



Capital City Media

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IN THIS ISSUE:

○ Interest rate
decision time

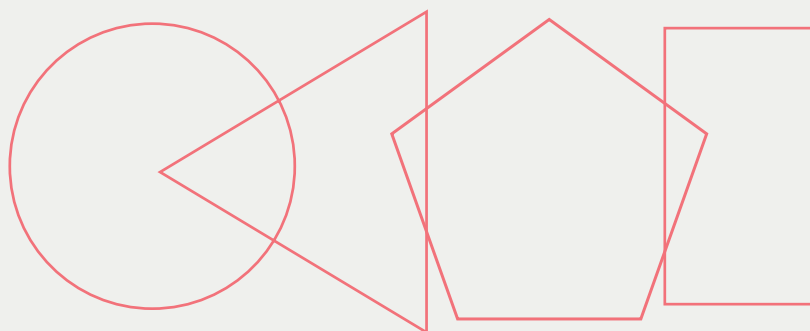
△ A big spending
budget

◇ 2MW...Rodney
Branch, Luma



Forward Look

November 2021



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November is going to start with a bang



Edmund Greaves, head of editorial, MRM

We are very close to something seismic happening in the world of financial media, that could have an impact on the course of the entire world economy.

That is – we’re going to get a rate decision from the Bank of England. Not only is it priced in by markets as the first-rate hike since August 2018, it’s looking like a hike might come ahead of the US Federal Reserve’s own movement – something that is almost unheard of.

Unless of course, the job of spooking markets and lenders about rate hikes has been enough to cause an adjustment anyway?

There is already a great amount of consternation in the press and financial circles about these rate hikes – but rates were set at 0.75% before the pandemic anyway. So why all the drama?

The ultimate truth of the interest rate ‘will-they-won’t-they’ media tragicomedy is that it is the ultimate binary drama for us to latch onto. The world we are now living in is crippled by the complexity and breadth of issues plaguing the economy and household – both in the UK and globally.

It’s so much easier then to just boil it all down to this one day, on 4 November, to set the tone of what is

likely to be a long winter ahead.

The day before this on 3 November, the US Fed will be updating with its latest announcement, although it is widely expected to continue to hold, unlike the BoE.

The month again has a long list of award and other media events, including the Citywealth Future Leaders Awards on 11 November, Investment Week’s Investment Company of the Year Awards on 18 November and the Corporate Adviser Awards on 25 November.

Also, on 18 November Scottish Widows publishes its annual Women and Retirement Report, which is always full of interesting insights that will no doubt generate media coverage and lively debate.

In other dates of note, Talk Money Week starts on 8 November. Black Friday is back again, that now annual retail bonanza, on 26 November, followed by Cyber Monday on 29 November.

Finally, Movember is also back starting on 1 November. I look forward to seeing some promising soup strainers on Zoom calls in the near future!

Best wishes from all of us here at MRM, Capital City Media and Mouthy Money.

Sunak's big spending Budget shows how crucial next 12 months are for Tory election prospects



Paul Montague-Smith, senior counsel - public affairs, MRM

Gone is the secrecy and anticipation of yesteryear. Instead, there's a well-trodden format for budgets nowadays:

Announcements made days before; A slap on the wrist for the Chancellor from the Speaker for not treating the Commons with the respect it deserves; A few surprises held back for the day; Followed by some unwinding of the Government's narrative as the detail of the budget documents are scrutinised in the days that follow

No surprise then that a raft of measures was announced or briefed before the event – from more spending on health, transport and skills to a rise in the National Living Wage – all designed to signal the Government's determination to deliver on its 'levelling-up' agenda. This was pitched as the first 'normal' Budget post-pandemic (despite us not being through the woods yet). The main questions heading into the statement were:

- How well is the economy expected to recover?
- How much money will that give the Chancellor?
- What will he do with it – save or spend?
- Will it be a boosterish Boris budget, or a fiscally consolidating one?

Many expected the Chancellor to tighten the public expenditure purse strings, requiring cuts and efficiency savings in unprotected departments through the three-year spending review period. Instead, he announced big spending across the board, spiking many of Labour's guns in the process. A total of £150bn extra is allocated for departmental spending over the Parliament – a 3.8% increase in real terms. Two key factors will have driven this approach. First, the Office for Budget Responsibility (OBR) forecasts gave him the room for manoeuvre. The economy has bounced back better than expected and is thought to have been less permanently scarred by the pandemic than originally feared. At 2% it is lower than modern recessions and well below the 10% loss caused by the 2008/9 financial crisis.

