retailers with 10 or more stores have shuttered 5,834 branches between 1 January and 30 September, an increase of 77 per cent on last year. During the period, 333 shops were closed using company voluntary arrangements (CVAs), a controversial restructuring process that allows retailers to shut shops and seek rent cuts. In total 708 stores were closed due to administration, and 4,793 were shut down as part of cost-cutting programmes, according to reports, citing research by the Centre for Retail Research. Jack Wills, Patisserie Valerie and Karen Millen are among the well-known high street retailers to shutter stores so far this year.

Mothercare recently announced all of its 79 UK stores will close, putting thousands of jobs at risk, after deciding its UK retail arm was not profitable. A second parent and baby retailer, Mamas & Papas, closed six stores through a pre-pack administration deal just days later, while card retailer Clintons is preparing to ask landlords to vote on its CVA plans.

Retailers have cited business rates as a key issue in the upcoming election, and called on the next government to do more to help the struggling UK high street. Last month the Federation of Small Businesses (FSB) urged the chancellor to change the rules on business rates. The FSB said small retailers whose rateable property value is under £51,000 should be allowed to claim up to 50 per cent off their rates bills.
Homeserve hits higher revenue amid expansion

It saw strong profit growth in the US, where customer numbers have hit 4.2m, as well as the UK, where operating profit rose 38 per cent to £14m, over its half-year.

Richard Harpin, founder and group chief executive, said: “I am very pleased with our financial performance and strategic progress in the first half of this year.” He added that the eLocal stake gave Homeserve a “profitable entry into North America.”

Shares rose 4.8 per cent to 1,255p.

The ongoing trade war between the US and China has stalled global markets

US-China trade war uncertainty takes toll on LED maker Dialight

SHARES in Dialight, the UK’s leading LED maker, crashed yesterday as the firm warned that full-year profit will be hit by the ongoing US-China trade war turmoil. The LED lighting group’s share price plummeted 19.4 per cent to 243p yesterday after it said signs of recovery have been hampered by a slowdown in global markets.

Citing a weak October and difficulty over predicting the timing of orders, the firm expects earnings before interest and tax to be in the range of £5m to £8m. In July the group issued a profit warning and announced the departure of its boss.

243p yesterday after it said signs of recovery have been hampered by a slowdown in global markets.

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Homeserve cited a strong performance in its membership businesses, such as heating, ventilation and air conditioning services.

AMBIHNI AISHWARYA

MICROSOFT yesterday said its workplace messaging app, Teams, has more than 20m daily active users, up from 13m users in July. The software maker offers the app as a free add-on platform to its Office 365 users. Through Teams, users can start a chat, share files, make calls and hold web conferences.

Microsoft Teams, used by companies like General Electric and SAP, competes with popular messaging rival Slack.

Slack, whose customers include Electronic Arts and Nordstrom, reported over 10m active users in the second quarter ended 31 July. Shares in Slack closed down 8.4 per cent following the news. The firm’s stock has dropped roughly 45 per cent since its opening day of trading in June.

“Slack continues to see unmatched engagement on our platform with 5bn weekly actions, including 1bn mobile actions,” a Slack spokesperson told CNBC.

Microsoft Teams also competes with Workplace by Facebook and Cisco’s Webex Teams in a market that continues to crowd.

SEBASTIAN MCCRATHY

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LOOK SHARP Tailoring giant Moss Bros recruits former Ted Baker finance chief

SUIT retailer Moss Bros has appointed former Ted Baker interim chief financial officer Bill Adams as its new finance chief. Adams, who previously held positions at Argos and Homebase, will join the company in February next year.

London urged to become ‘more open’ through local authorities

STEVEN BOSCA
@Stefan_Bosca

LOCAL authorities should take more control of privately-owned public spaces to make them more accessible, according to a new report.

Centre for London, a think tank dedicated to improving the capital, has today released a study into the management of public spaces throughout the city.

The study — commissioned by mayor of London Sadiq Khan — outlined 10 case studies of privately-owned public spaces, including the Square Mile’s Paternoster Square at St Paul’s Cathedral that the rest of London should look towards.

It suggested local authorities need to have more powers to make these spaces “open, permissive and welcoming” to all by easing restrictions.

It also recommended having less security and policing in some of these squares to encourage their usage by a wider cross-section of the public.

Centre for London research manager Nicolas Bosetti said “tensions have grown” over the regulation of London’s public spaces.

“Successive mayors of London have sought to set out baseline principles for the public realm — covering both privately and publicly-owned spaces from streets to parklands — but these must go further,” he said.

The new report fits in with Khan’s Good Growth by Design programme, which aims to make London a “more inclusive” city by appointing diverse architects for projects in the capital.

Virgin Media website crashes as provider denies broadband cut

JOE CURTIS
@joe_r_curtis

Virgin Media broadband customers complained after being left without internet yesterday, but the company denied it suffered a major outage.

Virgin Media’s status checker, which allows users to check the level of service in their local area, was inaccessible, with the company saying it was undertaking “essential work on our systems”.

Hundreds of customers complained about the issues, with 75 per cent reporting problems with their Wi-Fi and 19 per cent citing issues connecting on their mobile phones, according to Down Detector, a site that tracks social media complaints about outages.

Lib Dem pledges Oyster donation

STEVEN BOSCA
@Stefan_Bosca

THE £40m left unused on London’s Oyster cards should be given to the homeless, the Liberal Democrats’ 2020 mayoral election candidate urged yesterday.

Siobhan Benita, a civil servant running for London mayor, said the money would be donated to homeless shelters if she is elected.

Getting an entire investment management industry to agree on a framework to help navigate the complex world of responsible investment is no easy task.

But after talks with more than 40 firms, the Investment Association (IA) had a go and launched various definitions on Monday.

