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BUSINESS WITH PERSONALITY

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TUESDAY 10 DECEMBER 2019 | PRE-ELECTION SPECIAL | FREE

'TWAS THE VOTE BEFORE CHRISTMAS

CATHERINE NEILAN

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THE Conservatives and Labour are battling for control of the agenda as voters prepare to head to the polls on Thursday.

Jeremy Corbyn is determined to keep the focus on the NHS after the Tories were forced into defending the Prime Minister as the row over an image of a four-year-old boy sleeping on a hospital floor rumbles on.

This morning justice secretary Robert Buckland responded to growing criticism of Boris Johnson's response to the image of Jack Williment-Barr, who was being treated for suspected pneumonia in a Leeds hospital.

Corbyn this morning denied politicising the incident and said it "reflected a real issue about the state of our NHS."

Buckland told the BBC: "Politics and general elections, despite the best efforts of political parties, can be unpredictable, and that particular story was one of those occasions where everybody was dealing with a very difficult situation."

In a separate interview, he maintained that Johnson had apologised to the child's family, saying: "The reaction was clear, unforced and natural, and the apology was forthcoming and fulsome."

The row over the NHS comes despite the Tories' best efforts to bring the conversation back to Brexit. Johnson spent today touring Labour-held seats, highlighting the prospect of another hung parliament and likening it to "a circle of hell."

The fever-pitch campaign reaches its climax as the latest polling suggested the smaller parties were being squeezed and the country was returning to its usual two-party decision. A Deltapoll survey out last night revealed that the Liberal Democrats were falling away in three key London seats - Kensington, Finchley & Golders Green and the Cities of London and Westminster have all been targeted by Jo Swinson's party.

Meanwhile, data released this morning suggests the economy has ground to a halt. October saw no growth in GDP, another headache for the Tories as polling day approaches.

Ted Baker in chaos after resignations

ANNA MENIN

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TED BAKER'S share price plummeted to a 16-year low this morning after two executives quit, plunging the stricken retailer further into crisis as it slashed its profit forecast and suspended its dividend.

Shares dropped as much as 35 per cent in morning trading following the departure of chief executive Lindsay Page and executive chairman David Bernstein.

Ted Baker issued the latest in a string of profit warnings in a trading update this morning, cutting its full-year expectations following poor Black Friday sales. The retailer, which has also launched a cost and asset review, has now dropped 78 per cent in value since the start of the year.

CMC Markets' David Madden described the update as "a train wreck," adding: "it feels like the company is coming apart at the seams". The update caps off a turbulent year for Ted Baker, whose shares dropped last week after it disclosed a £25m balance sheet error. Page took over as chief executive in April after founder Ray Kelvin stepped down following sexual harassment allegations.

"The last 12 months has undoubtedly been the most challenging in our history," the company said today.

CITY A.M.

THE CITY VIEW

Tories can see a path to defeat

THE BIGGEST fear stalking the Tory campaign HQ is that their supporters buy into the 'inevitability narrative' – the sense that Boris Johnson is cruising to victory and so voters won't have to brave the cold and trudge to the polling station. Some may even feel the Tory poll lead gives them cover to vote for a Remain-supporting party. This is, according to Tory strategists, the nightmare scenario. Though the party has enjoyed a lead in the last 100 polls and currently sits between eight and 15 points ahead of Labour, nobody is prepared to go much further than "probably" when asked if the Tories will win on Thursday. Indeed, they probably will. But in the space between victory and defeat lies a serious cache of unexploded electoral grenades – and if just a handful of pins are pulled, Jeremy Corbyn will spend this weekend negotiating the formation a minority Labour government. Firstly, there's the issue of undecided voters. Polls suggest more than 20 per cent of those who voted Liberal Democrat in 2017, along with 11 per cent of Tory and Labour voters, are yet to settle on a party ahead of Thursday's vote. The impact of tactical voting is often over-estimated, but it is being taken more seriously now than ever before. Multiple campaign groups, united by a pro-Remain stance, are ploughing resources into convincing a small number of people in a small number of seats to deny Johnson a majority. Then there are local issues and baked-in party loyalties that, when push comes to shove, could stop the Tories from chipping away at Labour's so-called Red Wall of support in the midlands and the north. Finally, all parties will have to contend with the insurance industry's nemesis: an act of God. Heavy rain is forecast to sweep across the country from dawn until dusk on Thursday, and when key constituencies will be determined by a handful of voters, activists are stocking up on umbrellas and block-booking minibuses. Johnson has not enjoyed a stunning 24 hours and his hopes rest on turning things around in the next 48. Frankly, it's still all to play for.

LET THERE BE LIGHT Shard takes on Christmas theme with new illuminations

CHILDREN from a local school in Bermondsey designed this year's festive Christmas display – Shard Lights – and pressed the button on the display last night. Inspired by Christmas images, including a festive tree and Father Christmas hat, the light show will be on the side of the building until the end of December. REM, the asset managers of the London Bridge skyscraper, had to install 552 LED lights with 8,000 metres of cable – roughly the length of 956 London double decker buses. On New Year's Eve the spire will be lit up in white before emulating London's famous firework display on the Thames with what REM promises will be a "unique" light show.

UK economy stagnates as political crisis takes toll on manufacturing

HARRY ROBERTSON

@henrygrobertson

THE UK economy stagnated in October under the weight of yet more political uncertainty and a global slowdown, official figures showed this morning.

British GDP's failure to grow was worse than economists' predictions of a 0.1 per cent expansion. It marked an improvement from the 0.1 per cent fall suffered in September, however.

The economy also failed to grow in the three months to October, a timeframe which gives a more accurate and less volatile picture. Production dropped by 0.7 per cent over this period, offsetting growth of 0.2 per cent in services.

A spokesperson from the Office for National Statistics (ONS), which released the figures, said: "Construction also declined across the last three months with a notable drop in house building and infrastructure in October."

The UK GDP reading was the last before the 12 December General Election that - according to current polling - is expected to result in a narrow Conservative majority.

Should his party win, chancellor Sajid Javid will have to revive a slowing economy. Weak survey data from November showed that the services, manufacturing and construction sectors all shrank, boding badly for fourth-quarter growth.

The UK's manufacturing recession continued, the GDP figures showed

Business investment has fallen in 2019 due to Brexit uncertainty. Prime Minister Boris Johnson has said leaving the European Union with a deal will get companies spending again, although many economists are less optimistic.

The pound was trading close to eight month highs against the dollar this morning at around $1.316, however. Traders are hopeful that a radical Jeremy Corbyn-led Labour government will not win the vote.

John Hawksworth, chief economist at professional services firm PwC, said the GDP figures "showed a familiar pattern".

The manufacturing sector's recession continued as the country's political crisis and a global economic slowdown hurt demand. The ONS said there were "widespread falls across several manufacturing industries".

He said growth is "likely to remain subdued through the rest of 2019, but we would hope for a gradual revival... if current political and economic uncertainties ease".

Investors grew cheerier across the channel in December, a survey showed this morning. The ZEW sentiment indicator rose to 11.2 from minus one in November in the bloc, which has also struggled with the global slowdown.

CAMPAIGN IN BRIEF

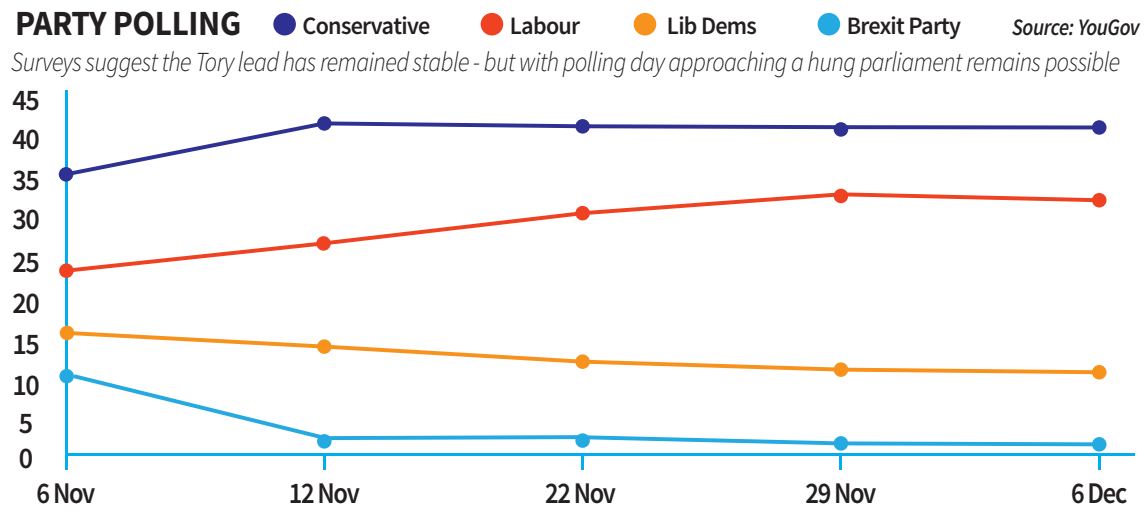
SHADOW HEALTH SECRETARY SAYS CIVIL SERVICE WOULD 'ACT QUICKLY' ON CORBYN

Labour's shadow health secretary Jonathan Ashworth was busy this morning trying to keep the focus on the NHS row, but he found himself trying to justify his own rather bleak analysis of Labour's election hopes after a recording of his candid assessment was leaked online. Ashworth was talking to a friend and was recorded claiming that the civil service would "quickly move to safeguard security" if Corbyn entered Downing Street. On the state of the national campaign he conceded: "It's dire for Labour... it's dire... it's awful for them, and it's the combination of Corbyn and Brexit... outside of the city seats... it's abysmal out there... they can't stand Corbyn and they think Labour's blocked Brexit." Asked about the recording, Ashworth told the BBC's Victoria Derbyshire that he was "joshing with a mate" and that it was "just banter." Pressed specifically on his criticism of Corbyn he said: "I don't mean it."

HUGH GRANT (ALMOST) PRAISES TORY CAMPAIGN VIDEO...

Actor and anti-Brexit campaigner Hugh Grant praised a viral Tory video yesterday in which Boris Johnson acted out an iconic scene from Grant's hit movie Love Actually. "It was quite well done," he said, before going on to say that he didn't think Johnson had appreciated the call to "tell the truth at Christmas time". Grant has been calling for tactical voting during the 2019 election campaign to keep the Conservatives away from a majority.

TWO HORSE RACE? POLLS TIGHTEN AS SMALL PARTIES WITHER



Tories hope to survive in Scotland

STEFAN BOSCIA

@StefanBoscia

THE SCOTTISH National Party (SNP) is well out in front in the latest Scotland polling but the Conservative party looks set to outperform expectations north of the border.

After many predictions of electoral wipeout, the Tories have a decent chance of holding onto their 13 seats.

A weekend panel undertaken for Panelbase and The Sunday Times had the SNP on 37 per cent, the Conservatives on 27 per cent and Labour on 15 per cent.

If this holds, Thursday could see a result similar to the 2017 General Election when the SNP won 35 seats, the Tories 13 and Labour seven.

Polling in Wales looks even better for the Conservatives, where the party trails Labour by just three per cent. This would represent a result beyond the wildest dreams of Conservatives even a few years' ago.

Nicola Sturgeon is not standing but has led the SNP's electoral efforts

Northern Ireland is likely to be split once again between the Democratic Unionist Party (DUP) and Sinn Fein, though the latter will not take their seats in the House of Commons as usual.

What you need to know as the results come in

POLITICS nerds rejoice, for it's just two nights until the most wonderful time of the year - General Election polling day.

At the end of a long campaign of gaffes, awkward interviews and the occasional bee protester, it's time to sit back and watch the votes roll in.

Here is some of the most important information for the day.

BROADCAST COVERAGE

Thursday will mark the first time since 1979 that BBC's election coverage will not be anchored by David Dimbleby.

Taking his place is BBC News presenter Huw Edwards, who will be joined by political editor Laura Kuenssberg, Europe editor Katya Adler, economics editor Faisal Islam, lead interviewer Andrew Neil and psephologist John Curtice.

Sky News' coverage will be headlined by former speaker John Bercow, alongside lead anchor Dermot Murnaghan. Bercow is no doubt the big draw for Sky and viewers can settle in for his unique vocabulary and methods of storytelling for a solid six-to-eight hours.