Borrowing is also less than expected. The Chancellor believes he has the room to increase spending further while meeting his fiscal rules, leaving £20bn headroom to protect against economic risks.

Secondly, he and the Prime Minister know that they have no time to waste in driving through changes that will be

felt on the ground in the 'Red Wall' constituencies that they are determined to hold onto. Having lost 18 months of the Parliament to the pandemic, the next 12 months will be crucial in securing re-election. With the cost of living going up and public services across the board struggling to recover from the pandemic, the choice was to 'retrench or invest'. They decided to live up to their promise of 'no return to austerity' and double down on investment in the hope it will drive growth.

Many Conservative backbenchers are clearly uncomfortable at the historic high tax rates and public spending as a share of GDP that they are presiding over. But right now, they are more nervous about the rising cost of living and the impact on their constituents. The 6.6% increase in the National Living Wage, the reduced Universal Credit taper and fuel duty freeze were all designed to address those concerns. Along with more spending on R&D, skills and business rates relief – particularly for the hospitality sector. They will have quite a bit of ammo with which to defend themselves on the doorstep.

There are concerns about how high and sticky inflation will be, whether growth has stalled and whether the Government's recent focus on increasing wages could help stoke an inflationary spiral. If real incomes fall and public services don't improve the Government could quickly end up unpopular. The Chancellor wants to start the journey back towards a lower spending, lower tax economy before the end of this Parliament, but he knows how precarious things are. The public finances today are twice as sensitive to changes in interest rates as they were before the pandemic, and six times as sensitive more than before the financial crisis.

Just a one percentage point increase in inflation and interest rates would cost around £23bn. OBR and Bank of England forecasts have also not had the best of track records and previous Chancellors have not been very successful at meeting their fiscal rules. Shadow Chancellor Rachel Reeves had the difficult job of responding for the Official Opposition – made doubly so because Keir Starmer had to pull out at the last minute after testing positive for Covid. In the circumstances she made a reasonable fist of it, arguing that Brexit and Conservative incompetence had compounded current difficulties and that the Tories were now a party of high taxes and low growth. Everything seems topsy turvy nowadays...

Two Minutes With...Rodney Branch, Chief Marketing Officer, Luma Financial Technologies

We talk to Rodney Branch, Chief Marketing Officer at Luma Financial Technologies, on his career journey, who he thinks has single-handedly changed financial services



Tell us a bit about yourself and your journey so far.

I grew up in Houston, Texas and always had a passion for maths, which is why I had planned on becoming an accountant.

However, I quickly changed my mind when I got to college and realised that, actually, it wasn't maths-based at all, but was more about rules. That's why I graduated from the University of Texas in marketing, rather than accounting. But to be honest, it wasn't something I'd planned. If you'd asked me what I wanted to be when I was a kid, I probably would have said a professional baseball or basketball player.

What is Luma Financial Technologies?

To put it simply, Luma is a platform that helps financial advisers learn about, buy, create, and track structured products and annuities in one place.

How did you end up at Luma and what do you do there?

I got introduced to Luma through one of its board members, who I've known for quite a long time. He introduced me to Tim Bonacci, Luma's CEO, and we started talking and decided that I'd probably be a good fit for the company. That was last year, and I ended up joining Luma from an HR software provider in July last year. As Chief Marketing Officer, my work can vary but ultimately, I oversee all of the firm's market campaigns and branding work, as well as working with our sales team to help them with sales opportunities.

You've worked on both consultancy and client side, as well as in FS and consumer marketing – what lessons have you drawn from those experiences?

Emotions play a critical role in what people purchase and why they purchase it. I think that's one of the things people who work in financial services don't always understand or appreciate as much as I think we should.

Is there a book or podcast that is essential reading/listening for your industry?

It has to be Good to Great, by James C. Collins. It's essentially a book about how some companies go from being good to great – and, importantly, why some companies fail to make the transition.

I love that book because I think in any industry leadership is critical.

Who has single-handedly made your industry better?

I'd say Warren Buffett, because he has been one of the leading voices in finance for decades and has brought about a great general awareness of what we do.

If you could give a younger version of yourself one piece of financial advice, what would it be?

I've stolen this from a financial adviser, who told me once that if your outgoings are higher than your income, your upkeep will be your downfall every time. Or, in other words, spend within your means. Also, start saving early. If you do, then you'll keep that habit for life and you'll thank yourself for it.