So does it make things any clearer and, importantly when talking about ethical investing, is it sustainable?

Moira O’Neill, ii’s head of personal finance, believes it falls short. She says: “It’s never easy reaching a common consensus, least of all when it comes to ethical investment, so this is an important milestone. But while there have been a few steps forward, there have also been some steps back.

“We welcome the principle of having three components to the responsible investment framework but the new common language being spoken has evolved little from where we are today. Many investors will be unable to speak it. Words like ‘positive tilt’, ‘sustainability themed’, ‘private impact investing’, ‘SDG Funds’ and ‘norms’ are classic ethical alphabet soup – albeit sustainably sourced.

“Let’s work towards a personal finance product, or to adopt any investment manager’s ethical stock. Plus, it does not address the problem of the huge subjectivity that surrounds ethical investing.

“One of the big problems that affects all attempts to identify ethical funds into broad generic categories is that they cannot differentiate between shades of green within individual groupings. For example, having an ‘exclusions’ category is obvious and fairly common across the industry. However, it doesn’t discriminate between those funds that screen out two thirds of sectors and stocks, versus those that have a more nominal approach and screen out less than 5% of investments.”

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"It’s never easy reaching a common consensus, least of all when it comes to ethical investment."
FTSE continues three-day rise on China hopes

LONDON: FTSE 100 shed most of its earlier gains but still managed to close higher yesterday, as sentiment was supported by a surge in safety equipment maker Halma and hopes of more stimulus from economic powerhouse China.

Consuming optimism after polls showed Conservatives in the lead ahead of December’s snap election helped domestic stocks outperform. The FTSE 250, which jumped 3 per cent earlier, ended with a 0.4 per cent gain, still hovering around a 14-month high.

Markets are viewing a Conservative victory as a positive on hopes that Prime Minister Boris Johnson, with a majority in parliament, will be able to reduce uncertainty by delivering Brexit on or before the 31 January deadline.

The blue-chip index added 0.2 per cent thanks in part to Halma, which climbed 8.5 per cent after an upbeat half-year report. Rival Intertek also advanced 3.7 per cent.

Asian-focused banks HSBC and Prudential also boosted the blue-chip bourse after China’s surprise lending rate cut spurred bets that more fiscal easing would follow. On the Sino-US trade front, a CNBC report on Monday termed Beijing’s mood about a deal as “pessimistic”. This was followed by Washington granting a 90-day extension allowing US firms to continue doing business with China’s Huawei.

With a plethora of conflicting headlines on where talks stand and how much progress has been made, traders are still awaiting concrete details before making further bets. Among mid-caps, Puretech Health led gains as it soared 16.3 per cent, a day after a schizophrenia drug from its affiliate Karuna Therapeutics met the main goal in mid-stage trial. That was complemented by a 5.3 per cent rise in budget airline Easyjet after it posted annual profit toward the top end of its expectations. The carrier also announced its intention to operate net-zero carbon flights.

Outsourcing firm Equiniti booked its worst day on record after a profit warning and tumbled 13 per cent.

**BEST OF THE BROKERS**

KELLER

Specialist geotechnical contractor Keller updated the market on its trading for the period ended 31 October yesterday — and there were no surprises. The firm said that as anticipated, trading in North America had seen increased momentum in the important fourth quarter. Peel Hunt analysts said: “The 10-month trading update from Keller mostly reassured with only minor tweaks to forecasts from the inevitable spread of end market performances.” They upgraded it to a “buy” rating and a target price of 700p.

MORGAN SINDALL

Construction and infrastructure company Morgan Sindall has been appointed to a project with an estimated gross development value of £660m. It comes after it last week upgraded its full year performance guidance in a trading update, sending its shares up around 3.5 per cent on the news. Liberum analysts said this was set to continue rising, giving it a 1,350p target price and a “buy” rating. They said: “Yesterday’s senior management forum further highlighted management’s focus on contract selectivity, rather than growth at the expense of margins.”

PREMIER MITON

Premier Miton launched last week, as the merger between two fund houses completed. The entity manages £11bn assets under management and would have been the fifth largest net seller of retail funds in the UK market in 2018. Liberum analysts said: “The Milon merger has multiple benefits, it creates a larger group that as anticipated, trading in North America had seen increased momentum in the important fourth quarter. Peel Hunt analysts said: “The 10-month trading update from Keller mostly reassured with only minor tweaks to forecasts from the inevitable spread of end market performances.” They upgraded it to a “buy” rating and a target price of 700p.”

**TOP RISERS**

1. Halma  Up 8.45 per cent
2. Intertek  Up 3.69 per cent
3. NMC Health  Up 3.59 per cent

**TOP FALLERS**

1. Ferguson  Down 2.12 per cent
2. SSE  Down 1.53 per cent
3. Persimmon  Down 1.51 per cent

**TOP RISERS**

1. Keller  Up 604.68 per cent
2. Morgan Sindall  Up 1,378.31 per cent
3. Premier Miton  Up 1,360.00 per cent

**TOP FALLERS**

1. Keller  Down 1,029.48 per cent
2. Morgan Sindall  Down 2,131.96 per cent
3. Premier Miton  Down 1,950.00 per cent

**CITY MOVES**

WHO’S SWITCHING JOBS

**ALLSOP**

Leading property consultancy Allsop has appointed Jamie Hopkins to its board as non-executive director. Jamie is the former chief executive officer of Workplace, a leading provider of business space, having served in the role since 2012. Scott Tyler, senior partner at Allsop, said: “We are delighted to welcome Jamie to our board. His significant experience of running a FTSE 250 company will bring diversity of thought, while his excellent understanding of business and the property sector will be hugely beneficial to us and our future growth.” Jamie commented on his new appointment, saying: “Allsop is a renowned market leading property consultancy with an exceptional track record. I’m looking forward to helping the management team develop its growth plan and continue its success in the sector.”