ITV will have a host of former MPs and political heavyweights booked, including the double-act of former Tory chancellor George Osborne and former Labour shadow chancellor Ed Balls. They will be joined by Boris Johnson's brother Jo, Momentum founder Jon Lansman and former Scottish Tory leader Ruth Davidson

Channel 4 meanwhile will once again host its Alternative Election Night, which will be headed by main presenter Krishnan Guru-Murthy.

THE ALL-IMPORTANT EXIT POLL

As soon as the clock strikes 10pm, the BBC, ITV and Sky News will unveil its joint exit poll.

The trio have teamed up for the past three General Election exit polls as a successor to the BBC's standalone poll.

The poll has been a fairly accurate marker over the years, however this year the picture has been slightly confused by the differing state of play across the country – with the Brexit Party only standing in certain seats.

THE RESULTS STREAM IN

The first constituencies are expected to declare around midnight, with Newcastle and Sunderland traditionally among the first out of the blocks.

Early seats in the north and the midlands could provide a guide to how traditionally Labour constituencies, who voted to leave the EU, have voted in this election.

Labour's so-called red wall in the north is seen as susceptible to breaking, with many Labour leave voters potentially defecting to the Tories.

Seats such as Darlington, Workington, Sedgefield and West Bromwich East are expected to announce between 1am and 2am, and could ultimately decide who wins the election.

London's results should come flooding in after 4am, with remain strongholds such as Finchley and Golders Green, Richmond Park, the Cities of London and Westminster and Kensington all key constituencies to watch.

FINDING A POLLING STATION

Polling stations will be open across the country from 7am to 10pm on Thursday.

To find your polling place, head to gov.uk and have your postcode handy.

AND THE WEATHER?

Temperatures are predicted to range from six to 11 degrees in London, with showers expected for much of the day.

The first winter election in almost 100 years could in fact be a turn-off for some, according to former Labour home secretary Alan Johnson.

Johnson is fronting a campaign with parking app Just Park, which is offering 30 minutes' free parking on election day to encourage people to get to their local polling station.

"I think politicians of all stripes want to see a big turnout and I want to get involved in helping as large a turnout as possible," Johnson said.

PARTNER CONTENT

Chris Beauchamp looks at the performance of the pound and the FTSE 100 over the year, and where things stand before the election.

The famous (or infamous) cliché 'Buy the rumour, sell the fact' is commonly used in the financial markets. But it contains a significant element of truth. It has been seen in the performance of the pound versus the dollar and euro since Boris Johnson ascended to the premiership. Having suffered heavily for most of 2019, sterling rallied sharply, as markets backed the blonde bombshell in his quest to 'get Brexit done'. The ascent is all the more remarkable for the fact it took place against a background of parliamentary warfare, and legal challenges to his authority. But with investors so convinced of his electoral success, is the move in sterling done?

Anyone expecting a further rally in sterling if he wins the election may well be disappointed. The news is already 'in the price', unless the polls have dramatically underestimated the depth of support for the Conservatives. Instead, some of the 'Boris bounce' might get eroded as investors look to the next problem, stage two of negotiations with the EU. This has the potential to act as a catalyst for negative sentiment and if nothing else could lead to a significant slowdown of flows into UK assets.

The FTSE 100 has found itself constrained by the performance of sterling too. Whereas other markets have enjoyed excellent gains, the UK's headline index has found itself lagging far behind. While indices such as the S&P 500 are bolstered by trade war headlines, the impact on the FTSE is muted - the gap has widened over the summer, with the FTSE 100 unable to break through the 7450 zone that has marked resistance for months now.

On a more positive note, the index has also managed to hold above 7000. The popular perception of the FTSE 100 as a 'UK index' is fundamentally flawed, since it contains few companies whose sole area of operation is the UK. Indeed, it has a hefty slice of firms that actually do not really operate in the UK at all, or only minimally. The slow turn higher in some global PMIs, and still-loose monetary policy, bodes well for the global economy, which could see these international stocks play catch-up. A weakening of the pound in the aftermath of the election, as outlined above would also help this move gain traction

But better news, or less bad news, is not enough. What is needed is investor confidence that the UK can negotiate successfully with the EU and begin to strike out on its own in the world. For months, UK assets have been among the least popular in regular surveys of fund managers. This lack of flow has been a key reason why the UK has underperformed – international money managers look at the political crises that beset the UK and have decided to put their money elsewhere. In a world of huge opportunities in many different areas, we should not assume that these flows will come rushing back if Boris wins the election, but a steady inflow would help UK assets generally to close some of the outperformance gap.

> "The popular perception of the FTSE 100 as a 'UK index' is fundamentally flawed.

Heading into the election itself, we have seen the pound stabilise, while the FTSE 100 has rallied back above 7200 on better US jobs news. Weekend polling puts the Conservatives on an average lead of ten points, still pointing to a majority for the party. As a result, the surprise will be either a hung parliament again, or a Labour win, neither of which is likely to be sterling positive.

Chris Beauchamp, Chief market analyst, IG

READ MORE ONLINE

Read more at: **www.ig.com/uk**

SWING LIKE YOU'RE WINNING

Catherine Neilan looks at some of the seats that could decide the country's future

IT MIGHT have felt inevitable since Boris Johnson took the reins this summer, but the 2019 election is still hard to call. A consensus is building up around a slim majority for the Conservatives of around 20 to 30 seats – enough for Johnson to return to Number 10 and push his vision of Brexit through. But there are many seats where it still feels as though (almost) anything could happen – and each one could give a strong indication of what might unfold throughout the night of 12 December, and who might be in charge come the morning.

KENSINGTON

This west London constituency was solidly Conservative until 2017's disastrous campaign saw Labour's Emma Dent Coad snare a shock victory by just 20 votes. This time around, it's going to be even messier with Liberal Democrat candidate – and former Tory minister – Sam Gyimah going hell-for-leather to win Remain votes, while Tory rival Felicity Buchan is hoping she can win it back for Team Boris. Currently it looks like she might edge it, with Gyimah in second place and Dent Coad finishing third – but there isn't much in it. Expect results at around 4.30am, but if it's anything like last time there may be at least one recount.

ESHER AND WALTON

Dominic Raab is sitting on one of the largest majorities in the country. Yet pollster John Curtice named the foreign secretary's Remain-backing constituency as one headed for a big upset. A lot will depend on the success of the Lib Dems' urge to vote tactically, and overturning a majority of more than 23,000 will be a huge ask. But, against a backdrop of Brexit and Raab's (pictured, above) involvement in the Harry Dunn case, there is more than a little talk of a "Portillo moment" in this affluent commuter belt constituency. Could Monica Harding turn Esher from blue to yellow? Potentially red faces at 3am.

CITIES OF LONDON AND WESTMINSTER

Much of the action this election has taken place outside the M25, but here in the heart of the capital has been a heavily-fought campaign. Although it's a three-horse race, the main candidates are Conservative Nickie Aiken, a local councillor and resident who is hoping to take on the mantle from predecessor Mark Field, and the Liberal Democrats' poster boy for Remain, Chuka Umunna. Curtice describes this hyper Remain seat as "sui generis" - in a class of its own. But the party's national campaign has fallen away, and Umunna could be sucked under as a result. We will find out at around 3am.

EAST DEVON

This seat has been Conservative for more than 150 years, yet an independent candidate Claire Wright has changed the constituency's dynamic. Wright, who's never been a member of a political party, has been chipping away at the lead since she first started standing in 2015. This time around incumbent Hugo Swire has stepped down, leaving Simon Jupp fending off the independently-minded challenger with momentum behind her. Actor Hugh Grant paid a trip to urge the electorate to vote tactically. But will it work, actually? Results are due at 6am.

BEACONSFIELD

Dominic Grieve was one of the 21 rebels, a member of the so-called Gaukward Squad. Along with David Gauke, Anna Soubry and a number of other anti-Brexiters, the former attorney general is now standing as an independent in his old seat. Beaconsfield, which he has held since 1997, has been Tory since the 1970s. Joy Morrissey – who lost out to Shaun Bailey to become the Conservative candidate for London mayor – is most likely to win, but there are no guarantees in this constituency, which split pretty equally 50-50 over Brexit. The count is expected to be announced at 3am.

BISHOP AUCKLAND

Near the top of the Tories' wishlist for this election has been Bishop Auckland, which has been Labour since the 1930s, albeit with a majority whittled down to just 502 under Helen Goodman. Charismatic Brexiter Dehenna Davison (pictured, left) is hoping to overturn that, appealing to the 61 per cent of residents who voted Leave – and no doubt others who have accepted the result of the 2016 referendum. Although a Brexit party candidate is standing, the seat is viewed as a two-horse race – and one that will be extremely tight. Yougov's mid-campaign poll had the Tories taking the seat. It's expected to be announced at around 3am.

IT'S NOT ME, IT'S... ERRR, THEM Labour leader insists his leadership is not holding the party back in this year's election

Jeremy Corbyn, who is still mired in criticism over his handling of antisemitism, shrugged off suggestions candidates were not using his image on their leaflets because he was unpopular. "It's not a presidential election, it's a parliamentary election in which we elect members of parliament," he told the BBC this morning in Bolton. He also shrugged off the refusal of the Jewish Labour Movement to endorse him, saying there are "many" Jewish people who are "very happy" in the party.

The battle for the **Cities of London & Westminster** seat is more than a local battle. Here the leading candidates tell City A.M. (or City P.M.) readers why they will be a champion for our great capital in the House of Commons

Free business to thrive

NICKIE AIKEN

Conservative candidate

TRUST – or the lack of it in politics – has been the overwhelming issue raised with me as I have campaigned to be the next member of parliament for the Cities of London and Westminster.

When politicians become disconnected from the people they represent, trust breaks down in the entire political system. The business community needs to know MPs really understand the pressures they work under.

This constituency is unique in the contrasts it offers, from financial citadels to some tough estates. It also benefits the business world if those outside it feel confident that companies are paying their fair share of tax, investing in their staff and have a stake in the communities in which they operate. It is more important than ever to have a strong local voice representing the Two Cities who can provide that bridge of understanding between the City and those who live alongside it.

I have lived in Westminster for two decades and brought my two children up here. As leader of Westminster City Council, my track record is built on addressing what I believe both businesses and local people want to see.

That's a strong and outward looking economy that creates jobs and boosts our role on the global stage. It's more affordable homes across the constituency so that more people have the chance to live and work here, more police on the street and new laws and policies to respond to the increasing importance of climate change.

Whether you voted for it or not, Brexit is a clear example of the disconnect between politicians and the people. I voted Remain in the 2016 referendum, but I share the frustration felt by businesses that cannot plan ahead. The nation is at a standstill. We need to move on, end this parliamentary paralysis and free business to succeed. To do this, we need a majority Conservative government.

If elected I will work tirelessly to ensure you have a strong and effective local voice in parliament. Working on the priorities that matter to business:

- Fundamental reform of business rates
- Investment in the best transport and digital infrastructure
- Providing the best skilled workforce with the skills required for the next decade and beyond.

It's time to end the stagnation. Working together we can unleash Britain's potential and rebuild trust in the political system, ensuring everyone in our community has a voice and provide the country with the certainty it needs to move on.

Crying out for change

GORDON NARDELL QC

Labour candidate

CITIES of London and Westminster is crying out for change. Austerity is decimating communities across the country and the constituency I am standing in has not been immune to this ideological economic policy.

My Tory opponent – Cllr Nickie Aiken – in her capacity as leader of Westminster City Council has overseen a regime of cuts and ripped apart public services in the area. We must end austerity and we can start here in Cities in London by booting out the Tories and not entertaining the failures that are the Liberal Democrats (a party likely to finish miles behind Labour).

I'm not a career politician who was born into the Labour party and has worked their way up through the ranks. I'm a lawyer by trade but trained first as a solicitor, then as a barrister and was appointed a QC in 2010. One of my proudest moments was working on the Human Rights Act — one of my party's greatest achievements.

I've never forgotten that I owe my opportunities in life to the 1945 Labour government. That government had the courage to make radical changes to society – setting up the NHS, creating the welfare state and a society altering housebuilding programme whose ambition was to make sure no one was ever on the streets struggling.

Walk through Cities of London and Westminster and you'll see we're some way away from Atlee and Bevan's dream.