What three things would you do if you were head of the US's financial regulator for the day?

I'm not sure if the Security and Exchange Commission has this in its power or not, but I'd like it to do everything in its power to automate pension savings, like you've got with automatic enrolment here in the UK. I think that's really important. Secondly, I would make financial education/literacy classes mandatory.

I also think we need a more open distribution format. By that I mean we need to make it easier for consumers to understand, compare and buy financial products, and this is part of Luma's mission.

What is the one column or website that you read every day?

I usually read CNN and trade publications to see what markets are doing. I also read my college website every day to see what's happening in the University of Texas.

What would you do if you received a windfall of \$10,000?

Knowing me, I would probably save it, but I want to give you a better answer than that. One of the programmes I contribute to is the Sandy Hook Promise, which trains students and adults to spot the signs of gun violence and to prevent what further tragic shootings in US schools. I'd give at least part of the money to them.

Two Minutes With...Penny Anderson, Kantar

We catch up with Penny about the importance of data in PR, why Sudha Singh's The Elephant in the Room podcast is her favourite, and sharing her Kiwi side with clients



Tell us a bit about yourself and Kantar. I've been in the industry for nearly 30 years after arriving in London from New Zealand in 1993. I worked at Pims and PR Newswire and then joined Precise which became Kantar. This month is my 13th year with Precise/Kantar and I still enjoy my job as much as I did on the very first day. My job has grown within the PR agency sector. My team is there to help agencies get the best out of the service. It's not the day-to-day client servicing, it's to let us help you. I've built up the team from just me 13 years ago to now five of us. The business really saw the value. In a nutshell the services we provide are the tools to support key PR and communications functions and make life a little smoother.

How have the demands of PR agencies changed over time? The most interesting thing with agencies is the adaptation of analysis. 13 years ago, if an agency was asked to report back on a campaign, it would say: 'We got these pieces in nationals and this much reach' – and that was aces, that was top work. But now there are a lot more things that are standard and a lot more to agree to with clients upfront, 'ok, in your retainer we'll provide monitoring content and we'll also provide this analysis for you.' It's still not as in-depth as a client directly, but then that's completely understandable. A lot of agencies are doing it themselves, writing their own analysis reports using exports from our platform. The charging side has become a lot more transparent as well. It used to be that I could only ever have discussions with finance directors about the cost, I wasn't even allowed to tell any of the team. I think the third thing I've noticed is there's a lot more data before things are done. Before, it was so much gut-feeling around how you should present something. People are waking up to the fact that advertising and marketing are using data and PR should do as well.

Are there any positives that you've taken from the past year and a half? I've had so many more face-to-face meetings with clients. Previously what would happen is someone would phone, you'd have a conversation and speak for 10 minutes, they'd tell you what they wanted, and you'd do it. I've always been very friendly, and I do share a little bit of my personality. It's probably a bit to do with my Kiwi side, we're a little bit more like that. But

over the past 18 months, clients' children, and their pets – my dog is playing with his squeaky toy downstairs – it's become a lot more personal. You don't have to arrange a time to go and see someone at their office and allow an hour for it otherwise it's 'not worth it'. So that's been one of the key positives for me.

Is there a podcast that would be your key recommendation for working in PR or from the data side?

The podcast that I think everybody should list to is The Elephant in the Room which is Sudha Singh's podcast. It is key people from the industry and she interviews them about their paths and their backgrounds. It is fascinating because it makes you rethink what you know. It's making the industry more diverse because people realise, 'oh hold on, we don't all have to look or sound the same.' I absolutely love her podcast. Full disclosure, she did actually interview me for it as well, but before that I'd been listening to it and there are so many interesting people.

If you could give your younger self one piece of financial advice, what would it be?

Financial advice? Save half your salary! You forget in your 20s, you're not going to be making – or even in your late 40s – you're not going to be making this much money for the rest of your life. At some stage, Kantar is going to say to me, 'I'm so sorry, you need to retire' and all those wonderful holidays and Mulberry handbags are going to seem like a bad idea! And invest in property. Always invest in property, because people are always going to need somewhere to live.

Is there a column or website that you read every day?

I read The Times every single day and have done for 30 years. For the column that I read every day, well I read them all. I don't have a particular favourite, it depends on the day, but The Times from cover to cover every single day without fail.

What would you do if you revived a windfall of £10,000?