**BAKER MCKENZIE**

Leading global law firm Baker McKenzie has announced that Alex Chadwick has been re-appointed managing partner of the London office for a second term. The term is for three years, effective from 1 January 2020. Alex, a tax partner, joined Baker McKenzie as a trainee in 1990 and made partner in 1999. He headed the firm’s tax practice group in London and was on Baker McKenzie’s Europe tax transactions steering committee, before being appointed London managing partner in 2016. Over the past three years under Alex’s leadership as managing partner the London office has seen a period of significant growth, including a 40 per cent increase in London revenues. Commenting on his re-appointment Alex said: “I am very honoured to be elected managing partner of Baker McKenzie in London once more. I am grateful to have an opportunity to build on the progress we have achieved so far and to continue expanding Baker McKenzie’s presence in London, as the City remains a vitally important financial centre for the firm.”

**SAGA**

Saga, the UK’s specialist in products and services for people aged 50 and over, has announced the appointment of Cheryl Agius as chief executive officer (CEO) of insurance. Cheryl will lead all aspects of the insurance business and will be responsible for insurance strategy. Cheryl joins from Legal & General with over 25 years experience in retirement, investment and pensions, where she was most recently CEO of its general insurance business. Before Legal & General, Cheryl held roles with Aviva, Lloyds TSB and Towers Watson. Cheryl commented on her new role: “I am delighted to be joining Saga to lead the next phase of growth. Saga has a great brand and has demonstrated market leading innovation.”

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Don’t get carried away by the lurid Russia report rumbles

By Alan Mendoza

We know what the Kremlin would rather us do — let’s not give Mr Putin that satisfaction

As with many good conspiracies, the building blocks for these wild conclusions have been laid in the past. A number of individuals of Russian origin have made donations to Brexit campaigns, some of these have all being legal and public, and those concerns include prominent critics of the Kremlin as well as those who might have more friendly links. We also already know that Russian disinformation and fake news, particularly through social media, has been a feature of elections in a number of western countries in recent years, most notably the US, as demonstrated through the Mueller report’s findings.

But investigations by companies like Facebook have shown that Russian action in the UK has had limited impact. The Kremlin certainly has an interest in trying to sow dissent within western societies, but the concentration of Russia’s fake news efforts has been less successful than it would have us believe.

None of this is to say that the report will not prove to be of great interest. But seasoned observers of Russian behaviour are aware that it is highly unlikely to contain anything genuinely revelatory. Russian influence, as it is so fondly now given in our public life, is a way and means that Russia and its intelligence services, as are the ways that these can be combated. The general public may learn a little more specific, but we are already well aware that what may appear innocuous social media accounts can be part of a Russian bot factory.

The unmitigated truth is less that the report contains any particular criticism of our current government, and more about the actions of President Trump. The witnesses was Christopher Steele, the former British intelligence officer who authored the original dossier alleging Russian kompromat on the US President. We shall, of course, look forward to seeing the evidence.

One aspect of the current witch-hunt does, however, particularly concern us. The loudest criticism of all has come from the Labour Party. But if there was ever to be a dream result for the Russians from a British electoral perspective, it would surely be the elevation to Prime Minister of Jeremy Corbyn. Corbyn, let us not forget, spent much of his political career prior to the end of the Cold War blaming the west for having created the imperialist and militarist conditions for conflict. His friendships over the years with a variety of terrorist groups engaged in the destabilization of democracies, ranging from the IRA to Hamas and Hezbollah, have been well documented.

He has been a lifelong supporter of nuclear disarmament and voted against renewing the Trident nuclear deterrent in 2016. He has stated that he would not use Trident should the UK be attacked.

Perhaps most damning of all, when a Novichok nerve-agent was used in the Salisbury poisonings of Sergei and Yulia Skripal, it was Corbyn who trod a lonely path demanding more evidence before he could reach a definitive conclusion about the culpability of the Putin regime, to the disgust of many of his Labour colleagues.

In the league table of Putin-friendly administrations, the Kremlin can hope for little better than having a long-term Russian appeaser in charge of UK foreign policy.

The reality is that those of us truly concerned about Russian influence in the UK have all the tools at our disposal to fight against it. It would be far better to spend time and political capital pushing for measures like restricting the flow of Russian dirty money to the City of London and beefing up the powers of the Investigatory Powers Act, rather than arguing over a sideshow like the ISC report.

We know what the Kremlin would rather us do. Let’s not give Mr Putin that satisfaction.

Alan Mendoza is executive director of the Henry Jackson Society, whose expressed is his personally.

Celebrating Germany’s recession dozen? The data isn’t quite as solid as you think

By Paul Ormerod

As a rule of thumb, quarterly GDP changes of this magnitude are unlikely unless the economy shrinks compared to the same quarter in the previous year. For example, 2008, American GDP was initially estimated to have fallen by 6.4 per cent at an annual rate. As more information came to light, over a period of years, the figure is now believed to be a drop of 8.2 per cent.

The data isn’t quite as solid as you think too. Whether an individual estimate is revised to plus 0.1 or minus 0.1. These revisions are inevitable given the assumptions — many of them arbitrary — that have to be made and the data collection limitations. How do we measure the output of the armed forces, for example, or civil servants? There is no truth in why these outputs are sold which might give us some clue. The answers are provided by a set of conventions.

Economic statistics therefore paint a broad picture and do not have the precision with which the media has come to treat them. In the case of these particular GDP growth of 0.5 per cent or above is a sign of a healthy economy. The German data shows that, in terms of the big picture, the economy is currently struggling, regardless of whether an individual estimate is plus 0.1 or minus 0.1.