Labour's manifesto is a message of hope to local people, and fair warning to big business. John McDonnell has promised a transformative Labour budget within eight weeks. That will set out how we are going to pay for the green industrial revolution, invest in the NHS and education, end in-work poverty and provide every home in the UK with free ultra-fast fibre-optic broadband. We want a high-skill, high-wage, high-tech economy where people have the purchasing power to buy the goods and services that our innovators and entrepreneurs offer.

I'm raring to play my role as a local MP, and be part of rebuilding our economy and public services. As the MP for Cities of London and Westminster, I will also campaign to make sure the highest housing standards are kept to across the country – and when Labour are in power, hold my own party to account to make sure we build all the essential housing London needs.

The people of Cities of London and Westminster will be making history if they elect a Labour MP for the first time ever. Not only because it will be the first time ever we've won the seat but they'll be voting for someone who truly believes in shifting the balance of power in favour of the many away from the few, a first for this seat.

Vote Labour.

I'll champion your cause

CHUKA UMUNNA

Liberal Democrat candidate

THE CITY is a UK success story founded on the pillars of openness to trade and to people. Both are under threat at this election. Only the Liberal Democrats in government can safeguard them and the UK's status as a financial services superpower.

A Conservative government would mean departure from the EU and from the single market. Free movement would end. There would be no passporting for financial services firms. Trade agreements, not just with the EU but with the 70+ other countries we have deals with through the EU, would need to be rewritten - from a position of weakness. Our economy would be nearly seven per cent poorer – by the government's own figures.

A Labour Brexit might not be as hard as a Conservative Brexit. But it would still be Brexit. We would still leave the single market. And would free movement of people stay or go? Jeremy Corbyn has refused to say.

On top of all this Labour would hit the City with uncompetitive business taxation, plans to appropriate shares in certain companies and a unilateral financial transactions tax.

A majority Liberal Democrat government would revoke Article 50 and remain in the EU, safeguarding jobs in the City, preserving our place in the single market.

If we do not achieve a majority, we will pursue a People's Vote, a cause which we have led these last couple of years.

And with one in five City workers born elsewhere in the European Economic Area, we'd ensure freedom of movement continues: a tribute to our tradition of openness.

Brexit is one of the two great challenges facing business and the City. The other is climate change.

We would facilitate the new industries and new markets we need to tackle the climate emergency. In government from 2010 to 2015 the Lib Dems made the UK a world leader in offshore wind, and we'd do the same for reducing carbon if we're in government again - a huge opportunity for the City.

And we would invest in infrastructure.

Unlike the Conservatives and Labour, our infrastructure plans are deliverable because, thanks to freedom of movement, we would have access to the skills and people that are in short supply in the UK to deliver capital projects.

Nor would we be distracted with costly, ideology-driven nationalisations.

The Liberal Democrats are now the natural party of business and of the City.

I would be your champion in parliament – fighting to stop Brexit and create the framework to enable the City to succeed in the 21st century.

THE OTHER CANDIDATES

- **Zack Polanski** Green Party
- **Dirk van Heck** Liberal
- **Jill McLachlan** Christian Peoples

Tim Martin ups the bar tab with new £200m splurge on pubs and hotels

JAMES BOOTH

@Jamesdbooth1

PUB GROUP JD Wetherspoon is set to spend £200m on its pub estate over the next four years and create up to 10,000 new jobs.

The pub chain today said it would use the money to develop new pubs and hotels, as well as to enlarge its existing pub portfolio across the UK and the Republic of Ireland.

The company said the majority of its investment would be focused on small and medium-sized towns, but would also include larger towns and cities.

These are set to include new pubs in Bourne, Waterford, Hamilton, Ely, Diss, Felixstowe, Newport Pagnell and Prestatyn.

Wetherspoons said it will also be investing in major cities including London, Birmingham, Dublin, Edinburgh, Galway, Glasgow and Leeds.

Wetherspoons boss Tim Martin said: "We are looking forward to opening many more new pubs as well as investing in existing pubs over the next four years.

"We are especially pleased that a large proportion of the investment will be in smaller towns and cities which have seen a decline in investment in recent years.

"The fact that we will be creating approximately 10,000 jobs is great news too."

Wetherspoons runs 875 pubs and 58 hotels across the UK and Republic of Ireland and employs 44,000 staff.

The colourful pub boss celebrated Wetherspoon's 40th birthday earlier this month

The march of the discounters rolls on at UK grocers

JOE CURTIS

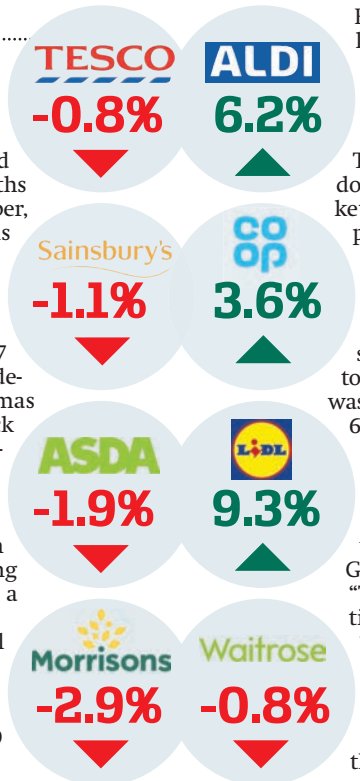
@joe_r_curtis

THE UK'S largest supermarkets shed yet more market share to discounters Aldi and Lidl in the three months to the start of December, new data out this morning revealed.

The Big Four grocers' collective market share dipped over one per cent to 67.7 per cent as people delayed their Christmas shopping and Black Friday failed to deliver a boost in sales.

Kantar data showed year-on-year supermarket sales growth slowed again during the past 12 weeks to a modest 0.5 per cent.

Sainsbury's sales fell 1.1 per cent while Asda and Morrisons had sales declines of 1.9 per cent and 2.9 per cent respectively.



Even Tesco, the UK's largest grocer and best performer of the Big Four, had a sales dip of 0.8 per cent to £7.6bn. Tesco, for now, still dominates overall market share with a 27.3 per cent portion of the market.

Lidl benefitted the most, seeing a huge 9.3 per cent jump in sales for the period to £1.6bn. Its rival Aldi was close behind with a 6.2 per cent sales rise at the tills.

Fraser McKevitt from Kantar commented on the continued rise of the German discounters: "The good news continues for Lidl and 11.9m shoppers visited one of its stores in the past three months – that's 652,000 more than this time last year."

The chain said low consumer confidence across the UK will hit earnings

Inconvenient truth: McColl's says earnings will miss expectations

JOE CURTIS

@joe_r_curtis

CONVENIENCE store chain McColl's this morning warned earnings would narrowly miss expectations due to "unseasonable weather" and low consumer confidence.

Revenue slipped 1.9 per cent for the year to the end of November, the firm revealed in a trading update today.

It warned that earnings before interest, taxes, depreciation, and amortisation (Ebitda) will hit £32m, missing market expectations.

While it trimmed net debt by almost £5m to £94.1m, the business also blamed its drop in sales on a store closure plan that forms part of a wider strategy to optimise its presence on high streets.

"While 2019 has been another challenging year for the business, we have made good progress against our goals of operational stability and good retail execution," chief executive Jonathan Miller said.

The boss also confirmed net debt had continued to fall.

Just Eat knocks back Prosus's counter-offer

JESS CLARK

@jclarkjourno

FOOD delivery platform Just Eat has rejected an increased takeover bid from Prosus, saying the offer still "significantly undervalues" the company.

In a statement this morning Just Eat said the revised bid of 740p per share, up from 710p per share and which values the delivery platform at £5.1bn, "fails to reflect appropriately the quality" of the delivery company.

Just Eat has urged investors to back an all-share offer by Takeaway.com, saying the new rival bid only represents a premium of 16 per cent on its pre-offer share price.

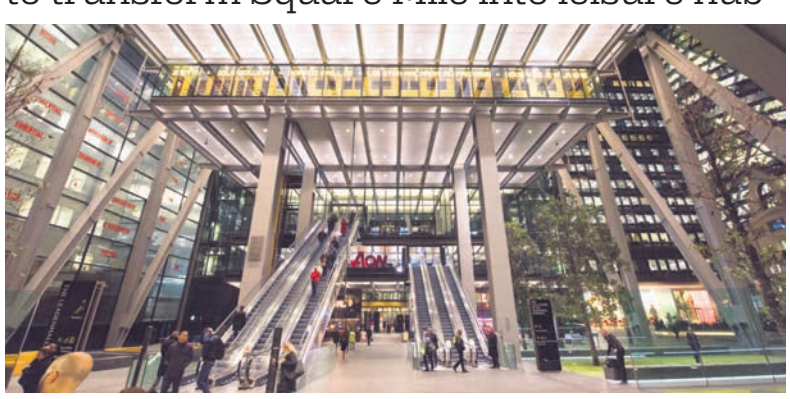
It added that the Prosus bid is a discount of five per cent on its closing price on 6 December, the last business day before the revised offer, and is a premium of four per cent on its original offer.

Prosus, which is owned by South African conglomerate Naspers, has urged investors to accept its offer, insisting that it will "deliver certainty in the face of undeniable industry change".

The rival company has argued that Takeaway.com has underestimated the challenges in the UK market, and the investment required.

Prosus's shares slumped almost two per cent at the open today.

GRATE IDEA Chinese investors lead plan to transform Square Mile into leisure hub



CHINESE investors responsible for billions of pounds of investment in landmarks such as The Cheesegrater are among a group of landlords behind a business improvement district scheme designed to transform the City, The Times reported.

Former Boeing employee will give evidence after 737 Max 'warning'

ALEX DANIEL

@alexmdaniel

A FORMER Boeing employee who said "warning bells" were going off in his head before two deadly crashes involving the 737 Max plane is set to give what could be damning evidence against the firm tomorrow.

Edward Pierson, a former senior operations manager in Boeing's flight test and evaluation unit, will testify at a US House hearing into how the plane was passed as safe to fly.

Before the first crash last year, Pierson wrote to the company: "All my internal warning bells are going off and for the first time in my life, I'm sorry to say that I'm hesitant about putting my family on a Boeing airplane."

Pierson's lawyer said Boeing refused to act on his warnings, which came four months before the first crash, and that Pierson was speaking out "to ensure that Boeing can no longer place profits above safety".

It comes after Boeing chief Dennis Muilenburg was savaged by the US Senate Commerce Committee in October for his part in letting the plane fly. Two crashes involving the jet killed 346 people before it was grounded worldwide.

Six in 10 finance workers worried about Brexit hit

JAMES BOOTH
@Jamesdbooth1

SIX IN 10 financial services workers fear the aftermath of Brexit will be the single biggest challenge the sector has to face over the next 12 months, according to a report published today.

The survey of more than 500 financial services workers by content software firm Nuxeo also identified other potential threats on the horizon for 2020.

Top concerns included cybersecurity threats and information and data breaches (36 per cent), physical branches closing down (26 per cent), the burden of increasing regulation (24 per cent), competition from big tech firms moving into financial services (21 per cent) and competition from new challenger banks (20 per cent).

Nearly six in 10 workers felt these challenges left their businesses vulnerable to losing customers over the next 12 months.

"In 2020, UK financial services firms will not only have to deal with competitive and operational pressures, but they expect that the regulatory and political landscape will impact them as well," said Chris McLaughlin, Nuxeo's chief product officer.

"The firms that will succeed in this challenging environment will be those who focus on improving the customer experience, delivering innovative, new products and services, and embracing technologies that will modernise their operations in order to make all of this possible."

The key challenges for 2020 identified by UK financial services workers are already having an impact on their day-to-day activities, the survey found.

Brexit was cited as the factor having most effect (69 per cent), closely followed by the threat of cybersecurity issues (67 per cent) and increased regulation (67 per cent).

The research found differing levels of communication to staff on how the threats faced by financial services firms were being dealt with.

The challenge of dealing with increased regulation had been communicated effectively to 72 per cent of respondents, while 69 per cent said the same about cybersecurity issues.

However, 41 per cent of those surveyed said their organisation had not communicated well about its Brexit plans, 37 per cent said communication about the threat of big tech firms had been inadequate and 36 per cent said communication about the threat from challenger banks was lacking.

