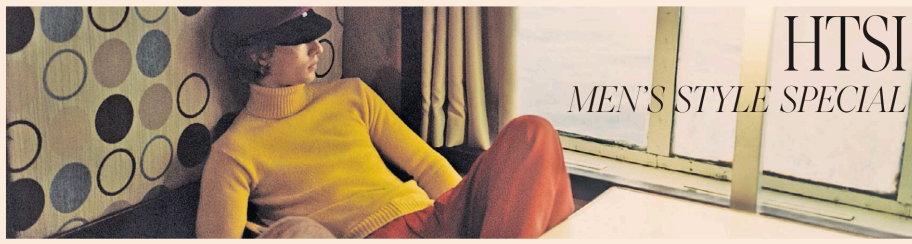


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FT WEEKEND MAGAZINE



Debt overshoot deepens fiscal gloom

◆ 1960s-level share of GDP ◆ Treasury says 'honesty' vindicated ◆ Pessimism row fuelled

SAM FLEMING AND GEORGE PARKER — LONDON
JENNIFER WILLIAMS — MANCHESTER

Fiscal gloom intensified yesterday as public debt hit 100 per cent of GDP for the first time since the 1960s, fueling expectations of "painful" tax rises and spending cuts in next month's Budget.

Some Labour MPs and business leaders have complained that ministers are striking too pessimistic a tone, potentially scaring off foreign capital.

But the August figures, which sharply exceeded expectations, were seen in the Treasury as vindication of the "honest" line being taken by ministers before the October Budget. "When we came into

office, we inherited an economy that wasn't working for working people," said Darren Jones, Treasury chief secretary. "Today's data shows the highest August borrowing on record, outside the pandemic."

There is no sign that the first official fiscal forecasts by the Office for Budget Responsibility — which frame Budget decisions — offered extra room for manoeuvre to chancellor Rachel Reeves when they arrived on Thursday.

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to comment on "budget speculation". Given the tight fiscal constraints, leading economists have urged Reeves to re-examine her self-imposed borrowing rules to avoid having to cut capital schemes that could boost growth.

Andy Haldane, former Bank of England chief economist, said that the debt-based fiscal rule — requiring debt to fall between the fourth and fifth year of the forecast — "requires some surgery".

Some investors have been worried by the downbeat tone.

One adviser to a big company weighing investing in the UK said: "They were so spooked by the tone of doom that they had to be reassured not to change



Rachel Reeves will tell the Labour party on Monday that better times are ahead if tough decisions are taken now

their view of the UK." Labour MPs also worry about message consistency.

While Reeves and Jones talk about "black holes", global CEOs will be urged at a summit in London next month to invest in the UK. Reeves will tell the Labour conference on Monday that fiscal stability underpins growth, but will also set out the better times ahead.

The public sector borrowed £13.7bn, the highest August shortfall since 2021, as government spending grew more quickly than expected, according to the Office for National Statistics. The debt-to-GDP ratio increased by 4.5 percentage points over the same time last year.

Industrial strategy page 2

'We just find that magic space'

Jack Antonoff on Taylor Swift LUNCH WITH THE FT



Person in the News Ursula von der Leyen

OPINION



The mystery of SoftBank's Son Lionel Barber

LIFE & ARTS



Legal spotlight Jackson abuse claims revived

Michael Jackson's estate has launched legal proceedings against a man who has accused the late pop icon of inappropriate conduct when he was a child, reviving sex abuse claims that overshadowed the singer's later years.

In 2020, more than a decade after his death, the estate struck a settlement worth \$16.5m with the man and four others, who agreed to defend Jackson's reputation instead.

But the unnamed man is now seeking \$215m, Jackson's estate — which has made more than \$3bn in earnings after being \$500m in debt — has accused him of fabricating his claims.

Estate claims page 13



Hizbollah chiefs killed in Beirut attack, Israel says

Israel has said that it has killed senior Hizbollah commanders in a strike on the militants' stronghold in southern Beirut. Special operations commander Ibrahim Aqil was said to have been killed. If confirmed, Israel has struck a damaging blow against Lebanon's dominant political and military force since its formation in the early 1980s. The devastating assault on the group will heighten fears of a full-blown war.

Report & analysis ▶ PAGE 5
Eric Schmidt & Tom Fletcher ▶ PAGE 11

Declarations from Rayner and Reeves worsen Labour's wardrobe malfunction

JIM PICKARD AND ANNA GROSS

Deputy prime minister Angela Rayner and chancellor Rachel Reeves both took thousands of pounds of work clothes from rich donors that were declared as generic support for their work.

The revelations further call into question Prime Minister Sir Keir Starmer's promise to lead a government of transparency only two months into his tenure and on the eve of Labour's first party conference since winning power.

Labour officials initially refused to comment on a June "donation in kind" for undertaking parliamentary duties" to Rayner worth £3,550 from Labour chief fundraiser Lord Waheed Alli, before admitting 30 hours later that the donation was clothing. Parliamentary

rules state that the nature of any donations "in kind" should be detailed.