Paul Ormerod is an economist at Volterra Partners LLP, a visiting professor in the Department of Computer Science at UCL, and author of Against the Grain: Insights of an Economic Contrarian.
The Conservatives’ U-turn on corporate tax rates is a mistake

Ben Ramanauskas

VERUS business narrative — time and time again, the academic research has shown that the burden of corporation tax is borne by workers themselves, as it effectively lowers wages.

It is therefore disappointing that the Conservatives have jettisoned plans to reduce the rate. However, it’s not the end of the world, as long as it leads to a broader rethink about the best way to tax businesses and spur investment.

When the Conservatives started cutting the headline corporation tax rate in 2011, they also made changes to how capital expenditures were treated. The government reduced the value of depreciation deductions for investments in machines and industrial buildings, effectively increasing the effective marginal tax rate on new investment. This meant that many of the economic benefits of the supposed tax cut were not even realised.

If Boris wants to keep the good press he’s received this week about cancelling this tax cut, he should consider reversing these changes, along with making the Annual Investment Allowance — a tax break for business investment — unlimited.

Increased investment will improve our sluggish productivity and ultimately lead to higher economic growth and a better standard of living for everyone — all while enabling the Prime Minister to avoid accusations from Labour that he’s cutting tax for “wealthy businesses”.

Big businesses may be easy targets for politicians, but heed the warnings of Milton Friedman.

Childcare policy centres around three oft-conflicting objectives: educational outcomes, parental employment, and affordability. With good intentions, the government has introduced rules that have restricted supply, such as strict teacher-child ratios, while subsidising demand through the 30 “free” hours.

The government already spends £7bn a year subsidising childcare, while parents still pay on average three times those in France or Germany. Expanding “free” provision to two years old, as the Tories and others are considering, risks further constraining the market, driving costs up and providers out.

In the year after the subsidy was introduced, nursery closures soared by 153 per cent. Evidence suggests that the state pays below market rate, so more subsidies will either put nurseries under further pressure, ultimately leading to closures, or else require more funding. If it’s the latter, we could witness greater state involvement in exactly how children are cared for, reducing parental choice, and limiting what little innovation still exists in the sector.

I am answering “yes” to this question — I would first reframe it as greater government investment, not a subsidy. While childcare is traditionally framed as a cost, raising the next generation is a crucial investment in our future. It is also an equality issue: childcare is part of the social infrastructure that women rely on more than men, and women are more likely to perform unpaid childcare when the state falls short.

The cost of childcare in the UK is among the most expensive in the world. It is impossible for many parents to make work pay, particularly in the capital — maternal employment rates in London are eight per cent lower than elsewhere in the country as a result.

While other parties have made their own pledges to increase childcare provision, the Women’s Equality Party calls for an investment of 40 hours a week, 48 weeks a year, from when children are nine months old. This flexibility would transform women’s lives, and help close the maternal employment gap, adding £21.5bn to London’s economy alone by 2025.
Katherine Denham finds out why take-up of shared parental leave is so dismally low

When the government introduced shared parental leave back in 2015, the idea was to encourage more fathers to stay at home to care for their young children, so that new mothers could go back to work if they wanted to. It was hoped that this in turn would go some way to closing the gender pay gap. And yet, take-up of this policy has been dismally low. According to analytics from the University of Birmingham, only 10,700 new parents took shared parental leave in the 2018-19 financial year. That’s a slight increase from 9,200 new parents in 2017-18, but it still represents just one per cent of those who are eligible.

So what’s the solution? While enhanced maternity pay is the norm across many businesses, enhanced shared parental pay is not. Therefore, equalising enhanced paternity pay with enhanced maternity pay is key to increasing uptake of shared parental leave.

O’Connor says the “holy grail” would be if the mother and father both have six months fully paid parental leave that they can take at any point in the first year of their child’s life, which means that their joint income would remain the same.

Some businesses are starting to take note. Indeed, last month, asset management giant Standard Life Aberdeen announced that it had introduced a policy to allow new parents 40 weeks of full paid leave, regardless of gender. Other big brands to have launched similar benefits to staff include Vodafone, Aviva, Goldman Sachs, and Diageo.

Meanwhile, a survey from XperifR found that more than 20.5 per cent of private sector companies offer shared parental pay that is in line with enhanced maternity pay. But for some businesses, particularly smaller companies, the cost of offering enhanced paternity pay to their employees would be prohibitive, given that often a temporary staff member must be hired as cover, and there are concerns that employers would have to reduce maternity pay in order to balance it out.

“This would be seen as a backward step, as maternity pay is a hard-won women’s right, essentially, that covers the often greater physical and emotional burden of having a new baby,” warns O’Connor.

It’s a delicate balance to get right. But finding a way to even out the current allowances, without having a detrimental impact on what already exists, needs attention if we are to level the playing field between men and women. A government consultation on parental leave and pay closes on 29 November.

“Despite the UK having a world-leading maternity leave offer, it remains stubbornly below the current OECD average in terms of dedicated parental leave,” says Marc Waters, managing director of Hewlett Packard Enterprise UK, Ireland & MEA. Indeed, he points out that the two-week paternal leave that is freely afforded in many other developed economies.

Shared parental leave is a well-meaning policy, but now we must make sure that it lives up to its potential.
10 Ways to Generate Income in Retirement

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Gobble gobble! It’s me, the City A.M. turkey, back with my annual review of the nicest and naughtiest Christmas sandwiches around!

**THE TWELVE SANDWICHES OF CHRISTMAS**

- **FESTIVE BAKE**
  - **GREGGS, £3.55**
  - Greggs – the City A.M. innovator of the year – has availed itself wonderfully throughout 2019, with the vegan sausage roll proving to be a huge boon for the company and for veganism as a whole. But this is a lacklustre addition to its festive roster, too flabby and soggy, its filling an indistinct mulch. Avoid.

