Scots see economic truth that eludes Johnson voters

CALLED TO ACCOUNT

By Ian McConnell

ONE thing that has not commanded nearly enough attention since last week's General Election result is the plain and simple fact that people have voted to enable wilful damage of the UK economy through the deliberate act of Brexit. By natural extension, they have also voted for their living standards to be diminished.

Those former Labour voters in the likes of the north of England who backed Boris Johnson and his "Get Brexit Done" mantra are likely to be among those hardest hit. That is to say that most of those who believe they have been left behind are likely to experience a huge intensification of this feeling after even just a little while of being disadvantaged by the policies of Mr Johnson and his Government.

The crux is that much of the blame for these voters' justifiable annoyance at being left behind lies at the door of the Conservatives, past and present.

It was, after all, the Tories whose economic policies hammered so many communities dependent on heavy industry through the 1980s and early 1990s, while championing the City and broader financial services sector and fuelling the yuppie boom.

This is another plain and simple fact. But it is one that seems to have escaped many of the voters who have switched allegiance because of a new-found passion for Brexit, a zeal which seems for large numbers of those old enough to remember to have overshadowed memories of the Margaret Thatcher era. This is puzzling, as is the continuing lack of awareness that these voters' recent undoubted problems are a result of them having been most unfairly hammered by Conservative austerity.

Communities across Scotland have also been hit very hard by Tory policy past and present. However, thankfully there seems to be a greater awareness in Scotland of who has been to blame over past decades, and in more recent years for austerity and Brexit woe. Mr Johnson was given short shrift by most voters in Scotland, as demonstrated by a plunge in the number of Tory seats. And the SNP, which has tried to combat austerity with limited powers, reaped the rewards of its anti-Brexit drive.

After a respite from Tory Westminster rule in the form of New Labour, which enabled impressive economic growth accompanied by desirable and successful efforts to get money to the poorest in society, those people who feel left behind have, like many others, been hammered for nearly a decade now by Tory austerity. Yet the Tories persuaded many of these voters south of the Border that the European Union was to blame. Sadly, these people will now realise the truth.

If the discourse since the election is anything to go by, there still seems to be a total lack of awareness of what people have signed up for by backing Mr Johnson.

And there will be many Remainers who will be well aware of the reality and will have put it to the back of their minds. Who can blame them? After all, it seems there is not much Remainers can do now.

The reality, of course, is that leaving the EU under any scenario other than remaining in the single market will hit the UK economy very hard indeed.

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Those who would argue that black is white on this issue might care to reflect on the fact that this assessment chimes not just with the views of myriad economists but also with the UK Government's own forecasts under Theresa May. And Mrs May was, at the time, trying to propel the UK along a path to a hard Brexit that involved leaving the single market.

Mrs May could not get her withdrawal agreement through Parliament.

But now Mr Johnson, who like Mrs May faced the commendable and sensible opposition of Parliament for a while, has the size of majority that makes such a hard Brexit look inevitable.

It was interesting to note that the business community had, ahead of last week's General Election, appeared to resign itself to Brexit being a done deal. There even seemed to be a message coming from some in the business world that somehow just getting on with Brexit, even though the majority of company leaders opposed the move in the first place, was better than continuing uncertainty.

Sometimes it is good to get uncertainty out of the way. But surely not when the path to be followed certainly involves damage. In this case, the uncertainty is better than the actuality. At least it keeps alive the prospect of something different.

In any case, the real uncertainty is only just beginning. And the UK is taking a grim road at a time when its economy is already struggling very badly.

A key reading this week revealed the UK private-sector economy is shrinking at the fastest pace since July 2016, with manufacturing output tumbling and services activity recording straight monthly falls for the first time since 2009 as the Brexit issue weighs. Manufacturing production volumes have plunged at the fastest pace since July 2012 so far this month, amid export weakness.

The flash UK composite purchasing managers' index, compiled by IHS Markit and published on Monday by the Chartered Institute of Procurement & Supply, signals the private-sector economy is recording its third monthly contraction in the space of four months in December.

It was difficult to escape the notion, when hearing about the pound's surge after the exit poll on election night signalling a clear Tory victory, that it would likely not be too long before Mr Johnson would do something that would result in sterling falling again. On Tuesday, sterling saw what was left of its major gains following the revelation of Mr Johnson's General Election victory wiped out, as the Prime Minister spooked markets with proposed legislation to prevent extension of the Brexit transition period.