Formerly a City darling, Metro Bank shares have slumped recently

Colombian takes further chunk of embattled lender Metro Bank

HARRY BANKS
@CityAM

THE ONGOING saga at troubled lender Metro bank took another turn last night as it emerged billionaire investor Jaime Gilinski Bacal has become the single largest investor.

After years as a City darling, Metro Bank has enjoyed a torrid 2019 that will see chairman Vernon Hill and chief executive Craig Donaldson leaving the firm by the end of the year.

Gilinski Bacal's move, bringing his shareholding up to just north of six per cent, has prompted speculation that he could be plotting a move for the bank while its share price remains low after the discovery of an accounting error earlier this year.

Gilinski Bacal is the second richest person in Colombia, according to Forbes, with a net worth close to $4bn. He was previously the largest investor in Spanish banking group Banco Sabadell.

Shares remained broadly flat in early trading, up 0.1 per cent on yesterday's closing price. Neither Metro Bank nor Gilinski Bacal have commented.

Domino's chair resigns after US fund grabs slice

JAMES BOOTH
@Jamesdbooth1

THE CHAIR of Domino's Pizza is set to step down before the end of the year, following the appointment of an aggressive US hedge fund to the board of the company.

The fast food firm said this morning that Stephen Hemsley had decided to step down from the board with effect from 29 December.

Senior independent director Ian Bull will take the role of interim chairman until a permanent replacement is appointed.

Chief executive David Wild stepped down in August after a troubled period for the firm, which has been at odds with its franchisees and burned by an unsuccessful expansion beyond the UK.

Hemsley's exit was precipitated by the appointment of Usman Nabi, managing director of Los Angeles-based hedge fund Browning West, to the company's board last month.

Activist investor Browning West recently bought a 6.5 per cent stake in the company.

Nabi will have a say in the appointment of Domino's new chair and chief executive.

Once a new chair is appointed, they will help with the recruitment of a new chief executive.

Hemsley said in a statement this morning: "It has been a privilege to play a part in the growth of Domino's to the brand it has become today, working alongside our talented colleagues and franchisees."

Kantar boss quits after stabbing

JAMES WARRINGTON
@j_a_warrington

KANTAR chief executive Eric Salama is set to step down from the top job next year, citing "personal priorities" after he was stabbed in an attack in west London in January.

The data and consultancy business today announced that Salama, who has run the firm for 17 years, will step aside in 2020 following a transition period.

The media boss heralded an "intense and rewarding" last 18 months at the helm, during which he oversaw WPP's sale of a majority stake in Kantar to Bain Capital for $4bn (£3.2bn).

However, Salama added that "a lot has happened" in his personal life.

In January the media boss suffered a punctured lung when he was stabbed in an attempted robbery outside a cafe in Kew.

At the time, he joked that the "most distressing aspect was being identified as a Chelsea fan" in some press reports.

Salama made a rapid return to work, but has since acknowledged that "now is the right time for me to pause, reflect on my personal priorities and explore other experiences".

Kantar said it will now begin the process of hiring a new chief executive, and will look at both internal and external candidates. Once a successor has been chosen, Salama will join the board as a non-executive director and continue to advise clients.

WPP boss Mark Read hailed Salama's "immense" contribution both to Kantar and to the wider WPP group.

Rolls-Royce share price falls as key shareholder leaves board

ALEX DANIEL
@alexmdaniel

ROLLS-ROYCE shares fell four per cent when markets opened after it announced an executive from its largest shareholder, activist investor Value Act Capital, has resigned from its board.

Bradley Singer, a non-executive director for almost four years and chief operating officer at Value Act, stepped down from the engineer this morning.

When he joined in 2016, the engine-maker was in turmoil after a string of profit warnings. Singer said the firm was now on a "solid path forward".

Chairman Ian Davis had previously said Singer would stay on as long as Value Act remained a major shareholder. It owns a nearly 10 per cent stake in the blue-chip firm.

Singer said: "Since I joined the board nearly four years ago, Rolls-Royce has undertaken many significant initiatives and faced challenges head-on."

Sorrell's S4 Capital hires new directors as it focuses on Asia

JAMES WARRINGTON
@j_a_warrington

SIR MARTIN Sorrell's digital ad firm S4 Capital has appointed two new directors to its board as it turns its focus to Asia.

S4 today said that Naoko Okumoto and Margaret Ma Connolly have joined as non-executive directors. The ad company now has four women on the board and a majority of female non-executive directors.

Water firms 'in line for sharp credit decline'

ALEX DANIEL

@alexmdaniel

THE WATER industry could suffer the steepest fall in credit quality in three decades next week, after regulator Ofwat publishes its final financial demands for the industry for the next five years, according to Moody's.

Ofwat is likely to cut allowed cash returns by about a third, the largest reduction ever, and set targets that leave most firms in the lurch if they cannot improve performance.

The regulator stunned the industry in July when it rejected all but three leading suppliers' business plans for 2020-2025 in a bid to force them to clean up their act.

Ofwat demanded water companies pay their debts faster, become more efficient and treat customers better. It is due to publish its final ruling on Monday.

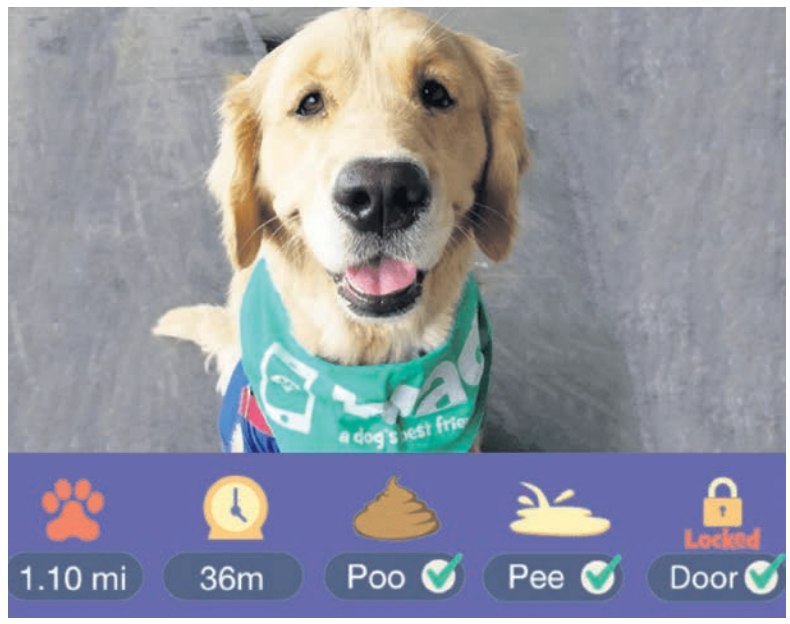
Moody's said this morning that the regulator's draft plans would have given companies £1.8bn less than they said they needed to fund ongoing costs in future.

They could incur a further £1.4bn of operational penalties if they cannot outperform their business plans.

"Gaps are likely to remain significant in the final determinations," the ratings agency said, adding that credit quality would likely deteriorate at its worst rate since privatisation in the late 1980s.

Moody's said if the final demands do not change significantly, appeals to the competition watchdog will mean the price review will extend into late 2020. Reductions in water bills – and in companies' cash flows – will still take effect from April.

"Water companies will try to reduce or defer expenditure and focus their efforts on avoiding operational penalties, but lower cash flow will make further deleveraging difficult without equity injections," the ratings agency warned.



No treats for Softbank as it sells off shares in dog-walking app

ANNA MENIN

@annafmenin

JAPANESE investment giant Softbank has been left with its tail between its legs after selling its stake in Wag back to the dog-walking startup, capping off a disappointing year for its $97bn (£74bn) Vision Fund.

Softbank has agreed to sell its almost 50 per cent stake in the company and will no longer have representation on its board, Wag chief executive Garrett Smallwood said in a memo to employees. Smallwood said Wag was "amicably parting ways with Softbank", according to the Wall Street Journal.

Wag, which let go several dozen employees earlier this year, is also laying off a significant proportion of its remaining workforce.

Grant Thornton and one of its partners fined

JAMES BOOTH

@Jamesdbooth1

ACCOUNTANCY firm Grant Thornton was this morning fined £650,000 and one of its partners £20,000 for failures in the auditing of a publicly listed company.

Regulator the Financial Reporting Council (FRC) said it had sanctioned the firm with a £650,000 fine (discounted to £422,500) and one of its partners £20,000 (discounted to £13,000).

It has also made a declaration that the 2016 audit report did not satisfy requirements.

Grant Thornton has agreed to pay the costs of the investigation.

The FRC said the audit work on the unnamed company's principal assets was inadequate and failed to select an audit sample that was sufficient to reduce the sampling risk to an acceptably low level.

It also said the audit team placed undue reliance on the company's externally appointed experts in the valuation of the assets.

A spokesperson for Grant Thornton said: "We acknowledge the FRC's announcement and regret that we fell short of expectations in this instance."

Mothercare falls even further as revenues slump

STEFAN BOSCIA

@Stefan_Boscia

RETAILER Mothercare fell further into the red in the first half of the year, with its loss before tax widening to £21.2m in the six months to the end of October.

The baby wear retailer, which put its UK stores into administration last month, also saw net debt rise to £24.5m in the period, representing a 14.4 per cent increase year on year.

Worldwide sales were down 8.4 per cent annually over the first half of 2019-20. This was on the back of a two per cent fall in domestic like-for-like sales and a 5.7 per cent fall in international like-for-like sales.

Mothercare appointed administrators for its 79 UK stores last month after company bosses found it was "not capable of returning to a level of structural profitability".

Stores across the country are currently hosting closing down sales.

Senior analyst at asktraders.com Steve Miley said "there was nothing to celebrate in the report".

"Cold winds are blowing down the UK high street, if a retailer under-invests in its online offering clouds will quickly gather on the horizon," he said. "Mothercare forms part of a growing list of retailers that have stumbled or collapsed this year."

Mothercare chief executive Mark Newton-Jones said it had been "an extraordinary challenging period".

"It was simply not financially viable to maintain the UK store estate and supporting infrastructure any longer without putting the whole Mothercare Group at risk," he said.

Mothercare's collapse came last month after a failure to adapt to the online marketplace, according to many analysts.

It will continue to operate in international marketplaces.

Mothercare shares opened 0.39 per cent higher in morning trading.

The retailer said demand for luxury watches in the UK and US was strong

Watches of Switzerland boosted by demand for luxury pieces

JAMES BOOTH

@Jamesdbooth1

WATCHES of Switzerland said today that strong demand for luxury watches had helped it boost sales and profit in its first half-year results since floating in May.

The high-end retailer said revenue grew 17 per cent to £428.7m in the six months to 27 October and adjusted profit before tax was up 112 per cent to £26.5m.

Like-for-like sales grew 10.3 per cent which the company said was driven by higher luxury watch sales.

However, the company said it had made a £9m loss before tax in the period, which it attributed to £34.2m costs from its initial public offering.

Fighting fit: Mind Gym gets profit in shape

JOSH MARTIN

@JoshMartinNZ

AIM-LISTED HR development firm Mind Gym has posted a half year profit of £3.9m, up from £1.1m in the same six-month period in 2018.

The company, which describes itself as "the global provider of human capital and business improvement solution" also posted a revenue jump from £19.4m to £23.9m year-on-year.

Half-year revenue was ahead of expectations which it said was driven by both higher repeat revenue and winning new clients.

Mind Gym uses behavioural science to encourage its client's staff to go about work differently and encourage innovation.

An Interim dividend of 0.9p per share will be paid in January.

Mind Gym boss Octavius Black said his company was on-track to deliver on short-and-medium term objectives and was exploiting the trend of companies actively curating the correct corporate culture:

"Company bosses are increasingly turning to corporate culture as a strategic tool to drive performance.

FORUM

EDITED BY LUKE GRAHAM

Whoever wins this election, our politics will remain in flux

John Oxley

NOTHING except an election lost can be half so melancholy as an election won. That's what the Duke of Wellington might have said after he swapped the battlefield for politics. Come Friday morning, each of the major parties will be reckoning with the result — and may find pain in victory as well as defeat.

It looks like the most likely outcome will be a Conservative majority government. If this does not happen, the UK will face more horse-trading and tense votes depending on what coalition emerges — we might even do the whole thing again in a few more months. If it does, the parties will each face their own challenges.

For the Liberal Democrats, their attempt to be the party of continuity remain would have ended in failure. So too will the highly personal campaign of Jo Swinson. It is difficult to see where they might go from here.