- **TURKEY, ROAST IN A YORKSHIRE PUDDING**
  - **EAT, £4.99**
  - The greatest divider in the UK since Brexit, the addition of yorkshire pudding to a Christmas dinner has torn families apart. But, in this case, at least, we can wholeheartedly recommend the yorkshire pudd, which is used as a wrap for the usual stuffing and turkey.

- **FESTIVE VEGGIES UNDER VESTS (V)**
  - **COSTA, £2.80**
  - Less “crumbled” falafel and more “minced into a fine powder” falafel, Costa’s sandwich could sap the moisture out of you just by glancing at it. Vegan mayo and cranberry sauce rescue it from unpleasantness, but the reliance on grilled carrot for some crunch leaves you with a rather dull salad sandwich.

- **ALL ABOUT THE SPROUT (V)**
  - **PAUL, £4.25**
  - This controversial Brussels sprout sandwich divided opinion at City A.M., with one camp firmly anti-sprout and the other declaring their undying devotion to this tiny, iron-rich treat. Paul avoids the trap of slathering its sandwich in cranberry sauce, instead baking the cranberries right into the bread itself, an innovative approach that gives it the condiment-headroom required to brighten up this leafy, crunchy roll with orange jam and Old English chutney instead. The only downside? It could do with more sprouts.

- **TURKEY & PIGS IN BLANKETS**
  - **M&S, £3.90**
  - M&S can usually be relied upon to provide a certain level of quality and it represents itself well here, with a sandwich we’d describe as “neat”. You can taste all the individual ingredients and it holds together remarkably well.

- **FESTIVE FEAST**
  - **PURE, £4.25**
  - There are some decent flavours in here – the red cabbage is a nice touch – but unfortunately it all coagulates into a single damp mass, a paste made up of barely recognisable traces of animal and vegetable (and mineral?). The bread is a plus though, a rare show of faith in a good bit of dough, which, lest we forget, is a vital part of a festive sandwich. Remember: Christmas isn’t just for turkey.

- **TURKEY BACON CRANBERRY BLOOMER**
  - **BENUGO, £3.95**
  - Benugo has finished top of the City A.M. annual rankings on more than one occasion and this year it once again brings its A-game, with the right combination of sweet cranberry and savoury stuffing, packaged between decent bread. A winner’s sandwich.

- **CHRISTMAS TRIPLE**
  - **BOOTS, £3.35**
  - Turkey, stuffing and cranberry. Ham hock & plum chutney. Barber’s cheddar & plum chutney. A jack of all trades sandwich for idiots who can’t commit. Get out of here.

- **ALL THE TRIMMINGS**
  - **TESCO, £2.50**
  - How many animals died to make this sandwich? Look at all that glistening meat. Imagine how you would feel stuffing all that down your throat. It’s too much. The bread is relegated to a thin sheath, basically a glove to grip the protein. The bread deserves better. We deserve better.

- **HAM & WENSLEYDALE**
  - **SAINSBURY’S, £2.25**
  - Is ham and Wensleydale Christmassy? We’re not sure, but Sainsbury’s put it in the festive section so we’ll rate it. It’s good. Perhaps even very good. The cheese is nice – Wallace would approve – and the ham is fine. But try serving this on the 25th and you’ll have a mutiny on your hands, my friend.

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Scary Movie: The horror facing business

Be afraid, be very afraid, for here are the security fears lurking under your firm’s bed

THE CHOICES that characters make in scary movies can often seem baffling. Why do they never turn the lights on when entering the house at night alone? How come they always run upstairs and never outside when being chased?

These may be fictional scenarios we’ve seen on the screen many times, but real-world businesses are just as guilty of making the same poor decisions when it comes to securing sensitive data, and the consequences are all too grave.

So, where are businesses making the wrong moves when it comes to protecting their data?

RELAX, WE’LL BE FINE

The wrong move: One of the biggest mistakes businesses can make is assuming that they’ll be fine, and they won’t get caught by the bad guy. In fact, this is far from the case — it’s a matter of when, not if, a business is breached.

How to survive: Rather than walking down a dark alley assuming that they’ll be fine, businesses need to educate themselves on the threats out there and start taking a security-first approach. This starts from the top down — if the board isn’t invested, how can they expect the rest of the business to be?

WAIT, WHERE’S OUR DATA?

The wrong move: A common mistake many businesses make is not understanding where their data is stored in the first place. If they don’t know where their data sits, how can they protect it?

How to survive: With more data being stored in the cloud, the scope of where it could be is far greater than ever before, and it is more difficult to track exactly where it is. The first step a business must take before implementing any cyber security strategy is to conduct a data sweep. This helps a business understand what data it has collected or produced, and where the most sensitive parts are stored.

LET’S KEEP THIS A SECRET

The wrong move: Those who think that they won’t have to tell anyone if a breach happens are badly mistaken.

Under new data privacy laws, any breach must be publicly acknowledged and reported to the authorities. As well as trying to recover stolen data, firms are now vulnerable to a reputational hit with customers and a financial hit from regulatory fines.

How to survive: Businesses need to gain a deeper understanding of their responsibilities and the rights of customers. New regulations have moved the control of data from the business to the consumer, so there must be a concerted effort to ensure that the rules are being followed correctly.

HERE’S JOHNNY

The wrong move: A big misconception among business leaders is that their perimeter security will protect the firm and its assets. This isn’t true.

Much like in the films, if a bad guy wants to get through a door, they will do it (usually with an axe, like Jack Nicholson in The Shining). In one, data becomes ripe for the picking.

How to survive: Instead of focusing on the perimeter, businesses must protect the sensitive data at their core. This means implementing simple, robust security protocols such as encryption and two-factor authentication. By encrypting data and securing access to it, the chance of a data breach is reduced.

If they don’t avoid these ghastly mistakes, businesses could find that the nightmare situations of horror films are a bit too close to home.