In addition, Reeves received £7,500 from donor Juliet Rosenfeld in four instalments, used to pay for clothes, say people with knowledge of the gifts. They were registered as donations "to support the shadow chancellor's office".

Alli, a wealthy Labour peer and the party's head of fundraising, is in the spotlight after revelations that Starmer initially failed to declare clothing gifts worth £16,200 from the media tycoon and £5,000 of clothing for his wife.

Rayner is one of seven cabinet ministers who received donations from Alli in the run-up to the July 4 general election, including foreign secretary David Lammy, health secretary Wes Streeting and energy secretary Ed Miliband.

The deputy prime minister has taken three other donations from the entre-

preneur in the past year as well as the £3,550 "donation in kind" in June.

Rayner received £8,500 last October, £8,250 in March and £900 in April, all of which were declared as money "to support me in my capacity as deputy leader of the Labour party".

Some of that money was spent on work clothes for major political events, say Labour officials. They confirmed that Alli's "donation in kind" to Rayner was items of work clothing only after the FT published an article raising questions about the gift. Reeves, Rayner and Starmer will all refuse to accept future donations of that kind now that Labour is in government, the officials added.

Andrew Griffith, Tory shadow science secretary, said: "Far from serving the public, Labour politicians seem to have been helping themselves."

Starmer image tarnished page 3

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World Markets

STOCK MARKETS				CURRENCIES				GOVERNMENT BONDS					
	20	Prev	%chg	Pair	20	Prev	Pair	20	Prev	Yield (%)	20	Prev	Chg
S&P 500	5692.52	5713.64	-0.37	\$/£	1.114	1.113	£/\$	0.897	0.899	US 2 yr	3.58	3.60	-0.02
Nasdaq Composite	17832.29	18013.98	-0.45	\$/€	1.209	1.205	€/\$	0.753	0.755	US 10 yr	3.74	3.74	0.00
Dow Jones Ind	41855.71	42025.19	-0.17	€/€	0.829	0.840	€/£	1.182	1.181	US 30 yr	4.08	4.07	0.01
FTSE 100	2033.82	2063.64	-1.45	\$/¥	144.425	142.925	¥/\$	160.945	159.002	UK 2 yr	3.92	3.92	0.00
FTSE 250	4872.73	4943.38	-1.43	\$/HK\$	191.818	189.398	HK\$/£	84.527	84.735	UK 10 yr	3.98	3.97	0.01
FTSE 100	8229.89	8328.72	-1.19	\$/¥	0.948	0.944	\$/¥/€	1.129	1.124	UK 30 yr	4.47	4.46	0.00
FTSE 40 Share	4501.98	4593.59	-1.22	€/¥	162.567	161.216	€/¥/€	1.129	1.124	JPN 2 yr	0.38	0.39	0.01
CAC 40	7500.26	7675.41	-1.51	€/¥	162.567	161.216	€/¥/€	1.129	1.124	JPN 10 yr	0.86	0.85	0.01
Xetra Dax	18720.01	19002.38	-1.49	€/¥	162.567	161.216	€/¥/€	1.129	1.124	JPN 30 yr	2.08	2.05	0.03
Nikkei	37723.81	37155.33	1.53	Bitcoin (\$)	62994.00	63678.00	-1.07	GER 2 yr	2.23	2.22	0.01		
Hang Seng	18238.57	18703.16	-1.36	Ethereum	2561.80	2514.97	1.86	GER 10 yr	2.21	2.20	0.01		
MSCI World	3889.52	3929.69	1.05	Gold (\$)	2575.35	2570.10	0.20	GER 30 yr	2.50	2.50	0.00		
MSCI EM	1180.15	1097.75	1.14										
MSCI ACWI	639.49	626.29	1.60										
FT Whitehill 2500	7255.62	7220.25	1.23										
FT Whitehill 5000	57243.00	56283.70	1.74										

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GOLDSMITHS' FAIR

The urban storyteller

Design | From Tangier to Tokyo, Jean-Louis Deniot's interiors capture the character of their city location. *By Alice Cavanagh*

From concept to completion, every project the French architect Jean-Louis Deniot takes on is approached in the style of a meticulous auteur — developing a new commission with a narrative and storyboard and executing every minor detail of a home, right down to the cutlery. “They might move in with just their toothbrush,” the 50-year-old says of his clients with a grin, one late summer morning in his Paris office on the Quai d’Orsay.

Deniot’s HQ is one of the only office spaces in this mid-century apartment block — the French decorator Charles Seigney once lived in the building, as did the fashion designer Hubert de Givenchy — and he has taken care to preserve a certain residential feel. From the spacious living room where we sit, fitted with glass-panelled doors and a glossy painted ceiling to reflect the light and the water from the river Seine, the layout travels through his workspace, which resembles a dining room with book-lined walls, to a seemingly endless sequence of small rooms with floor-to-ceiling windows.

