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Laycock Williams is a Global Executive Recruitment Consultancy

Summer is finally here and after a number of false starts let's hope we have some sustained good weather; the sun makes us feel good!

We found that this edition of Well Connected almost wrote itself in the sense that most of the articles written simply reflect the feedback that we are getting out in the marketplace.

We are in quite a unique position to provide feedback based upon the wide range of sectors and geographical areas that we work in. When we are busy it tends to reflect the level of confidence that our clients are experiencing such that they are able to make medium to long term hiring decisions looking at the market place and engage with us.

There is no doubt that the London market, particularly with the professional consultancies is back and starting to motor again although the contractors are still feeling the pinch and some of the regions are lagging behind.

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It also seems to depend on where you are sitting in the UK and whether you are fortunate to pick up some work which will keep you and your team busy for the foreseeable future and this varies from company to company.

A sign of the London market increasing is that Management Consultancies are hiring again, the upturn in recruitment by consultancies of all shapes and sizes recorded since Q4 of 2010 continues - although not all sectors. A coalition government and a sick economy generates uncertainty, and that affects everyone, even management.



Mark Wesley, Partner at Ernst & Young comments

"The market at the moment is quite unique. On the one hand we have the government's austerity measures biting quite hard and this is coupled with the financial services sector bedding in a number of corporate integrations and change programmes.

The facts are that at Ernst & Young we continue to be extremely active in both. Programme assurance is in more demand than ever as major capital projects have to be implemented to time and budget, and key corporate programmes in the banks have to deliver the savings portrayed to the City and the shareholders. I can see this demand only increasing as we emerge from recession and can start to look more confidently to the future."

Are we heading for a double dip? It's clear that we are not 'out of the woods' yet but statistically there is a danger that the press will make a big thing about activity levels. This bad press could well pull us back down into the mire again which would be unnecessary and very damaging to the confidence levels in this sector.



The fragile economy can hopefully just about hold on.

I hope that you find this an interesting read and if there is anything that we can do to help your business then please don't hesitate to get in touch

Best Wishes

Phil

The London Office market still on the rise.....

Says John Tempest, Associate Director at Laycock Williams

Strong demand for prime UK offices from overseas investors saw first quarter 2011 direct property investment nearly double to £8 billion, with demand for these assets likely to continue this year, a new report shows. Most of the direct investment activity was focused on central London offices, with a supply squeeze and aggressive bidding by overseas and other investors serving to push prices higher. Around half of the invested capital in the quarter was from overseas investors, suggesting that the banks are still reluctant to, or unable to, speculate.



A rising shortage of new space combined with robust demand in the central London office market caused rents to rise sharply last year, even as most other occupier markets continued to struggle. Separately, CB Richard Ellis said overseas investors were generating strong occupational demand for office space particularly in the banking and financial services, with more demand expected from the expanding technology and media sectors.



The Cheesegrater tower

Just last month insurance giant Aon agreed to take-up ten floors of the £340m, Cheesegrater tower, Leadenhall Building, currently under construction in the City of London. The deal is a major boost for developers British Land and Oxford Properties, and further evidence of a strong recovery in the London office market.

Another major developer, Derwent has exchanged contracts on the sale of five freehold properties in Covent Garden, London to fellow FTSE 250 real estate group **Capital & Counties**. The company said the cash would be used to help fund its development pipeline and increase resources for future acquisition opportunities. Derwent said it was seeing increased opportunities to add to its portfolio.

It noted that the central London office market had continued to perform strongly and it was making “excellent progress” on lettings, especially at its landmark Angel Building, EC1. Commenting on the first quarter, John Burns, Derwent Chief Executive, said:

“The central London office market continues to perform strongly. We have made excellent progress on lettings and we are advancing projects in the development pipeline.”

As the office market grows Laycock Williams are extremely busy in undertaking assignments with Consultants and Developers, as they continue to put key individuals and teams in place to take advantage of the increasingly busy office market.