Gary Marsden is cloud services director at Thales.
Starlit to cap a Perfect Knight for Zac Purton at Happy Valley

HOPEFULLY the ongoing political unrest in Hong Kong, which caused the cancellation of racing at Happy Valley last week, doesn’t disrupt things at the inner-city track today.

Racing takes place on the infamous ‘C4+3’ course, which is the narrowest of the seven tracks raced on at the Valley. With the track measuring just under 20 metres in width from rail to rail, there is just enough room to get the starting stalls across the track.

This means it’s a very tough task for horses who tend to come from off the pace as it’s virtually impossible to find an uninterrupted passage down the home straight.

Statistics show horses drawn high over both six furlongs and the extended mile have dismal records over the last three seasons.

Conversely, horses drawn low fare much better judged on past results and in races over five furlongs, the inside numbers are the best places to be.

The old adage of ‘when the cat’s away the mice will play’ springs to mind following an examination of the race-card.

Change the word from mice to mouse and jockey Zac Purton finds himself the centre of attention, while his great rival and current leading rider Joao Moreira is on the side-lines, serving a two-meeting ban for careless riding.

The reigning champion Purton has his card marked in all nine races and is confident of making further inroads into Moreira’s lead of seven winners.

The likes of Bundle Of Energy in the opening Aster Handicap (10.45am) and Amazing Star, impressive in recent trials, in the Dandelion Handicap (11.45am) both have leading chances, while Purton takes over from Moreira on the consistent Flame Lily in the Hibiscus Handicap (12.50pm).

The Zac-Man will also fancy his chances on speedsters Yee Cheong Baby, who returns to his optimum trip, in the five-furlong Hydrangea Handicap (1.50pm) and top-weight Lone Eagle, who is close to finding the winning formula, in the closing Waratah Handicap (2.55pm) over six furlongs.

However, Purton’s best hopes could rest with STARLIT KNIGHT, who is a confident choice despite the competitive nature of the Hibiscus Handicap (12.20pm), over the extended mile.

This tough old campaigner, who is back to near his last winning rating, has found life tough in his three runs this season, but has performed much better than his finishing positions suggest.

In all three races, he has been ridden by inexperienced claimers who have gone off too fast from the start and left him with no petrol in the tank in the latter stages of the contests.

With Purton taking over, victorious with the galloper before, and racing from an inside draw, expect no mistakes this time.

The gods of fortune have certainly smiled on PERFECT GLORY and Purton when they line-up in the Australian Turf Club Trophy (1.20pm) over six furlongs.

Last week, the partnership was due to run from stall 11, before the meeting was cancelled.

This time, with a drop down in class, a favourable-looking mark and most importantly an inside rail draw, he is mapped to get the ideal journey from the off and then make his charge for victory down the home straight.

LEGENDARY Hong Kong trainer Tony Cruz must have breathed a huge sigh of relief when his stable star Exultant won the Group 2 Jockey Club Cup at Sha Tin on Sunday.

Cruz had to suffer a tough five-week period with 55 runners in total failing to make it into the winners’ enclosure before Exultant broke that long losing sequence.

It’s not as if his stable were under performing, but when lady luck is against you, it’s a matter of patience until the wheel of fortune turns in your favour again.

Cruz sends a handful of raiders to Happy Valley today and will be hopeful his disappointing form of late can prove a distant memory.

Front-running Casa de Forca looks to be his best chance of success when lining-up in the Hibiscus Handicap (12.50pm) over the extended mile.

This looks a tough handicap however, with a number of rivals looking close to their best and it could be a matter of who gets the ideal journey during the race.

A better proposition for Cruz could be the lightly-raced MR ALDAN who contests the Roselle Handicap (2.20pm).

All eyes will be on the John Size-trained Picken who never saw daylight until too late when a close-up fifth over seven furlongs at Sha Tin recently.

In the same race, Mr Aldan found himself at the tail end of the field and facing an impossible task, until exploding in the final furlong.

This time with Karis Teetan in the saddle he can improve sufficiently, especially over this longer trip and reward each-way support.

Mr Aldan can make sure Cruz returns to winners’ enclosure

THE PUNTER
HONG KONG RACING TRADER

Hong Kong racing expert Wally Pyrah previews today’s action from Happy Valley

Mr Aldan can make sure Cruz returns to winners’ enclosure

LEGENDARY Hong Kong trainer Tony Cruz must have breathed a huge sigh of relief when his stable star Exultant won the Group 2 Jockey Club Cup at Sha Tin on Sunday.

Cruz had to suffer a tough five-week-period with 55 runners in total failing to make it into the winners’ enclosure before Exultant broke that long losing sequence.

It’s not as if his stable were under performing, but when lady luck is against you, it’s a matter of patience until the wheel of fortune turns in your favour again.

Cruz sends a handful of raiders to Happy Valley today and will be hopeful his disappointing form of late can prove a distant memory.

Front-running Casa de Forca looks to be his best chance of success when lining-up in the Hibiscus Handicap (12.50pm) over the extended mile.

This looks a tough handicap however, with a number of rivals looking close to their best and it could be a matter of who gets the ideal journey during the race.

A better proposition for Cruz could be the lightly-raced MR ALDAN who contests the Roselle Handicap (2.20pm).

All eyes will be on the John Size-trained Picken who never saw daylight until too late when a close-up fifth over seven furlongs at Sha Tin recently.

In the same race, Mr Aldan found himself at the tail end of the field and facing an impossible task, until exploding in the final furlong.

This time with Karis Teetan in the saddle he can improve sufficiently, especially over this longer trip and reward each-way support.