It epitomises Deniot’s approach to orienting design around natural light and how he creates balance and flow. For him, that flowing floor plan is like a sequence of vignettes. He eschews hallways in favour of the French *enfilade* layout to build a sense of rhythm and atmosphere. “The study of a layout is how you create energy in a space, and the more you progress throughout the home, the more detail you are fed,” he

says, adding of the result: “It has to be captivating, optimistic, dreamy and contemplative.”

Since launching his company in 2000, after graduating from the prestigious École Camondo, Deniot has built an architecture and interior design business spanning five continents. Today, pinned to the cork walls in one part of the office are 3D renderings of residential projects as far-reaching as Tangier, Palm Beach, Hong Kong, Taipei, Chandigarh, New York and Qatar. The latter, a palace-like 5,000 sq m villa, is an elegant new build steeped in such intricate artisanal craftsmanship — plasterwork, wood panelling, mosaics — that it looks like a historic site. As if it has always been there.

Each of the projects on display bears Deniot’s signatures — sweeping volumes and dramatic symmetry, a richness in craft details and materials, and an overall soft and luminous palette. Influenced by his love for institutional and historic buildings (the Louvre is a recurring inspiration), his work combines the rigour and elegance of French neoclassicism and a flair for eclecticism in the tradition of Henri Samuel, whom he greatly admires.

Yet, every project also appears distinct to its locale. In Hong Kong, he leans into rigorous lines, ombre walls, and lacquered finishes; in Tangier, his interiors speak to the sea, sky and vegetation, and he employs local craft touches. In New York, he works with steel and glass for reflection and transparency, and focuses on scale and height, in reference to the skyline as well as the city’s historic homes. “The work is site-specific and contextual,” he says of how a city’s character and cultural identity feed into his designs, comparing it to a recipe. “Around the world, we all cook with the same basic ingredients, in this case, materials, but it is the way of putting them all together that makes it unique.” He estimates around half of his



Deniot (right) develops each new commission with a narrative. (Above) a living room he designed on Fifth Avenue, New York; (left) a bathroom in Rue de Lille, Paris — Sophie Delapierre, Jimmy Vallant, Kasper Beyer



projects are new builds, which allows him the freedom to create specific character profiles — a projection of the potential homeowner. There is nuance even within mere miles: between homes in Palm Beach and Miami, or between two recent London developments, a Mayfair apartment and a duplex penthouse for The Whiteley in Bayswater. “It’s quiet luxury and more suggestive, with beautiful materials and simple, clean lines,” he says of the latter, adding:

“If I had to compare it to a fashion house, it would be Hermès. It’s quite masculine. Mayfair is more suited to something feminine, Chanel.”

It sounds light-hearted, but it’s big business. “Jean-Louis has a unique ability to do something really unique and arresting without making it look kitsch or over the top. His interiors are bold, and both of the moment and timeless,” says property developer Alex Michelin, co-founder of Valouran, who recruited Deniot for The Whiteley, along with US designer Kelly Behun, Linda Boronkay, Joyce Wang and others to design the 139 private apartments (valued from £1.5m to upwards of £4.0m).

Timelessness is something Deniot aspires to, especially with historical sites such as Cambridge House, the Grade I-listed Georgian townhouse that will open in 2025 as an Auberge Resort luxury hotel (see P8). Fittingly, the architect went full anglophile, decorating the royal suites in the aesthetics of former monarchs, such as Queen Victoria, Eliz-

In Hong Kong, he leans into rigorous lines and ombre walls; in New York, he works with steel and glass

abeth II, and King George, and blanket the “joyful and decadent” common areas in what he calls “Wedgwood colours”. He was the first choice for developer Jamie Reuben, who says, “Jean-Louis’ understanding of listed buildings and passion for history enabled him to bring this incredible building to life and begin its new chapter as a landmark site in the capital.”

Such projects are so grand in scale that some take more than a decade to develop. In 2016, he began designing the 365 apartments (180 configurations) and more than 50,000 sq ft of shared space, including a new pool, for New York’s Waldorf Astoria Residences. He referenced the building’s Art Deco DNA but played with something more geometric and abstract — drawing from the modern lines of the constructivist movement. “It gives the impression of Art Deco without being too ornamental,” he says of the project, which will finally see the light of day later this year. “We don’t count the years — it’s a labour of love — but the design needs to be sustained with time,” he says. “And when it does, it’s very satisfying.”

THE
WHITELEY
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THE DESIGNER COLLECTION

Introducing the Designer Collection at The Whiteley. Designing the next apartment in the collection, Linda Boronkay brings an eclectic aesthetic rich with layers of texture and colour. This apartment, like many others in the building features wide spanning terraces, west and east facing. Apartment prices from £5m.

Watch apartment tour here:

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