A Johnson majority will seek to "Get Brexit Done" forthwith. Those hoping to frustrate that process — whether by referendum or revocation — will have run out of road.

Rejoining the EU would be a hard thing to sell to the electorate. Once we have left the club, we could only go back on worse terms than we had before. And few voters will relish an extension of the European debate.

Beyond Brexit, however, it is hard to imagine what the Lib Dems might stand for. Few of their policies really landed with the public. While promises on childcare and higher education may be sensible enough, they are hardly a platform for fighting a way back to winning influence.

The Labour Party will face a bigger conflict — perhaps a battle for its soul. It is hard to imagine Corbyn surviving a second election defeat, especially if seats in Labour's heartlands turn blue. The leadership election that follows could be brutal.

Labour moderates will see this as their chance to save the party from the hard left, but they will struggle. Corbyn's supporters have ensured that the new intake of MPs will skew leftwards, and the membership remains supportive of him. Expect to see the blame for defeat levelled at those who failed to back the boss, rather than his own weaknesses.

The leadership battle will face the usual clash of egos, and the left and right fringes of the party could turn in on themselves. Whoever wins may regret it. As well as trying to unite the party, they'll have to tackle the antisemitism crisis and find a way to win back Labour Leavers and centrists who fled to the Lib Dems.

Conceivably, a broad-based Labour coalition could triumph in the next election — or the party could spiral into further infighting.

Should he win a majority, Johnson would be spared the knifing that awaits a defeated leader, but that doesn't mean his troubles will be over. With his pledge to "Get Brexit Done", he knows that any delay will be politically fatal — but also that he would own any negative effects of a disorderly exit. Equally, with promises to expand public spending without raising personal taxes, he has set himself a tight economic agenda.

And by winning the "Brexit election", Johnson will be leading a Conservative government unlike any before. His route to victory anticipates falling back in traditional seats and surging into Labour heartlands. The Tories seem prepared to abandon bankers if it can win the votes of builders. It will put the Prime Minister in an interesting position.

If the party wishes to keep the votes of former mining towns, it will have to redefine itself. While a traditional Tory toughness on law and order may play well here, Thatcherite shrinking of the state will not. Fiscal probity may come second to popular giveaways, including flirtations with state aid for failing industries.

Successfully combining the party's heartlands with post-industrial towns would mean lasting electoral dominance for the Tories — but equally, being squeezed from both sides could see them fall back to a 1997-style defeat next time around.

This election may have been predicated on breaking the Brexit deadlock — but politics never ends.

Whatever the outcome of Thursday's poll, both government and opposition will have to contend with a new political landscape. Both the Lib Dems and Labour will face an internal reckoning, while the Tories may not find the green benches as comfortable as they might hope.

When the dust clears from this campaign, our politics will remain in flux. Rather than the resolution of 2016, this could be another shockwave in an ongoing realignment.

Each party will face the challenge of juggling their existing voters with new seams of support. Getting it right could mean the difference between future triumph and oblivion.

> **The Labour Party will face a bigger conflict — perhaps a battle for its soul**

John Oxley is a Conservative commentator.

The parenthood work penalty must perish

Annabel Denham

EARLIER this year, journalist Emma Duncan asked why we work so hard to avoid our children. Will future generations look back and wonder why parents fought tooth and nail for time in the office?

If today's battles result in a childcare sector that offers real choice at a lower cost, and a society where having a baby no longer means reduced earnings or stunted career progression for women, judgment from our successors may be a price worth paying.

One such battle occurred recently, when a Miss World contestant took legal action against the pageant after being stripped of her title for being a mother. Given the sexism and superficiality at the core of the competition, such an archaic and insulting rule shouldn't be surprising.

But the comments from one organiser — who speculated that it would be "unfair" on the child for the mother to be away for a year travelling, never mind where the father might be or the fact that plenty of working mothers spend time away from home — give credence to Stella Creasy's claim in June that the equality battle is far from over.

This election campaign has thrust the issue of childcare to the fore. Politicians acknowledge that change is needed — that there is something wrong when becoming a mother means a penalty on pay, pensions and career prospects — but are clueless on what to do about it.

Further, the experience of Scottish Liberal Democrat candidate Bruce Wilson, who was empty-chaired at a hustings after wanting to spend time with his newborn twins, suggests that British workers face a parenthood — as well as motherhood — penalty. One write-up said unkindly: "He was a bit of a mystery. First he was coming, then he wasn't, then he appeared, then he left early. And all because of the arrival of twins. It later transpired that they'd arrived on Tuesday — two days prior."

Despite many firms instituting flexible work arrangements and paid time off, taking up these offers can sabotage future wages or promotions. And even though shared parental leave was introduced in 2015 to narrow the "gender pay gap", take up has been dismally low.

Some suggest that, as lawmakers, MPs should lead by example, but Parliament currently allows just six months of proxy voting, and complaints of antisocial hours have been raised. The issue persists that, regardless of profession, parents are torn between prioritising time with their kids or focussing on the means of providing for them.

A study from the University of North Carolina found that it is worse for fathers to choose to stay at home in competitive job markets.

They are more likely to have flexible working requests turned down, and women earn more than men for part-time work. But anyone cheered by these statements should bear in mind that they entrench the assumption that women should step aside and pick flexible or part-time roles, while men climb the ladder.

It has been said before, but more male chief executives should blaze a trail and show their colleagues that paternity leave or shared parental leave is acceptable.

Emma Duncan suggests in the same article that automation could one day offer the solution, freeing people up to look after one another while computers take on the more boring tasks. She may be right, but we need action, not least from our politicians, now.

Annabel Denham is associate director at The Entrepreneurs Network.

DEBATE

Will the FCA's new rules make peer-to-peer investing safer?

YES

RHYDIAN LEWIS

The FCA has raised the bar in key areas such as risk management, governance, and disclosure. Peer-to-peer (P2P) is not a savings product, but it should be a low-risk investment, and these new rules (which came into force on Monday) will make investing safer.

The new rules elevate the regulation of the P2P sector to be on par with other mainstream financial sectors and put an end to any lingering sense that the industry is lightly regulated.

This is likely to prove a watershed moment. It took other financial sectors decades or even centuries to establish themselves, and this higher standard of regulation is a milestone for P2P. It means that people can invest with the confidence that this is a properly regulated industry.

For ages, banks have exclusively enjoyed the value from investing in loans. P2P makes those same returns available to investors, and via these new rules, the FCA has confirmed that this is an opportunity available to all.

Rhydian Lewis is chief executive of RateSetter.

NO

ANTHONY MORROW

Like any maturing sector, P2P is inevitably attracting more regulation. But just because the new rules make it look safer, it doesn't mean the sector is now safe.

Indeed, as long as P2P continues to promise investors above-average returns, then it will carry above-average risk.

Whether you should avoid P2P lending altogether depends on your own risk profile and your attitude to loss. These are complicated products that are presented to investors as "cash-like", but in reality they are anything but.

The business model of P2P firms remains unproven during the course of a full business cycle. Just how sustainable the sector is in the face of a wider economic downturn remains to be seen.

Then there's the issue of liquidity — or lack of it — in the sector. Putting all this together, P2P still adds up to a high-risk investment — which investors should only enter into with their eyes wide open.

Anthony Morrow is chief executive of OpenMoney.

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Printed by West Ferry Printers Ltd, Kimpton Rd, Luton LU2 0SX

ELECTION MARKET WATCH

ELECTION PROMISES LITTLE RELIEF FOR TROUBLED UK MARKETS

Chris Beauchamp
Chief market analyst, IG

The election represents another 'key risk' moment for UK assets. Depending on the result, some parts of the UK stock market could suffer heavily, while others might be beneficiaries of a surprise result.

This is the dangerous part – trying to work out what comes next. Memories of the predictions made before Brexit and Trump in 2016 linger, and thus we have to play the 'Keynesian beauty contest game' here, i.e. we aim not to say what we think will happen, but try to work out what everyone else thinks will happen:

GBP

As outlined above, in some ways it is hard to get too optimistic about the outlook for sterling, unless the result is a replay of 1992, with the Tories romping home to a big majority. A lot of the bounce that might be expected off the back of a Tory win has been priced in already, arguably, which means upside could be limited. A hung Parliament, with the attendant worries about more delay and a possible second referendum, could set GBP on a downward path once more. Potential longer-term upside for GBP would depend on the new government's position on phase 2 negotiations and their economic strategy.

FTSE 100

While the premier index for the UK is relatively insulated from domestic political developments, the strength in GBP has arguably held back the index to a degree, as the US and Europe both see their indices power higher. It could be argued that a weaker GBP could let the index play catch-up to a degree, while a sudden shift towards a soft Brexit would boost financial firms, on hopes of a closer relationship with Europe (although again some of this would be limited by the concomitant rise in GBP on such a big policy development).

FTSE 250

Here the domestic outlook plays a bigger part. For the year-to-date, the mid-cap index has comfortably outperformed its bigger cousin, suggesting perhaps that investors in the FTSE 100 are more concerned about the international outlook, especially trade wars. The 250 has also outpaced the 100 on one-year and five-year timeframes. Thus a clear win for the Conservatives would continue to be positive, while a Labour government would certainly prompt some weakness, although it would have to be a big Labour win to really spell trouble for the longer-term mid-cap rally.

> "There are plenty of opportunities for traders and investors, but plenty of pitfalls as well.

HOMEBUILDERS

These will be happy to see a Conservative win, since it will leave them mostly unaffected. At still relatively undemanding PE ratios, and strong dividends, plus a better pricing outlook thanks to the bounce in sterling, the sector could see some notable inflows if the political environment remains relatively benign. A Labour win will make investors nervous about potential compulsory purchase of land to build houses, or a big increase in council-house building that might push house prices lower.

FINANCIAL SERVICES

As hinted above, these would benefit if the new government pivoted towards a soft Brexit. The current Conservative plan however is of the 'hard Brexit' variety, which will raise fears of a bigger economic hit plus a tougher environment inside Europe as UK banks attempt to compete while the EU fights to boost its oversight of a key UK sector.

PHARMACEUTICALS

The sector will be a key focus as Brexit discussions move into a second stage. Key names like GSK and AstraZeneca will be looking for the UK to maintain a close relationship for drug supply and research, and we can expect this to play a big part from January. It seems unlikely to be a major issue around the general election however, but the sector is certainly likely to be buffeted by Brexit news later in 2020.

UTILITIES

If Corbyn were to win then this would suffer heavily, given Labour's nationalisation plans. Conversely, a convincing Conservative majority could see the likes of United Utilities and National Grid rally, since a change in Labour policy might result if (and it remains a big if) Jeremy Corbyn were to step down as leader. The risk of course is that he is simply replaced by another MP from the Hard Left, such as John McDonnell, leaving the nationalisation policy intact. Royal Mail, while not a utility, would be another name that might benefit following a Tory win, although it has its own much deeper problems to worry about.

As we can see there are plenty of opportunities for traders and investors, but plenty of pitfalls as well. A Conservative win is apparently so well 'priced in' that there might be precious little market reaction. In any case, attention will soon shift to the next stage of Brexit negotiations, providing yet more event risk for UK investors to manage.

HOW DO UK GENERAL ELECTIONS IMPACT THE STOCK MARKET?

Joshua Warner discusses the impact of previous elections on the stock market and what to expect later this week

General elections can have a profound long-term effect on the economy and people's lives. The impact of elections on the stock market is less understood. Analysing the last seven UK elections, there is no definitive pattern as to how markets react, although there are historical patterns that may help investors and traders prepare for the aftermath of this election.

ELECTIONS PAST: 1992

In 1992, the UK was emerging from recession, but unemployment remained high, house prices had dropped, and interest rates were in the double digits. The FTSE All-Share Index had fallen 4.4% in the six months before the election was called on 11 March. Many believed that the Conservatives were on their way out after 13 years, and the FTSE All-Share fell 4.1% in the 29 days of campaigning. It came as a shock when the party won a majority and markets responded positively, rising 5.9% on the day after the election and 3.2% in the subsequent six months.

1997 ELECTION

Economic growth began to accelerate in the UK in 1997, and the market had risen 8.9% in the six months before the election was called, but the Conservatives were not being given any credit and many voters started turning to Labour and its dynamic new centrist leader Tony Blair. Labour ended up winning a majority of 179 seats. The markets rose 6.5% in the six months after the vote, partly driven by the decision to give the Bank of England independence.