POINTERs

<table>
<thead>
<tr>
<th>Horse</th>
<th>Time</th>
<th>Class</th>
<th>TV</th>
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<tr>
<td>Starlit Knight</td>
<td>12.20pm</td>
<td>Happy Valley</td>
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<td>Perfect Glory</td>
<td>1.20pm</td>
<td>Happy Valley</td>
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Mr Aldan e/w 2.20pm Happy Valley

SILVESTRE DE SOUSA HAS 6 RIDES LIVE FROM HAPPY VALLEY AT 10:45AM

LIVE FROM HAPPY VALLEY AT 10:45AM
**HAPPY VALLEY**

**TURF: GOOD**

10.45 [Faster Handicap (Class 5) (3yo+)] (Course C+ (TURF)) 1m plus dec.

- Prize Money: $25,000
- Pot: 10
- Field: 5

- **BETTING:**
  - **5/2** Bundle Of Energy, **6** Association Fans, Everyone's Elite, **8** Nunchuks, **9/4** Casimiro, **14/1** Others

- Runs: 13, Wins: 2, Places: 3

- **1**)
  - C Yip 5-8-13
  - Wins: 2, Places: 3
  - €12,812

- **2**)
  - 5/2 Bundle Of Energy, 6 Association Fans, Everyone's Elite, **8** Nunchuks, **9/4** Casimiro, **14/1** Others
  - Wins: 2, Places: 4
  - €12,812

- **3**)
  - 5/2 Bundle Of Energy, 6 Association Fans, Everyone's Elite, **8** Nunchuks, **9/4** Casimiro, **14/1** Others
  - Wins: 2, Places: 5
  - €12,812

- **4**)
  - 5/2 Bundle Of Energy, 6 Association Fans, Everyone's Elite, **8** Nunchuks, **9/4** Casimiro, **14/1** Others
  - Wins: 2, Places: 6
  - €12,812

11.15 [Chandalous Handicap (D0) (Class 4) (3yo+)] (Course C+ (TURF)) 1m plus dec.

- Prize Money: $25,000
- Pot: 10
- Field: 10

- **BETTING:**
  - **7-2** Lone Eagle, **4** Aurora Pegasus, **11-2** Shining Ace, **7** Baby, **9/4** Yee Cheong Baby, **7/2** Sunny Boy, **11/2** Tornado Twist, **9** Speedy King, **12** Cue The Music, Mr Lumieres, **14** Loving A Boom, **20** Others

- Runs: 13, Wins: 2, Places: 3

- **1**)
  - C Fownes 5-8-7
  - Wins: 1, Places: 1
  - €16,529

- **2**)
  - 7-2 Lone Eagle, **4** Aurora Pegasus, **11-2** Shining Ace, **7** Baby, **9/4** Yee Cheong Baby, **7/2** Sunny Boy, **11/2** Tornado Twist, **9** Speedy King, **12** Cue The Music, Mr Lumieres, **14** Loving A Boom, **20** Others
  - Wins: 1, Places: 2
  - €16,529

**Happy Valley Racecourse Turf Track Stats**

- Cards provided by RACING POST

WEDNESDAY 20 NOVEMBER 2019 | PUNTER | 25
Big beasts of DTM and Super GT join forces at Dream Race

Unified regulations have brought the two series together – and it may be just the start, says Michael Searles

This weekend a decade of talks between Japan’s Super GT and the German DTM will reach fruition when the two motor racing series come together to take part in the inaugural Dream Race at Japan’s Fuji Speedway.

The unprecedented crossover event will see one of the world’s most renowned GT racing series, comprising manufacturers such as Honda, Lexus and Nissan, merge with the world’s top touring car series, in the world, which boasts Audi and BMW as participants.

Agreement on unifying technical regulations to allow cars to interchange between series was reached last year and, after a few cars from the Japanese series made the trip to Hockenheim for last month’s DTM finale, the German series is sending four Audi RS5s and three BMW M4s to Fuji for the first dedicated combined contest.

Following the decision of Mercedes to withdraw from DTM at the end of 2018, all cars from the series to participate after this year. The agreement, although Aston Martin did replace the German giants for the 2019 season.

Unified “Class One” regulations, as they are known, were implemented this year but required more changes from the DTM cars which upgraded V8 engines for the two-litre, four-cylinder turbo engines used in Super GT, increasing its output to 620bhp and top speeds to more than 180mph.

Other aerodynamic changes have been made to bring the DTM in line with Super GT.

The move is aimed at allowing manufacturers from both series to participate in the other without the need for creating another car from scratch. A joint statement said “safety, cost reduction and equal opportunities” were at the centre of the regulations tie-up. For those involved it was a low-cost and effective opportunity to gain additional exposure in Europe and Asia, although the ultimate goal and whether a complete series merger is under serious consideration remain unclear. It should also benefit.

DTM manufacturers Audi (left) and BMW are heading to Japan both series by aiding their appeal to new manufacturers, who will have the assurance that they are able to participate across both continents.

As well as the seven DTM cars, all 15 teams from the Super GT will participate in this weekend’s double-header, which will see a 55-minute plus one lap race take place on both Saturday and Sunday in the DTM format.

Two-time DTM champion Mike Rockenfeller will join former champion Marco Wittman and ex-Le Mans 24 hour winner Loic Duval as well as four-time Paralympic gold medallist and BMW driver Alex Zanardi at the event.

However, 2018 Super GT winner and ex-Formula One champion Jenson Button will not be involved due to the Briton’s commitment to take part in the formidable Baja 1000 desert race this week with long-time partner Honda.

Regardless of whether this weekend is an instant success for the merger, the series look increasingly destined to be intertwined over the coming years.
Archer can be answer to flat pitches for England

ENGLAND bowlers have been readying themselves for the first Test against New Zealand today knowing that they need to adopt a different approach to the one they use at home. It sounds like the ideal pitch could be a flat one and England, who are used to a Dukes ball, swing-friendly conditions against Jimmy Anderson and Stuart Broad leading the attack, have traditionally come unstuck in such a setting.

