

**Business Editor:** Bernard Ginns, No.1 Leeds, 26 Whitehall Road, Leeds LS12 1BE. Tel 0113 238 8959, email [business.post@ypn.co.uk](mailto:business.post@ypn.co.uk) • **City Editor:** Ros Snowden, 292 Vauxhall Bridge Road, London SW1V 1AE. Tel 020 7963 7645, email [ros.snowdon@ypn.co.uk](mailto:ros.snowdon@ypn.co.uk)

## Jobs boost for region as business activity continues to strengthen

**Lizzie Murphy**

BUSINESS activity in Yorkshire continued to rise in June boosted by manufacturing and services, figures showed yesterday.

The 55.5 reading showed that although the rate of growth eased from May's 26-month high of 57.6, it was still faster than the long-run series average.

Firms linked the increase in activity to a rise in new business,

which similarly rose strongly over the month.

Meanwhile, employment increased for the first time since January, and the rate of input price inflation eased to a 10-month low.

Approximately 26 per cent of surveyed firms reported an increase in output, with a number of panellists linking this to higher volumes of new business.

Martyn Kendrick, area director for Lloyds TSB Commercial

Banking in Yorkshire and Humberside, said: "The Yorkshire & Humberside private sector continued to expand at a solid pace in June, despite the rate of growth having slowed after the 26-month peak in May."

"Further strong increases in both output levels and new orders encouraged firms to hire additional staff which led to the first rise in the index in job creation for five months."

The number of workers placed in permanent positions across the North of England increased sharply in June, according to KPMG.

Furthermore, the pace of expansion accelerated to the quickest in six months and was the second fastest among all four English regions, behind the South.

Demand for both permanent and temporary workers across the

North expanded sharply during June.

Meanwhile, business confidence has reached its highest point since May 2012, according to the latest Business Trends report by accountants and business advisers BDO in Yorkshire.

BDO's optimism index, which predicts business performance two quarters ahead, moved up for the fifth consecutive month from 93.6 to 94.3, a 13-month high.

Optimism in the services sector, which makes up roughly three quarters of the economy, is particularly strong, and moved up to 95.5 this month – above the crucial 95.0 mark that indicates growth.

BDO's output index, which predicts short-run turnover expectations, increased for the fourth consecutive month to 94.9 in June from 94.4 in May. The index now also stands at a 13-month high and is just 0.1 away from the critical

95.0 level. The output index for manufacturers moved up significantly by 2.0 points to 95.7 this month – above the 95.0 level.

However, BDO said both the optimism and output indices remain muted. External pressures such as the eurozone volatility, belt tightening by consumers and the US Federal Reserve signalling that quantitative easing tapering is on the horizon, are likely to be weighing on businesses' minds, it said.

## 'Growing optimism' over household finances

**Lizzie Murphy**

A BELIEF that employment markets will improve in the next 12 months is leading customers of credit lender International Personal Finance to be more optimistic about their household finances, according to new research.

The second Financial Wellbeing and Inclusion Report, carried out by YouGov, looked at the financial wellbeing of IPF customers across Europe and Mexico.

Leeds-based IPF lends to customers in Poland, Hungary, the Czech Republic, Romania, Slovakia and Mexico, who are from socio-economic groups which are often excluded from mainstream financial services.

The report found that while half of IPF's customers across Europe and Mexico think their national economies will deteriorate over the next 12 months, nearly one in three foresee economic stability and 39 per cent expect their own household finances will improve.

It said the optimism is driven by a perception of an improvement in the employment markets; either by a change of a job, or an increased income.

The research found that Mexicans are the most optimistic about their household finances with over half saying things will improve in the next 12 months.

Poland and Czech Republic saw the biggest increase in household optimism against the same period six months ago.

John Mitra, group corporate affairs director of IPF, said: "The results of the latest Financial Wellbeing and Inclusion Report provide further insight into the financial wellbeing of many of our customers."

"It is encouraging that there is increased optimism around household finances and people are generally more positive than just six months ago about how their national economies will perform."

"This research tells us our customers make considered decisions and central to this is the degree of confidence they have about the level and stability of their household income."

"As a result, we know we can continue to responsibly service this often underserved segment of society and make a positive difference to their lives."

The report also found that the high cost of living remained the number one concern for half of IPF's customers across Europe and Mexico.

This was followed by concerns over unemployment (21 per cent) and neighbourhood crime (11 per cent).

In Mexico, however, fear of neighbourhood crime was the principle concern for a third of people.