2001 ELECTION

There was little doubt that Labour was set to win a second term in office when Blair called the election, and the party duly won. The stock market had declined 8.5% in the six months before the election as the dot-com bubble that gripped the global market in 2000 burst. There was a short-lived bounce in the UK market after the election, before the declines resumed in line with falls in global indices.

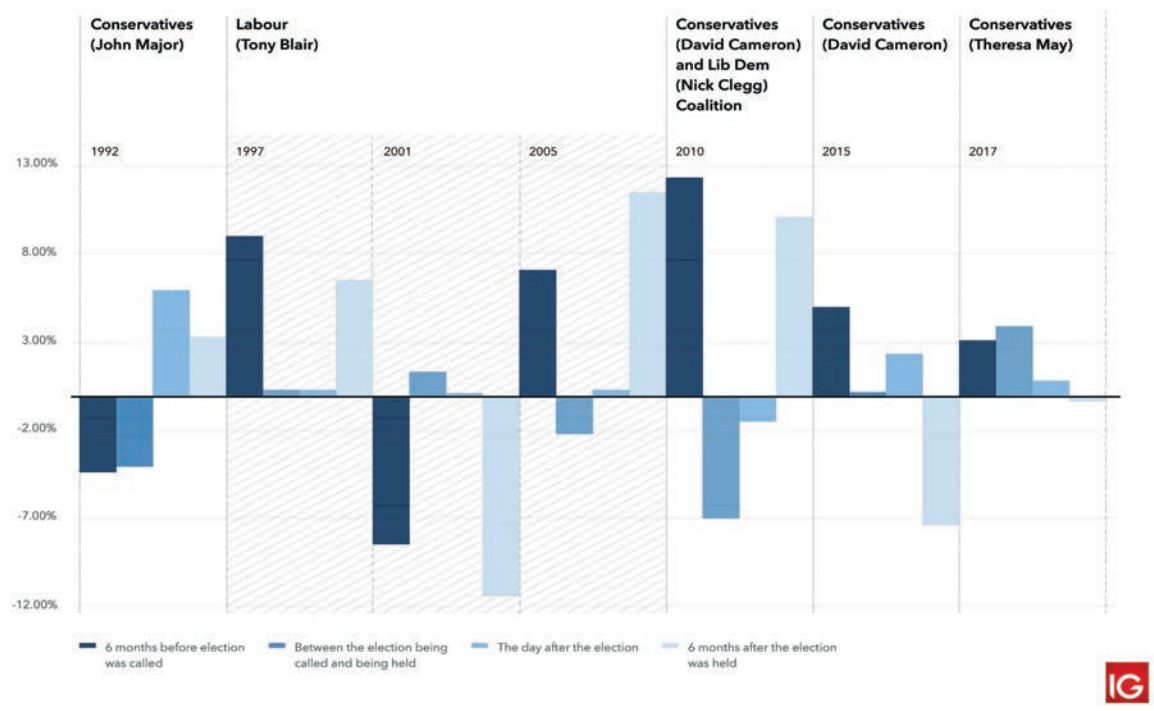
2005 ELECTION

The UK economy was racing ahead by 2005 and the stock market had risen 7% in the six months before the election was called. Labour capitalised and won a third term in office, albeit with a reduced majority. UK equity markets started to rise at an even faster rate after the vote, up 11.5% in the subsequent six months.

2010 ELECTION

The economy was in tatters following the financial crash of 2007/08, but the UK got a rare hung parliament as Conservative messages of fiscal prudence failed to get it a majority. The party had to form a coalition government with the Liberal Democrats. The market was up 12.4% in the six months prior to the election being announced, but fell 7% during the 29-day campaign. It fell another 1.4% in the five days it took the Conservatives and Lib Dems to form a coalition, but it began to recover once a government was in place and rose over 10% in the six months after the vote.

FTSE all-share performance in UK general elections



2015 ELECTION

The UK economy was starting to recover following the financial crisis, with the market rising 4.9% in the six months before the election was called. Still, opinion polls predicted yet another hung parliament, which limited the stock market to a very small gain between the vote being called and held. In fact, the Conservatives won an outright majority, and the UK market rose 2.4% the day after the election. It then fell 7.3% in the following six months amid uncertainty around the EU referendum to be held the following year.

2017 ELECTION

Theresa May was way ahead in the opinion polls when she called a snap election to try and get a parliament that would support her Brexit plans. This was a huge misjudgement and the Conservatives lost their majority, forcing them to sign a confidence-and-supply agreement with the Democratic Unionist Party to remain in power. The market had risen 3.2% in the six months before the election was called, and increased a further 3.9% between the announcement and the election being held. The market failed to gain much traction in the six months after the vote, managing to edge just 0.3% higher, as Brexit uncertainties saw UK markets lagging their global peers.

MARKETS PREFER PREDICTABLE ELECTIONS RATHER THAN CLOSE-CALLS

It's often said that the worst enemy of any stock market is uncertainty. The market has tended to perform better in the run up to an election when it is fairly confident about who is going to win.

MARKETS TEND TO PERFORM BETTER AFTER AN ELECTION THAN BEFORE IT IS HELD

The market tends to pick up where it left off once the election is over. If the market was in decline before the election was called, then it is likely to continue that trend after the vote, especially when the winner can be predicted. The market was experiencing strong gains in the run up to the 1997 and 2005 elections, when Labour's victory was comfortably predicted, and markets continued to rally after both elections delivered the result as expected. Similarly, the markets were in decline ahead of the 2001 election but recovered during the election campaign, only to start declining once again after the vote.

MARKETS TEND TO PREFER A CONSERVATIVE GOVERNMENT OVER A LABOUR ONE

A study by the Stock Market Almanac shows Conservatives and Labour won the most seats in nine general elections each between 1945 and 2010. The market rose in eight out of the nine years the Conservatives came out on top and delivered an average annual return of 10.8%. However, the market only rose in three years when Labour won, and overall the average annual return was -5.8%.

ELECTIONS CAN CAUSE SHORT-TERM VOLATILITY BUT OFTEN HAVE MINOR IMPACT IN THE LONG TERM

The impact of elections is very short-lived. Uncertainty during the campaign can disrupt the direction of the market and cause it to become more volatile, and an unwelcome or surprise result can also provide a shock to the market immediately after the vote. While there are signs that the market performs better over the short term when a Conservative government is elected, there is no evidence to suggest the stock market performs better with any particular party at the helm over the lifetime of the government.

You can trade the FTSE 100, GBP/USD and EUR/GBP as the results come in during election night 2019 with IG's 24-hour markets*.

LIFE&STYLE

THE BEST FILM, ART, THEATRE AND GAMES FROM THE YEAR 2019

From the latest Martin Scorsese gangster epic to Maggie Smith's tour-de-force performance in A German Life, we pick out the best cultural events of the year

FILMS

1. US
DIR. JORDAN PEELE

One of the most surprising horror films of recent years, Jordan Peele's Us wraps up themes of racism and alienation in a neat Twilight Zone bow.

2. THE IRISHMAN
DIR. MARTIN SCORSESE

The Casino and Goodfellas director returns with another gangster epic, this time a slowburn meditation on ageing in a changing US society.

3. ONCE UPON A TIME IN HOLLYWOOD
DIR. QUENTIN TARANTINO

The ultimate film nerd pens a love-letter to Hollywood in this alternate history set in 1960s LA, with star turns from Brad Pitt and Leo DiCaprio.

4. MIDSOMMAR
DIR. ARI ASTER

Director Ari Aster forgoes the usual nighttime scares in favour of gloriously technicolour horror set in the Swedish countryside.

THEATRE

5. FAIRVIEW
YOUNG VIC

What first appears to be a kitsch tribute to the American sitcom turns into something utterly unpredictable and groundbreaking.

6. A VERY EXPENSIVE POISON
OLD VIC

The heartbreaking tale of the death of Aexander Litvinenko is reimagined as an all-singing all-dancing critique of unfettered power.

7. A GERMAN LIFE
BRIDGE THEATRE

Maggie Smith plays Brunhilde Ponsel in this gutwrenching confession by a Nazi collaborator; one of the performances of the year.

8. ANNA
NATIONAL THEATRE

This Stasi-era spy drama shows theatre can be cutting edge, with the audience listening voyeuristically to the action through headphones.

ART

9. FRANZ WEST
TATE MODERN

One of the most light-hearted, life-affirming exhibitions of the year, the Tate Modern captures West's chaotic, brilliant, silly energy.

10. DOROTHEA TANNING
TATE MODERN

Tanning's work is like a barely-remembered childhood dream, both nostalgic and a little scary. She was a major influence on artists to come.

11. BRIDGET IRLEY
HAYWARD GALLERY

These brain-frazzling abstractions are some of the most adept ever put to canvas, and her exhibition is a tour-de-force of optical tricks.

GAMES

12. DISCO ELYSIUM
DEVELOPER: ZA/UM

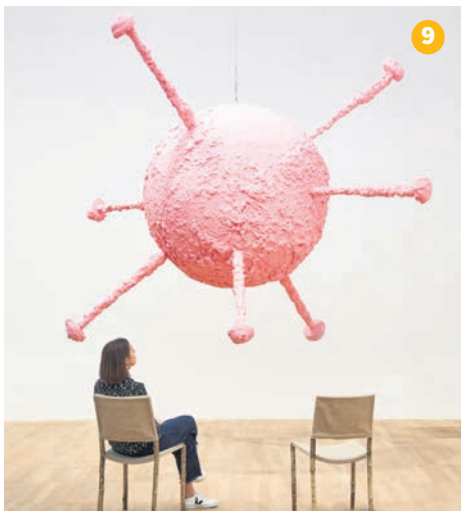
Using twice as many words as War and Peace, this painterly role playing game sees your character attempt to navigate his own diseased mind.












WHISKY BUSINESS

We venture up through the Highlands on a wintry adventure, by **Andy Silvester**

Winter sun, this ain't. Trundling northwards through the Cairngorms towards Inverness, you could be forgiven for thinking you were travelling through an alien landscape. Grey, spare hills emerge from the drizzly low cloud; the "torrents and loud-poured floods" of Rabbie Burns' poetry run high and violent. Not for nothing do the Scots have several different words for mist.

But the magic, almost mystical quality of the Highlands is only enhanced by the autumnal weather as we take the twists and turns of this stunning landscape, a two hour drive north of Edinburgh. We're heading for the banks of the river Alness, where something else magic and mystical awaits us, in the form of a very special Scotch whisky at the Dalmore distillery.

We begin the drive in Braemar, a small village on the banks of Clunie Water, a tributary to the River Dee. Known for its proximity to Balmoral and the annual Highland Games – attended by Her Majesty, no less – it now has another claim to fame in the form of the recently renovated Fife Arms.

A solid if not beautiful grey-brick building from the outside, the inside is a veritable smorgasbord of Scottish and artistic delights. The entrance hall, a deep oak-panelled affair with leather-backed armchairs and a roaring fire straight out of a Christmas movie, is adorned with a Picasso.

The courtyard adjacent to a candlelit snug has a Louise Bourgeois spider sculpture plonked in the middle of it. It's part-Royal getaway, part-

Tate Modern. The Fife Arms – with rooms piled high with stunning artefacts, freestanding bathtubs and inviting raised beds – has been topping many a list this year of the UK's newest 'must-stay' hotels. It is hard to overstate just how carefully this extraordinary hotel has been put together.

And if staying in this stunning setting doesn't quite fit the itinerary, a pint in the attached pub, The Flying Stag, is a must, ideally after a walk in the hills of Braemar. Fresh air and a country pub makes for a hell of an antidote to any London fuzziness.

But the Fife Arms is merely a diversion on the way to another Scottish gem – the Dalmore Distillery, twenty miles north of Inverness and with a heritage that stretches back across almost a century of Scottish history.

We're here to see the distillery's new visitors' centre, finished just days before we arrive. But upon arrival we're greeted with an image that is anything but new – a replica of the majestic Benjamin West painting The Death of the Stag. It's here, we're told, the Dalmore story starts. Colin Fitzerald, chief of the clan McKenzie, is seen saving King Alexander III from a violent stag; in return, he was granted the right to use the 12-pointed Royal Stag as the Mackenzie clan crest.