With a Kookaburra ball, no Anderson and a potentially placid pitch, head coach Chris Silverwood must stick in such a setting.

The most obvious method lies with Jofra Archer, who possesses the kind of extreme pace which can rush batsmen on any surface. After a much-needed period of rest he should be over any niggling injuries and be raring to go again.

However, England should know by now that he has bowled 90mph at all times. Silverwood and captain Joe Root need to talk to Archer, be clear on what they want and then come up with a strategy which ensures he is not over-bowled.

Archer’s ability is such that he can bowl within himself with the new ball and still reach around 87mph. If that’s the case he can keep some effort in reserve and then return later on and produce a spell like the one to Steve Smith in the second Ashes Test at Lord’s this summer. Dale Steyn was the master at it for South Africa and, like him, Archer has the skill to generate reverse-swing with the old ball.

The Kookaburra ball is very different to the Dukes he is used to. Rather than swinging until the 60th or 70th over, it can go soft after just five or 10. It can be hard work as it doesn’t react off the pitch in the same way either. But as well as swinging it, Archer has a lethal bouncer and yorker, so he needs to avoid getting frustrated and use those weapons at the right times.

Of course others need to step up to help Archer out. If, as looks to be the case, Sam Curran plays ahead of Chris Woakes as the third seamer then he has a tough role on his hands.

As a left-armner, Curran is at his best when he’s swinging the ball back into right-handers and challenging the pads. But, as we saw on the tour of the Caribbean earlier this year, he can struggle on slow, docile wickets because he doesn’t have the pace of someone like Archer.

With Broad and Archer in the side, it’s unlikely he will get the new ball, so he will have to earn his stripes in the difficult overs. If he can impress then Root might throw the 21-year-old the second new ball after 80 overs.

Ben Stokes can share the workload, but really we don’t want him bowling long spells, so left-arm spinner Jack Leach needs to hold down an end and keep the run-rate down. Graeme Swann was brilliant at it in the first innings when the ball was doing nothing.

Overall it looks like an even match-up. New Zealand won the last two-Test series between the teams 1-0 in 2017-18 and have the bowlers in Trent Boult, Tim Southee and Lockie Ferguson to trouble England’s inexperienced batting line-up.

Hopefully England can take confidence from their summer and their hungry batsmen can cash in on flat pitches.

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Chris Tremlett is a former England and Surrey fast bowler. @ChrisTremlettES
Manager sacked as Tottenham take unpopular decision to right sinking ship, writes Felix Keith

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N 1 June Mauricio Pochettino had reached the high point of his managerial career and was ready to enjoy the culmination of five years of hard work. He had transformed Tottenham from also-rans into Champions League finalists. Yesterday, just 123 days later, he was sacked. Poor results, 14 points from 12 games and a Premier League position of 14th were the given reasons.

In such a situation, it is tempting to look back upon Spurs’ 20 defeat by Liverpool in Madrid and wonder whether their current problems can be directly attributed to it. And yet, in reality, many preceded what was supposed to be the greatest night in the club’s recent history.

While they were busy knocking out Borussia Dortmund, Manchester City and Ajax in the Champions League, Spurs were also turning in the “extremely disappointing” results chairman Daniel Levy referred to in his statement. Twelve away league games without a win, senior players considering futures and a manager outwardly showing signs of stress: Spurs haven’t been cooking up a recipe for success.

Pochettino’s demeanour has long suggested change, although difficult to make due to his impressive body of work and emotional connection to the fans, might have been what is needed. After all it is not customary for managers to openly discuss stepping away from the club and taking a sabbatical just weeks before a major final.

“I am open to everything,” said Pochettino on 10 May. “What I am not open to is starting a new chapter with no plan, with no clear idea, with not being transparent and being able to tell our fans what is our objective, to stop talking about perception, talk about reality – because if not, it is going to be difficult.”

“We need to create a realistic plan to develop in the next year, five years, to match people’s expectations, to tell our fans what is our objective, to be transparent and being able to talk about reality – because if not, it is going to be difficult.”

STALENESS

Spurs have crashed and their manager has carried the can. When you consider Levy’s reputation as a tough negotiator, the fact that Pochettino was contracted until 2023 and that the club will have to pay a reported £12.5m in compensation to the Argentinian, it is eminently believable that the Spurs board were indeed “extremely reluctant to make this change”.

Pochettino will go down as one of Tottenham’s most revered bosses, but if left alone for longer did he have the capacity to turn things around and achieve the sort of results the club now expect?

“Winning that World Cup, I’m obviously delighted we did, but it’s almost about trying to re-centre now, bringing it back to somewhere in the middle and fighting a war on all fronts.”

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“We need to create a realistic plan to develop in the next year, five years, to match people’s expectations, because if not, our destiny is to crash.”

STALENESS

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“We live in a modern era in which managers don’t tend to stick around long enough for it to become a problem, but could staleness have become a factor?”

Despite the hole Spurs have dug for themselves, it is Levy, and not Pochettino, who will now be seen as public enemy No.1.

The relationship between the two biggest figures at the club appears to have become strained and, should he desire it, Pochettino is likely to have his pick of Europe’s biggest clubs where a thirsty approach will no longer be a hindrance.

Judging by the social media replies to the club’s statement, which crashed their website last night, the decision is not a welcome one. Pochettino may be gone but his legacy and popularity will linger on and could overshadow his successor.

Whoever takes over the reins will have creating a task on their hands to right a sinking ship.

Playing in front of an unhappy crowd, with a small squad which is low on confidence and contains players already looking towards the exit won’t appeal to everyone.

Finding an upgrade to Pochettino may not be possible in the short term, but a clean break could still prove to be the right call over time.

LEVY GIVES POCH THE PUSH