**GERARD RYAN:** Group making larger loans says chief executive of International Personal Finance.

In addition, more people in Mexico are worried about neighbourhood crime and the cost of living compared to the results of the previous survey – up from 28 per cent to 34 per cent and from 13 per cent to 22 per cent, respectively.

Out of all the countries surveyed, people in Hungary were the most concerned (80 per cent) by the high cost of living.

When the cost of living was investigated further, the main reason was found to be the increase in the cost of food (33 per cent).

This was particularly true for customers from Slovakia, Hungary and Poland.

In Romania, however, nearly half said increased utility costs were principally to blame.

To counter these concerns, IPF said most of its customers (77 per cent) have continued to spend cautiously reducing expenditure on socialising, consumer goods and holidays.

Some customers have also cut back on buying quality food and heating.

Spending on education and healthcare are the areas least affected by tighter consumer spending.

Mr Mitra added: "It is clear that many household budgets are under continued pressure and they have reduced their spending accordingly."

"It is worth noting that spending cuts are done mainly on luxuries rather than essentials, which shows that many of our customers are reasonable and rational in their decisions."

In total, 9,660 adults over the age of 18 completed the survey.

In April, IPF reported a 50 per cent rise in first quarter pre-tax profits – to £9.1m from £6.1m the year before – thanks to an increase in customer numbers and higher loan values.

It said the key driver of its record results was an 11 per cent increase in the amount of credit issued.

Chief executive Gerard Ryan said the group is making larger loans and is testing longer loan periods.

[lizzie.murphy@ypn.co.uk](mailto:lizzie.murphy@ypn.co.uk)



**WELCOME:** Eddisons managing director Richard Roe, left, and Iain Taylor, from Highcross, at the new Eddisons headquarters at Toronto Square, Leeds.

PICTURE: GABRIEL SZABO/GUZELIAN

## Eddisons moves to new HQ after 35 years

**Lizzie Murphy**

CHARTERED Surveyors Eddisons has moved its head office after 35 years.

The firm, which is based in the centre of Leeds, moved from Pennine House on Russell Street to Toronto Square, between Infirmary Street and Quebec Street.

It agreed a 10-year lease for nearly 10,000 sq ft on the fourth floor. Today is the first day in the new premises.

Richard Roe, managing director

of Eddisons, said: "This is an important move, as part of the next phase of the company's development."

"The new premises provide an exciting and positive working environment, along with additional space, for our expanding head count."

Eddisons moved out of Pennine House following negotiations with BA Pension Fund, which has plans to redevelop the building for student accommodation.

Eddisons joins a number of companies including law

firm Capsticks, real estate firm CBRE and wealth management company Towry at Toronto Square.

Iain Taylor, associate director of Highcross, which owns the 90,000 sq ft building, said: "Following this latest letting to Eddisons, the building will be more than 70 per cent occupied."

Eddisons was established in 1884 and employs a team of over 200 staff, working from 11 offices across the UK and Ireland, including Huddersfield and Bradford.

The firm's London office, which has recently taken on eight new staff, is moving to larger premises in the City of London.

Meanwhile, the Bristol office has also completed a move to new offices within the city centre.

Eddisons provides a range of services to banks, insolvency practitioners and owners and occupiers of commercial and residential property.

A planning application to convert the nine-storey Pennine House into 119 student bed spaces was granted last year after

the largely vacant building had proved difficult to let.

It is the first student scheme to be developed in this part of the city. Some business objectors claimed student use was incompatible with the business quarter and could deter potential occupiers of surrounding office spaces.

CBRE and DTZ acted on behalf of Highcross in the deal with Eddisons.

The interior fit-out was carried out by Leeds-based Building Interiors.

### SHARE TIPS

**THE SUNDAY TELEGRAPH**

**TOPPS TILES** is one of the companies likely to benefit from increased transactions spurred by new house building over the next few years.

Much of the current optimism about construction is already priced in to major housebuilders' shares but Topps is among other players likely to benefit.

The company does not directly gain from new builds but rather from the number of house transactions as people upgrade homes in order to sell.

This number, which has fallen to 900,000 since its peak of 1.7 million in 2007, is likely to rise as more homes are built. Topps said last week that like-for-like sales had fallen 1.5 per cent in the second quarter though there had been an improvement in the last five weeks. The company is expected to be profitable with consensus estimates at £12.6m. The shares remain a hold for now but investors should be ready to pounce in any broader market sell-off.