It's stayed that way since, and when Andrew and Charles Mackenzie took over the young Dalmore distillery in in the mid-19th century, they put the stag on the bottle. The caberfeidh has stayed there ever since.

The distillery is celebrating its 180th anniversary in 2020, and doing it in style. The visitor's centre contains a small museum celebrating the brand's heritage and an art deco-inspired VIP bar in which one can imagine a travelling Gatsby reclining beside the fire. An hour-long tour of the site takes you through the art of making Scotch whisky, including the Dalmore's unique flat-topped stills (a nod to the originals, built in such a way because the original building wasn't tall enough to take the usual curved variety.)

But no matter how interested you might be in the stills or the extraordinary warehouse, chock-full with old port, sherry, bourbon and red wine casks that as you watch are working their magic on the booze inside, you're really here for the whisky.

And what whisky it is. All Dalmore iterations are finished in Matusalem oloroso casks from the Jerez triangle which lends it a darker hue and a smooth, tender finish. The signature aroma, a warming chocolate orange, is remarkably distinctive; here on a crisp Scottish evening, it couldn't scream Christmas more if it started singing Silent Night.

The 12, 15 and 18 year olds are a delight, the kind of dram that has people who 'don't like whisky' positively purring. But it's the Dalmore's special editions that have made the distillery one of the most exciting in Scotland. For the 180th anniversary, Master Distiller Richard Paterson – a raconteur par excellence – has put together a rare 60 year old from two casks that first saw action in 1951.

He calls it a labour of love, and it certainly is. Who needs winter sun when you've got a whisky that'll warm the cockles – either in Braemar or Bermondsey.

Photo credit: Till Britze Photography www.tillbritzephotography.co.uk

Sterling bulls return ahead of election

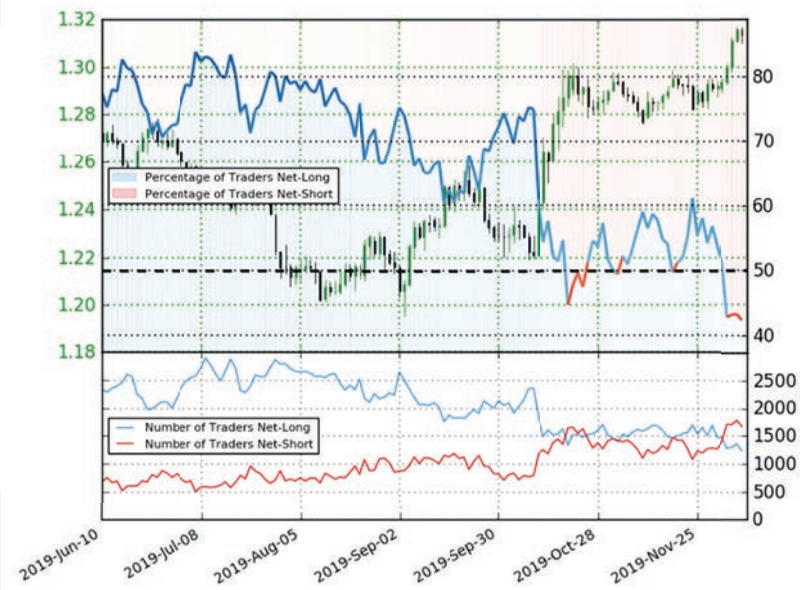
The pound has been on a rollercoaster ride since the EU referendum, with GBP/USD currently trading at levels last seen in the week that followed the 2016 referendum result.

For the pound, the possibility of a no-deal Brexit has been the biggest driver of price action, with GBP/USD surging in response to Johnson's deal with the EU. That may not be so much an explicit approval in the economic merits of such a deal, but instead a sign of relief that a no-deal will be avoided. Short-term traders see a conservative majority as a best-case scenario for the pound, yet client sentiment highlights fears that the polls may be overstating Johnson's lead. With net shorts at a 2019 high, traders are clearly positioning themselves for a potential bearish jolt if the election doesn't go to plan for Boris.

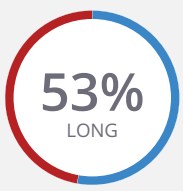
Client positioning

EUR/GBP

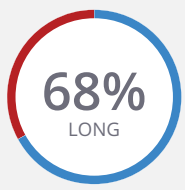
GBP/USD



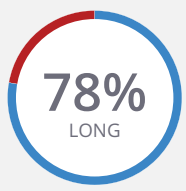
Client sentiment



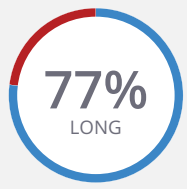
FTSE 250



FTSE 100

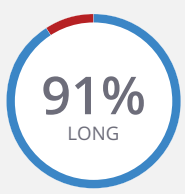


UNITED UTILITIES GROUP PLC

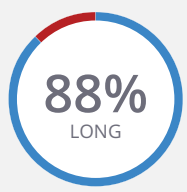


SEVERN TRENT PLC

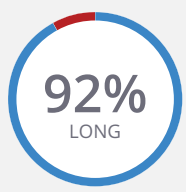
BARCLAYS PLC



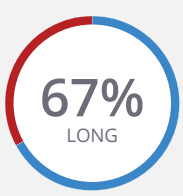
LLOYDS BANKING GROUP PLC



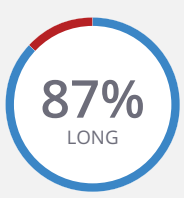
NATIONAL GRID PLC



BT GROUP PLC

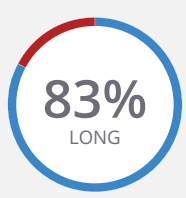


PENNON GROUP PLC



TAYLOR WIMPEY PLC

ROYAL DUTCH SHELL PLC



ROYAL MAIL PLC

OFFICE POLITICS

Want to climb the career ladder? Get data literate

There is a chance to secure a competitive advantage — for businesses and their staff

James Fisher

DATA literacy helps our police forces identify criminals, it is helping hospitals improve patient care, and it has also been shown to increase the enterprise value of a business by up to five per cent.

However, the employee benefits have largely gone unexplored.

Demand for specialist skills, like data science and analytics, has catapulted the career opportunities for data analyst and business intelligence roles into the spotlight.

But the benefits to businesses when data access, analysis, and decision-making are siloed in these functions are limited.

The potential agility and additional value created by data decision-making is best achieved when employees across every division, and at every stage in their career, have access to and are empowered to use data to make decisions.

Yet the opportunities for the wider workforce in harnessing data is underappreciated.

The focus on specialist roles has resulted in data skills — and the career advantages associated with them — being perceived by some as beyond their personal experience, education, or reach.

However, data empowers those with even just a foundational understanding. From marketing and product development to customer service, data is providing organisations with a competitive advantage when in the hands of those that can use it to make informed, timely decisions.

Indeed, demand for decision-makers who have a basic understanding of data is on the rise, with IBM projecting a 14 per cent increase in positions between 2015 and 2020.

Therefore, it's not surprising that over two thirds of European businesses, in a survey commissioned by Qlik, reported that they are actively looking for data literate candidates.

And while not all business leaders surveyed were aware of how their firm remunerates data literate employees, 75 per cent of those who are up to speed on their company's policy reported paying higher salaries to employees who have the ability to read, analyse, and argue with data.

These candidates don't need higher education qualifications to demonstrate their data skills.

To assess an employee's data literacy, 59 per cent of global enterprises asked candidates to solve an example business problem to demonstrate their skills, whereas 18 per cent viewed a Bachelor's or Master's degree in science as their primary consideration when hiring.

But anyone that invests in improving their data skills — no matter what their existing qualifications — can access better career opportunities.

As it stands, just 24 per cent of global employees are confident in their data literacy skills, but it can help workers become more valuable to their employers, and translate into higher personal income.

In turn, employers must consider how investing in data skills will help to supercharge their businesses.

Around half of companies said that they don't provide data literacy training for their employees. For those businesses that do offer training, they clearly understand the opportunity to secure a competitive advantage in the data revolution.

James Fisher is senior vice president of data firm Qlik.

Demand for decision-makers who have a basic understanding of data is on the rise

SOCIAL INTERACTION

Hootsuite
Free

Does your business even exist if it doesn't have a social media account? For many customers, the answer is no. But managing social media accounts across different platforms is easier said than done. Say hello to Hootsuite. The app helps to manage and schedule posts on Twitter, Facebook, LinkedIn, and Instagram. You can monitor your brand, and get notifications when people talk about your business.

COFFEE BREAK

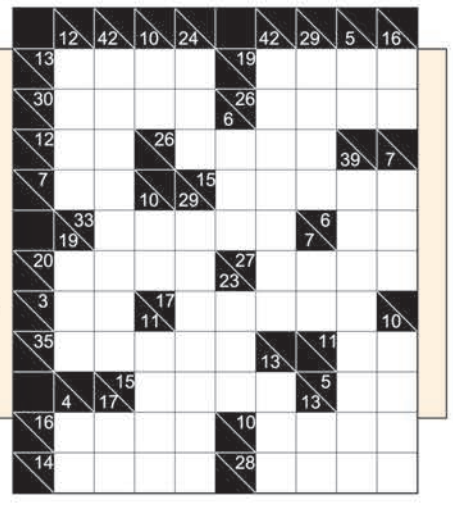
SUDOKU

Place the numbers from 1 to 9 in each empty cell so that each row, each column and each 3x3 block contains all the numbers from 1 to 9 to solve this tricky Sudoku puzzle.

								8
			9		2	5		
4	3				7			
		7					2	
9					8			6
			2			3		
6				7	3			4
						8	1	
1		4			9		7	

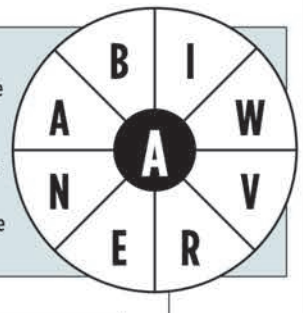
KAKURO

Fill the grid so that each block adds up to the total in the box above or to the left of it.
You can only use the digits 1-9 and you must not use the same digit twice in a block. The same digit may occur more than once in a row or column, but it must be in a separate block.

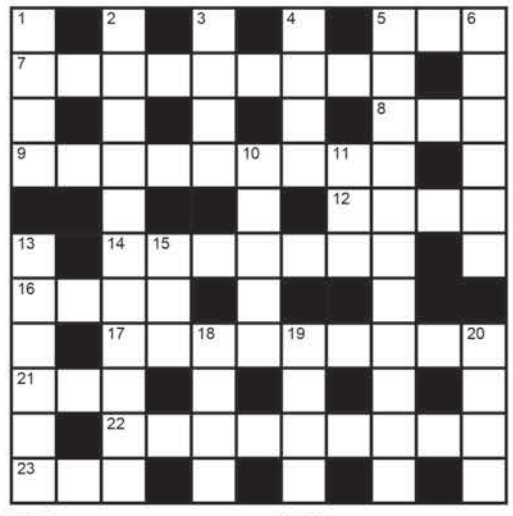


WORDWHEEL

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



QUICK CROSSWORD



ACROSS

5 Elongated seed vessel of a leguminous plant (3)
7 Extremely irritating to the nerves (9)
8 The alphabet (inits) (3)
9 Mixture of sweet-scented materials (9)
12 Reverse an action or its effect (4)
14 Taxi drivers (coll) (7)
16 Wooden shoe (4)
17 Meat-eating animal (9)
21 Harper ___, author of *To Kill a Mockingbird* (3)
22 Take into custody (9)
23 Yellowish-brown colour (3)

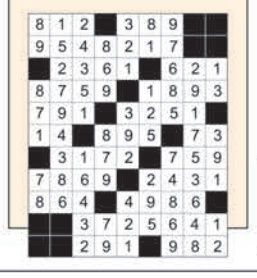
DOWN

1 Request on an invitation (inits) (4)
2 Ice-covered waters surrounding the North Pole (6,5)
3 Capital of Norway (4)
4 Distant (4)
5 Using simple and direct language (5-6)
6 Physician (6)
10 Of or to do with cities (5)
11 Strong-scented herb (3)
13 Carve or shape stone (6)
15 ___ Khan (3)
18 Tears violently (4)
19 Individual unit (4)
20 Swirl (4)

LAST ISSUE'S SOLUTIONS

QUICK CROSSWORD

KAKURO



SUDOKU

6	9	7	8	4	3	5	1	2
3	5	1	2	7	9	4	6	8
8	4	2	6	1	5	7	9	3
4	1	5	7	8	2	6	3	9
7	8	3	9	6	1	2	5	4
9	2	6	3	5	4	1	8	7
5	7	4	1	9	8	3	2	6
1	3	8	4	2	6	9	7	5
2	6	9	5	3	7	8	4	1

WORDWHEEL

The nine-letter word was **TANTALISE**

SPORT

MAKING A SPLASH

After a solid first year, SailGP has added big names and is aiming high in 2020, writes **Felix Keith**

IF THE first season of SailGP was about making a splash and proving that there is an audience for the sport, then the second is about expansion.