I think the first thing I would do is put it in an ISA and then I would just wait for it to grow just a little bit and then I would add a little, tiny conservatory onto the back of my house that I've wanted to do for a very long time. That's what I'd do.



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Dates for your diary...

KEY

Economy, Insurance & Investing

Mortgages & Housing

Public Policy & Regulation

Pensions & Benefits

Other

01/11/2021 Movember prostate cancer awareness month begins

01/11/2021 World Vegan Day

01/11/2021 China's new Data Security Law 'strengthened'

01/11/2021 Sadiq Khan begins London's Climate Kick-Start week

02/11/2021 Personal Finance Awards

03/11/2021 ONS UK productivity analysis

03/11/2021 U.S. interest rate decision

03/11/2021 Sustainable Returns: ESG Investing Summit

03/11/2021 Scottish Quarterly National Accounts & Second Estimate of GDP

03/11/2021 HM Treasury UK Official Reserves

04/11/2021 HMRC Coronavirus Job Retention and Self-Employment Income Support schemes official statistics

04/11/2021 UK interest rate decision



Dates for your diary...

KEY

- Economy, Insurance & Investing
- Mortgages & Housing
- Public Policy & Regulation
- Pensions & Benefits
- Other

04/11/2021 Bank of England Monetary Policy Report

04/11/2021 Professional Pensions' Investment Conference

04/11/2021 ONS Economic activity and social change in the UK, real-time indicators

05/11/2021 Guy Fawkes Night

05/11/2021 Citywealth IFC Awards voting deadline

05/11/2021 HM Treasury consultation closes on the Cash Ratio Deposit scheme review

05/11/2021 KPMG and REC UK Report on Jobs

08/11/2021 Talk Money Week

08/11/2021 Financial Ombudsman Service publishes latest complaint data

08/11/2021 ONS GDP, UK regions and countries

08/11/2021 CBI SME Trends Survey

09/11/2021 Barclaycard Consumer Spending Data monthly figures

09/11/2021 ECOFIN meeting of EU finance ministers



Dates for your diary...

KEY

- Economy, Insurance & Investing
- Mortgages & Housing
- Public Policy & Regulation
- Pensions & Benefits
- Other

09/11/2021 NIESR's quarterly UK and global forecasts

11/11/2021 Remembrance Day

11/11/2021 ONS Monthly GDP estimates

11/11/2021 EU Autumn Economic Forecast

11/11/2021 Insurance Age Broker Expo

11/11/2021 Citywealth Future Leaders Awards

14/11/2021 Remembrance Sunday

14/11/2021 International Fraud Awareness Week

16/11/2021 UK monthly unemployment figures

16/11/2021 Zoopla Rental Market Report

17/11/2021 HM Treasury Public Spending Statistics - November Update

17/11/2021 Professional Pensions Investment Awards winners announced via an interactive eBook



Dates for your diary...

KEY

Economy, Insurance & Investing

Mortgages & Housing

Public Policy & Regulation

Pensions & Benefits

Other

17/11/2021 European Pensions and Investments Summit

18/11/2021 Investment Week's Investment Company of the Year Awards

18/11/2021 Financial Adviser Service Awards

18/11/2021 ESG in Fixed Income Mega-trends conference

18/11/2021 Scottish Widows Women and Retirement Report published

19/11/2021 ONS UK Consumer Confidence Survey

19/11/2021 Moneyfacts Consumer Awards voting deadline

20/11/2021 Equal Pay Day

22/11/2021 ESG Investing Awards shortlist announcement

23/11/2021 Spear's Wealth Management Awards

23/11/2021 Money Marketing Interactive London event

24/11/2021 Professional Pensions Rising Star Awards

24/11/2021 Professional Pensions Women in Pensions Awards

25/11/2021 Corporate Adviser Awards



Dates for your diary...

25/11/2021 Investment Week Women in Investment Awards

26/11/2021 Black Friday

29/11/2021 Cyber Monday

29/11/2021 Bank of England effective interest rates

30/11/2021 #GivingTuesday in the UK to promote charity after Black Friday sales

30/11/2021 Tesco Bank closes all Personal Current Accounts

30/11/2021 FT Global Banking Summit

30/11/2021 PLSA Trustee Conference

KEY

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Pensions & Benefits

Other



Capital City Media

14 Buckingham Street
London, WC2N 6DF

020 3326 9900

www.mrm-london.com
www.capitalcitymedia.co.uk