The move by Mr Johnson to add a new clause to the Brexit bill to rule out extending the transition period beyond the end of 2020 has understandably reignited fears of a no-deal departure.

We must remember that Mr Johnson's favoured hard Brexit – leaving the European single market – would be very bad indeed under any circumstances.

The impact would, of course, be worst of all in the event of a no-deal departure.

And it would be folly for businesses, or households for that matter, to underestimate the risk of such a departure, given Mr Johnson's refusal to even think about extending the transition period.

New accountancy chief reveals Glasgow office expansion move

Exclusive

By Brian Donnelly

Andrew Walker, new chief executive of Johnston Carmichael, said he believes there will be a number of areas of growth in the new year

JOHNSTON Carmichael, the independent accountancy and business advisory firm, is to expand its presence in Glasgow on the back of an increase in growth and profits this year.

New chief executive Andrew Walker hailed eight per cent growth in revenue to almost £50 million, which its new accounts will show for its latest financial year, as it plans to expand its operation in central Scotland as well as signalling international gains beyond Brexit and more targeted opportunities in areas including auditing.

It plans to further expand its headcount also after a year that saw a 15% increase in staff in Glasgow to 100, with around 50 new starts across the business.

The news comes after significant investment in the opening of Dundee and London offices, as well as a raft of key hires and spending in developing areas of expertise such as digital innovation.

Mr Walker, who joined the firm in 2003 and has helped it double in size in 10 years to become one of Scotland's leading professional service firms, outlined the next move in an exclusive interview with The Herald.

He said: "We are still seeing a lot of opportunities in the Scottish market.

"We've seen great growth coming through in the Central Belt, particularly Glasgow.

"There is still a big market to go after and we are taking on some really good hires in the local market so I can only see further growth coming from that area.

"We are currently looking to take more space in Glasgow to handle the growth because the reaction we've been getting from the market has been really positive.

"It doesn't have to be just new areas, but making sure we are doing the right things for clients."

For the year ended May 31, 2019, Mr Walker said: "We've had a good year in terms of 8% growth in revenue, so we've gone from £45.5m to £49.3m and we've seen an increase in our profits available for members from £11.8m to £12.2m, which is pleasing in that we have been making quite a bit of investment in the business and continue to do so in the current year in the form of new people and increasing our capabilities."

The company now has 850 staff across 13 locations following this year's push.

Mr Walker said: "Within the period we've opened an office in Dundee, which was, I would argue, the one glaring gap in our portfolio in Scotland, and we've opened an office in London, which is mainly to help with the financial services sector but also those clients that are based in Scotland but have a presence in London. We've found they have been very encouraging for us to be down there to help them, and they were saying they weren't getting the level of service elsewhere that they were getting from ourselves."

Mr Walker took over from Sandy Manson, who became chair and also head of client service.

Mr Walker said: "Succession is one of those things that we are always thinking about and I would say it is one of the top issues that faces professional services firms.

> "We've seen great growth coming through in the Central Belt, particularly Glasgow

"If we are advising clients on how they manage succession, it is only right and proper that we should be thinking about hat ourselves.

"I have to admit I've really enjoyed the period in the four-and-a-half months since I've taken on the role, working closely with Sandy Manson for 18 months prior to that and I've been on our board of directors for the last 11 years so a lot of it I knew.

"But I've been able spend time going round the offices and meeting people I didn't see as often as I could."

The company is also to set up a series of networking events in the Glasgow office in West George Street to support businesses and encourage wider collaboration.

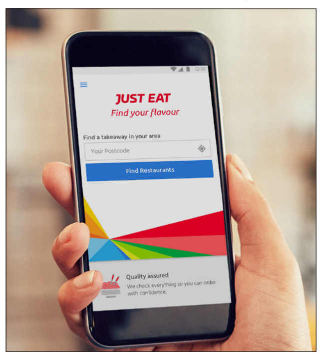
Mr Walker also said: "I think there is going to be a number of areas of growth for us. The ongoing challenges within the audit profession means there is going to be changes coming from that side.

"Again, there is going to be a lot of work around Brexit and the international angles to it.

"We've invested heavily and have a great team on the customs and duty side and also on the international tax side."