The worldwide sailing series, the brainchild of American software billionaire Larry Ellison and former world champion yachtsman Sir Russell Coutts, enjoyed a successful maiden voyage this year.

Teams from Great Britain, Australia, China, France, Japan and the US competed in identical wingsailed F50 catamarans across five grand prix style events in Sydney, San Francisco, New York, Cowes and Marseille between February and September, with the Australians claiming the $1m prize.

Although Tom Slingsby's team ultimately came out on top, the racing was competitive, with all six crews winning at least one race.

It was also fast-paced, with the 50-knot speed barrier broken for the first time in sail racing.

With some of the world's best sailors competing in cutting-edge, high-tech boats, the racing was always likely to be compelling.

But the audience to watch them was far from guaranteed, with the series contending with sailing's niche nature, a distance from spectators that can make it challenging to follow and a perception that it is elitist.

The fact that 133,000 spectators attended races and Coutts, the series' chief executive, boasts a cumulative event broadcast audience of 247m people suggests sailing might no longer be so niche.

AINSLIE'S DRAW

In a bid to increase the eyes on next year's season, SailGP have welcomed on board the most successor Olympic sailor of all time.

Four-time gold medalist Sir Ben Ainslie has switched his immediate focus from trying to win the Americas Cup in New Zealand in 2021 and joined the Great Britain team for the 2020 edition of SailGP, which starts in Sydney on 28 February.

Ainslie has instantly upped the visibility of SailGP, bringing with him the commercial might of Team Ineos UK – his Americas Cup set-up – and sponsors Belstaff and Grenadier in what he describes as being "like a merger".

"He's a brilliant asset," says the Great Britain team's chief executive Chris Draper. "There are no other sailors in the world who can turn the pages on live media that isn't just sailing orientated."

Ainslie's arrival on a one-year contract will see Olympic bronze medalist Draper move off the boat next season, while former captain Dylan Fletcher and team-mate Stuart Bithell will focus on winning gold in the 49er class at the Tokyo 2020 Olympics.

"I was a little bit surprised initially, to be honest," adds Draper. "But I could easily see the draw and attraction for Ineos – the racing is incredible, you can't deny that it's the best racing going on at the moment in hydrofoils."

Ainslie admits that sailing an F50 with four others is "almost like a different sport" to the Finns he is used to, but the potential of SailGP was simply too good an opportunity to turn down.

The 42-year-old does not see SailGP experiencing the same difficulties as the Extreme Sailing Series, which became financially unviable and folded in October after 12 years of existence.

SAILGP: NEED TO KNOW

2020 season dates
Sydney: 28-29 February
San Francisco: 2-3 May
New York: 12-13 June
Cowes: 14-15 August

Teams and helmsmen
USA, Rome Kirby
Great Britain, Sir Ben Ainslie
China, Phil Robertson
Japan, Nathan Outteridge
France, Billy Besson
Australia, Tom Slingsby

Ainslie has joined the Great Britain team for SailGP's second season

"With SailGP, the technology in the boats is way more technologically driven in this kind of a circuit before," says Ainslie.

"And also in the sporting product – the TV, the scope, the graphics – that's something that has been revolutionary in how sailing has been covered.

"It makes it much easier for a lay person to watch sailing and get what is going on."

SUSTAINABLE

Coutts has frequently spoken of his aim to make SailGP sustainable – and that means financially as well as environmentally.

The competition has committed to the United Nations' Sports for Climate Action framework to address the latter, while the involvement of original sponsors Rolex, Oracle and Land Rover, as well as brands like Ineos, have made the former a truly achievable objective.

SailGP created a $115m economic impact, or $23m per event, in its first year, while Coutts proudly reports that all events were contained within their budgets and that the six teams all ran under budget.

He says there is interest from around 20 other countries to establish teams, with new competitors, including Ainslie's Danish rival Jonas Hogh-Christensen, and races set to be announced.

The teams are currently run by the competition but the aim is for them to become privately owned and commercially sustainable in the long term.

"It's our fundamental objective," says Coutts. "We want these teams to build brand equity and value over time, which is normal in most sports properties.

"Most of the time when you have an ownership change or key personnel changes in the team, the teams go on – yet that hasn't been the case in sailing. If you look at the major teams that have formed in sailing over the years, they've generally had a pretty short life cycle. They've been created, they've spent all this money, then they completely disappear.

"That's what we wanted to change: set this new structure that is consistent but an annual championship series that is raced in the fastest boats in the world which provides great value for our commercial partners."

The involvement of Ineos is a major coup. Driven by Britain's richest man, founder Sir Jim Ratcliffe, the world's largest chemical producer has made a conscious effort to move into sport over the past few years, taking over Team Sky in cycling and sponsoring Eliud Kipchoge's successful attempt to break the two-hour marathon barrier, while Ratcliffe himself acquired French football club Nice.

The company's backing of Great Britain's SailGP team, therefore, aligns with its other projects and also makes the venture profitable after just one year, according to Coutts.

"The fact that these guys want to come and join the circuit is a true testament to how far it has come in one year," adds Draper.

> "The involvement of Ineos – driven by founder Sir Jim Ratcliffe, Britain's richest man – is a major coup

"It's quite unbelievable to be honest. When we sat around last year we didn't really know what was going to happen. We arrived at the first event and we were pretty bloody scared."

With Ainslie on board and new teams and sponsors queuing up, the future is looking brighter for SailGP and the wider sport of sailing.

HAMMERED Manuel Pellegrini 'not worried' about relegation

West Ham manager Manuel Pellegrini has dismissed the idea his side should be worried about relegation after last night's 3-1 defeat to Arsenal left them one point above the bottom three. The Irons have won just one of their last 10 Premier League games and now face a must-win match with Southampton on Saturday, as defeat would see them fall into the relegation zone. "I am not worried about relegation, I am more worried about the last five games at home where we have had just one draw, conceding three goals in each game," said Pellegrini. "We need to concentrate more, be more consistent and more solid."

SPORT DIGEST

REED SAYS ACCUSATIONS HE CHEATED ARE 'WRONG'

Patrick Reed has hit back at claims he cheated during the Hero World Challenge last Friday. The American received a two-stroke penalty for improving the lie of his ball in a bunker by moving sand with his practice swing. Speaking at a press conference today ahead of this week's Presidents Cup, Reed said: "It's not the right word to use. If you do something unintentionally that breaks the rules, it's not considered cheating."

LAMPARD ISSUES RALLYING CALL AHEAD OF LILLE CLASH

Frank Lampard has called on his young Chelsea squad to "make a mark" in their crucial Champions League tie with Lille tonight. Only a win will guarantee the Blues progress to the knockout round, although they could also qualify with a draw if Ajax beat Valencia. "It's an opportunity for the team and particularly the young boys," he said. "If we are going to do anything good here, we have to have lots of these nights."

NORTH TARGETS 100 CAPS AND TRY-SCORING RECORD

George North says there is more to come from his Wales career as he chases down 100 caps and Shane Williams' try-scoring record. The 27-year-old has won 91 caps for his country and stands third on the try-scoring list with 39 behind Gareth Thomas and Williams. "I feel there is more to come and one of my goals when I started was to play for my country 100 times," he said. "I want to chase down Shane as hard as I can, but I know that will be a tough ask."

NEWCASTLE TO GIVE AWAY HALF-SEASON TICKETS

Newcastle United are offering season ticket holders a free half-season ticket to gift to fellow fans to help fill St James' Park. The 42,303 attendance at Sunday's 2-1 win over Southampton was the lowest the club has seen in a Premier League home game since November 2010. The free tickets, which are available today on a first-come first-served basis, will cover 10 home Premier League games starting with Everton on 28 December.

MCILROY REJECTS SAUDI ARABIA EVENT OFFER

World No2 Rory McIlroy has ruled out competing in next month's European Tour event in Saudi Arabia. The Northern Irishman did not deny he had been offered a $2.5m (£1.9m) fee to play but said the opporuninty was "not something that would excite me". Asked whether the Saudi regime's human rights record was a factor, he added: "100 per cent, there's a morality to it as well."

FOXES BUILD LOFTY PERCH OUT OF CLEAN SHEETS

Leicester's rock solid defence is an overlooked facet of their run, says **Michael Searles**

LEICESTER have proven a serious attacking threat this season with the re-emergence of Jamie Vardy as one of the deadliest strikers in the Premier League and a record-equalling 9-0 victory away to Southampton.

But under Brendan Rodgers they have also rediscovered the defensive resilience that was so crucial to their logic-defying title triumph of four years ago.

Not only have they scored just one goal fewer than Liverpool this term but they have only conceded 10 – four better than the runaway league leaders and indeed anyone else.

Sunday's 4-1 victory at Aston Villa extended Leicester's winning streak to a club record eight matches, tightening their grip on second place, and means they have the top flight's best goal difference of +29.

Considering the club sold in-demand centre-back Harry Maguire for £80m in the summer to Manchester United, the fact they have kept seven clean sheets in 16 league games is all the more surprising.

Turkish defender Caglar Soyuncu has been integral to that success, a scenario that few could have predicted given he was granted just four league starts last season, having joined from Freiburg in 2018.

Club captain Wes Morgan has also taken a step back this year, making just four league appearances from the substitutes bench.

It has allowed the partnership between Soyuncu and Jonny Evans to flourish.

The 31-year-old has re-established himself as one of the most reliable defenders in the league after leaving Manchester United for West Brom in 2015 to reinvigorate his career.

The pair, who both arrived last summer for a combined £22.5m, are the latest success stories in a line of shrewd business completed by Leicester's recruitment team.

They are so far conceding an average of 0.63 goals per game, which is significantly less than last year's 1.26 goals per game and 1.58 the season before that. It is even less than the 0.95 conceded per game on their way to the league title four seasons ago.

Part of that is also down to the possession-based, attacking football that Rodgers likes to play.

One of the best ways to stop the opposition from scoring is to have the ball and Leicester have averaged 55.4 per cent possession in their top-flight matches this season.

It is the fourth highest in the league, behind only Manchester City, Chelsea and Liverpool, and more than last year's average of 50.8 per cent, which was the eighth highest.

Even that was slightly impacted by Rodgers' arrival, however, after he replaced Claude Puel mid-season.

The two previous campaigns saw Leicester average just 48.3 and 43.7 per cent possession, but having the ball does not necessarily equate to success; Claudio Ranieri's league-winning side had the third lowest possession in the league with an average of 44.7 per cent.

Yet while Ranieri's side prided themselves on defending deep and counter-attacking, Rodgers' more exuberant style is being aided greatly by the players at his disposal.

With James Maddison and Youri Tielemans pulling the strings in midfield and Ben Chilwell and Ricardo Pereira supporting Harvey Barnes and Ayoze Perez out wide, they are difficult to keep out of possession.

And yet perhaps the greatest improvement is in the heart of midfield from the defensive-minded Wilfred Ndidi, who has grown in stature markedly this season under Rodgers' stewardship.

The 22-year-old was signed to replace N'Golo Kante in January 2017 from Genk, but is only now starting to fulfil his potential.

Comfortable on the ball, he averages 52.9 passes per game with a success rate of 84.1 per cent. He has also completed a league-best 4.6 tackles per match, as well as 2.9 interceptions and 2.3 clearances as he disrupts the opposition's game as well as anyone else in the league at present.

This Leicester side may be yet to match the achievements of the 2015-16 title winners but at the current rate of results would surpass the 81 points accumulated by Ranieri's side.

However, unlike in that campaign, Leicester must contend with an unrelenting Liverpool and back-to-back champions City.

While claiming a second Premier League crown still looks improbable, their formidable solidity has made finishing in the top four once more increasingly likely.