### CITY DIARY

**TODAY**

**Interims:** RM

**Trading updates:** Bovis Homes

**TOMORROW**

**Trading updates:** Marks & Spencer (AGM)

**WEDNESDAY**

**Trading updates:** Barratt Developments, Booker, Burberry, Halfords

**Sainsbury's AGM**

**THURSDAY**

**Finals:** SuperGroup

**Trading updates:** Associated British Foods, Balfour Beatty, Hays

Meeting of easyJet shareholders to approve aircraft order

**FRIDAY**

**Trading updates:** Experian, Robert Walters

Council of Mortgage Lenders' lending breakdown figures for May.

## Labour peer 'leading plans to buy £10bn stake in Lloyds'

**Simon Page**

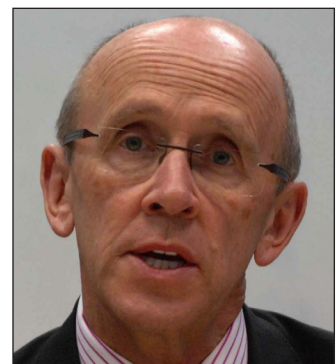
FORMER trade minister Lord Davies of Abersoch is reportedly leading plans to buy up to half of the taxpayer stake in Lloyds Banking Group.

The Labour peer and former Standard Chartered chairman, who served in Government under Gordon Brown, is said to be trying to bring together a consortium of investors and overseas funds to buy a £10bn chunk of the bank, which is 39 per cent state-owned.

Lord Davies is vice-chairman of private equity firm Corsair Capital, which it is reported would be part of the bid.

Institutional investors and sovereign wealth funds are also said to have been approached about joining the consortium, in a deal which would help the Government kick-start a full-scale privatisation of Lloyds, according to reports.

The Treasury and UK Financial Investments (UKFI), which manage the taxpayer stakes in Lloyds and the Royal Bank of Scotland, were thought to be aware of the plan, which Lord Davies had been working on for more than a year,



**LORD DAVIES:** Labour peer is reported to be trying to bring together a consortium of investors.

according to a national newspaper.

Last month, Chancellor George Osborne said in his annual Mansion House speech that the Treasury was "actively considering" steps to return Lloyds to the private sector.

He said the first sale of shares in the bank was likely to go to institutional investors though he was considering a retail offering to the public for later tranches.

Lloyds is in a good position, with growing investor interest and shares "already trading at around

the price where selling would reduce the national debt", he said.

Mr Osborne pledged to only proceed "if we get value for the taxpayer".

The Government bought stakes in Lloyds and RBS at the height of the financial crisis in 2008.

A sale in its stake of the latter, which is 81 per cent owned by the taxpayer, was said by the Chancellor to be "some way off".

A "swift review" into the possibility of splitting up RBS into a "good bank" and a "bad bank", to separate out toxic assets and risky loans from parts of the business which support the economy, will report back in autumn, he said.

Mr Osborne said Britain had "left intensive care" and was "moving from rescue to recovery".

He told his audience of City figures at the annual Bankers and Merchants dinner: "Nothing better signals Britain's move from rescue to recovery than the fact that we can start to plan for our exit from Government share ownership of our biggest banks."

The Treasury and Lloyds declined to comment on the latest reports on Lloyds.

Corsair could not be contacted for comment.

### BRIEFLY

#### Travel firm with fresh horizons

A TRAVEL company and jewellery makers are the latest tenants at a refurbished mill complex.

Global Events and Pink Butterfly moved into Sunny Bank Mills in Farsley, between Leeds and Bradford, where *Emmerdale* and *Heartbeat* were once filmed.

Global Events took an office in Sandgate, the historic Edwardian Mill office, which recently underwent a £500,000 modernisation programme, while Pink Butterfly occupies a studio in the adjacent Red Lane Mill.

#### New appointments at property firm

PROPERTY firm DTZ has grown its Leeds office.

Carl Howarth is associate director in the national property management team with senior surveyor Andrew Craven. Stephanie Hiscott and Katharine Morgan are senior consultants in the development consulting and planning teams. Philip Shopland-Reed is surveyor in the professional advisory service team. Greg Boswell and Simon Taylor join the building consultancy team.

#### Restaurant open for business

A NEW Italian restaurant is hoping to attract interest from business people after opening in north Leeds.

Vinny & Vito, based at De Vere Village Urban Resort in Headingley, is holding a VIP launch party on July 18 for businessmen and women plus local celebrities and sports teams.

The restaurant opened last week with a corporate networking event for members of the local business community.