Chris Paxford of Capita Symonds says

CAPITA SYMONDS

“There is definitely a growing excitement about this sector. Things are really starting to move with a number of large tower projects already underway or building momentum in anticipation of a much hotter market in 2014/15. This is also stimulating smaller schemes to get going, possibly to make sure they hit the market before the large schemes to ride the improving market and to be more certain of success. Many of these are for delivery in 2013. In many respects, sitting on our hands for the past two or three years has fuelled the boom of the future.”

It is clear that the London market is pointing in the right direction however the Regions are not yet feeling this same level of optimism and generally are still struggling. Those with either a strong London presence or active in a sector of public spending that has not been as badly affected are looking to expand however many simply don't yet have the confidence that fee levels will increase and are downsizing their regional teams.



We are experiencing far more activity than there has been for the last two to three years, and this does bode well for a slow recovery in the marketplace. The next 12 - 18 months will continue to be very tough, however at least the signs are there that we are now on something that looks like an upward growth curve.

John Tempest

The Manchester market place.....

By way of a contrast to John Tempest's article about London we have a view from the North West

It could be argued that there are some fundamental differences between the London and Manchester market places, and that this has more of an effect on whether one is more buoyant than the other and how they are both performing.

Since the bomb decimated the town centre, Manchester has experienced substantial new development and regeneration and it has been easier to achieve this as part of the rebuilding programme. This has been a catalyst for change but it is not fair to the current administration to keep referring back to this event however important it is.



The Co-Ops Noma Development

There are lots of new projects taking place in Manchester and the surrounding areas.

The Co-Ops Noma development plans and their current Head Office project are fine examples of this; as is Argents new scheme at 1 St Peter's Square which, as this article was written (June 2011), was out to tender with several of the leading building contractors.



1 St Peter's Square

Spinningfields, Media City, Piccadilly Gardens, Chetham Music School and the Town Hall development are all examples of major projects and inward investment. Schemes such as Greengates, First Street and Spinningfields part 2 are also examples of where this is set to continue.

The Universities in the North West have also raised their game; Salford is benefitting from the Media City development and you only have to drive along the inner ring road to see the impressive and very striking new building at Manchester Metropolitan University.

A booming London is a good sign for the regions as activity levels tend to migrate out from here. However what appears to be particularly strong in London is activity centred around the '**golden postcodes**' which are such prime locations that they very rarely experience recessions in the same way that the rest of the capital does.

They are such cosmopolitan areas of town that they almost represent a global economy in their own right and sit outside of the core market place. Current activity in the '**golden postcodes**' is therefore unlikely to have much of an effect on the regions.



Spinningfields



Media City - Salford Quays

Statistically Manchester

- Is the 15th largest urban centre in Europe
- Has the highest graduation retention in the UK
- Two thirds of the FTSE 100 companies have a presence in Manchester

After two successful decades of development Manchester faces the same challenges as any other city in today's economy.

In true northern fashion they appear to putting up a pretty good fight!

One Performance Outcome.... a sister company of Laycock Williams



One Performance Outcome is a specialist performance improvement company who help clients close the gap between what their people can do and what they must be able to do, to deliver the organisation's goals.

This means working with the senior team to identify what stands in the way and then developing and delivering high impact programmes that change knowledge, attitude, behaviour, and through that, results.

Their approach establishes what success means for the organisation. By agreeing outcomes and pursuing that end goal, together they can measurably improve performance where it counts, evidenced by an impressive track record with long term clients.



Their People - The Partners of OPO, Richard Leech and David Palser, have both operated at Board level in industry and have over twenty years collective consulting experience. They are passionate about outcomes and have created a culture around this, which enthusiastically drives the business.

Richard is an alumni of Henley Business School and now specialises in; strategy, transition/change management, leadership and management development, sales and commercial skills training, customer experience development, employee engagement, performance improvement.



David, a fellow of Manchester Business School, specialises in helping clients transform their businesses through strategy, transformation management, process efficiency and people development.

They are supported by a skilled and experienced team of experts, each selected for their ability, expertise and client focused attitude.