He said: "A lot of it is more of the same, and again, being close to the clients, understanding the issues they have and see how we can help them."

Takeaway.com improves bid for Just Eat as rival ups its efforts to secure deal



Just Eat shareholders would own 57.5% of new group

THE Dutch delivery firm trying to buy Just Eat has sweetened its bid, minutes after a rival suitor upped its own offer for the British firm.

Takeaway.com, which had already agreed a merger deal with Just Eat, made an improved merger offer which it said valued the company at 916p per share based on Wednesday's closing price.

Takeaway said the offer will be its "final" bid for the food delivery firm and is an increase from its previous 731p offer.

The increased offer came shortly after Prosus, which has vied against the food delivery firm in the takeover battle for months, increased its own offer to 800p per share.

Just Eat said it is currently reviewing the two final offers and advised shareholders to "take no action" at this time.

Just Eat shareholders will own 57.5% of the combined group as part of the bid, Takeaway said, up from 52.12% under its previous offer. It added the offer will remain open for acceptances until January 10 and said a majority vote is needed for the deal to be accepted.

Takeaway also said it will, following the completion of a merger, sell Just Eat's stake in iFood, returning 50% of the proceeds to the shareholders of the new business.

Jitse Groen, Takeaway chief executive, said: "This offer is a full offer, and on top of that we believe it provides Just Eat shareholders with tremendous upside. The all-share combination establishes the largest global platform in online food delivery outside China and allows shareholders of both Just Eat and Takeaway.com to benefit from significant long-term value creation."

Prosus said its 800p share offer offers "outstanding" value for Just Eat's owners.

It is the third time Prosus increased its offer since first trying to muscle in on the deal between Just Eat and Takeaway.com.

"Following extensive discussions with Just Eat's and Prosus's shareholders, we have decided to make a final increase in our cash offer to 800p per share," said Prosus chief executive Bob van Dijk. "This level delivers outstanding and certain value to Just Eat shareholders while also providing an appropriate return for our shareholders."

NatWest chiefs head for the exit at Royal

By Scott Wright

NEW Royal Bank of Scotland chief Alison Rose has wasted no time in making her presence felt at the state-backed lender, which parted company with two top executives of its investment banking operation yesterday.

The bank, which is 62.4 per cent owned by UK taxpayers, said that Chris Marks has stepped down as chief executive officer of NatWest Markets. He is followed out the door by the division's financial chief, Richard Place.

Their departures follow a disappointing performance by the investment division in the third quarter, which posted a loss of £193 million for the period. Unveiling the results in October, the bank said the division's rates income had come under pressure from deteriorating sentiment in the global economy, and a fall in bond yields.

Royal Bank said it has launched an internal and external search for permanent replacements for Mr Marks and Mr Place. In the meantime the bank's treasurer, Robert Begbie, has been appointed interim chief executive of NatWest Markets. Robert Horrocks, treasury finance director, has taken over from Mr Place as interim chief financial officer.

Ms Rose, who succeeded Ross McEwan in November, said: "The directors of RBS and NatWest Markets and I would like to thank Chris and Richard for their commitment and dedication to this bank, its staff and its clients. They have set the foundations for the continuing transformation and simplification across NatWest Markets as RBS has been re-shaped to focus on serving its customers in the UK and Ireland, whilst also managing complex organisational changes around ring-fencing and Brexit. NatWest Markets plays a crucial role within RBS, allowing us to provide our customers with the products and services they need to succeed."

Advisory firm BDO to take on 25 trainees

By Brian Donnelly

ACCOUNTANCY and business advisory firm BDO is set to recruit 25 trainees in Scotland next year.

Applications are now open for the roles, which will be based across the firm's Glasgow and Edinburgh offices and split across three key programmes including graduate, apprenticeship and summer intern.

The news comes after it highlighted employment policy that shows one-third of BDO's regional workforce had been promoted in the last three years.

Martin Gill, partner and head of BDO in Scotland, said: "We are really pleased to announce our largest ever intake of trainees for 2020, demonstrating our ongoing commitment of investing in people.

"We're proud to attract dynamic and forward-thinking trainees who share our ambitions and will become 'advisers of the future'."

He added: "The most rewarding part of my role is seeing our people succeed in their own careers and thriving in our dynamic and supportive culture."

BDO recently announced its annual revenues and profit had increased by a quarter to £578 million and £134m respectively.