One Performance Outcome work in many different sectors and have specific experience in the built environment. You can contact Richard Leech on 01733 234000 or 07912 731183 or via email at rleech@theonegroup.co.uk

www.oneperformance.co.uk

What some of their clients say.....



Hanover Housing, is a housing association addressing challenges around productivity, efficiency and effectiveness.

One Performance Outcome have been commissioned to deliver a management and leadership program for aspiring managers which results in accredited qualifications. The program has now evolved to include the rising stars of the organisation to ensure they have engaged and skilled managers for these challenging times.



SolutionsPT an industrial automation solutions company decided they wanted to grow the business by addressing leadership, employee engagement and operational efficiency. They commissioned One Performance Outcome to support them.

For two years running they have been fastest riser in the Sunday Times 'Best Companies' list and have won significant new contracts with multi-national companies.

Interview with Stephen Blackman - Senior Economic Advisor, RBS



Stephen Blackman is a Senior Economic Advisor, working in the Macroeconomics team. Stephen manages the UK household sector for Group Economics.

From 2003-2007 Stephen worked at the Department for Work and Pensions where he helped to implement policy on private pensions, welfare reform and various labour market issues. Prior to that Stephen worked in academia after completing his studies at the University of London.



The UK economy is showing some signs of recovery, how does this fair against the global recovery?

Each economy will move at its own rate, depending where it is in the economic cycle. In the UK growth is at muted levels and lots of pressures still continue to influence performance, none more than inflation worries.

But it is a growth trend, despite the low numbers, but this does feel different to previous growth levels when exiting previous recessionary periods.



Many believe banks are still 'closed for business' in terms of lending to start ups and supporting existing small businesses through difficult times; what is your reaction to this statement?

We have never been closed for business. If you look at the level of sanctions on credit decisions - we are still approving approx 85% of all applications, numbers which are consistent with levels seen before the recession. The difference is the volume of applications we are seeing. We need to get past this perception that some people have that banks are always going to say no, so they will not even put a proposal forward.

We all have a part to play as a business community in changing this perception. Our message is that we are here and want to help viable businesses in their business aspirations. Please engage us in a dialogue to see how we can assist.

What are the main issues causing financial problems in the UK market?

A key issue affecting the cash flows of many small businesses is the length of time people are taking to pay debts. This is where the real pressure impacts on cash flow. People should remember that it is a lack of cash generation rather than sales levels that cause businesses to fail.

But it is undoubtedly still a nervous market and shocks, be they on commodity prices or political tensions in the Far East weigh increasingly heavily over market prospects.

Domestically, a lot of people are still waiting to see how public sectors cuts affect local markets, and the spectre of inflation continues to impact on people's decision making process.

Which sectors in the UK economy are showing positive growth and which are remaining neutral or still in decline?

Manufacturing has posted some strong economic figures in the last 6 months, but good businesses succeed if they have the right operating model irrespective of sector and we do still see positive local examples of businesses continuing to grow despite the economic headwinds.

The Property and Construction Industry suffered long before other sectors when the recession hit, how does this sector compare to others in the current climate?



Some of the larger house builders have made some more positive noises in recent trading updates, but it is evident that the housing market is going through a correcting phase and the next few years should see a new equilibrium emerge.

What is your view on the outlook for the next 3 -5 years (in the context of the above questions?)

We see that growth will continue in the UK economy but at a very measured rate. It will be a slow and long progress to move away from the recessionary period as government policy dictates changes in the UK's economic programme over the next few years.

What some of our clients say.....

"Mark Hughes Payne has successfully recruited for me across all levels of my business over the last ten years when I was a Director for Crosby and Catalyst Lend Lease and for my current company DC3. His aptitude for understanding exact requirements is quite unique particularly when recruiting at high level. Mark has also head hunted for me under extremely sensitive circumstances (BSF and Athletes Village) this was handled with complete trust, sensitivity and discretion. Mark's understanding of the development and construction sector is second to none, and he is always my first port of call for all my recruitment or specific individual requirements. I can therefore not recommend him highly enough."

David Clowe, Director
DC3 Design and Project Management Consultancy



Project Management Consulting

"Over the last few years, we have engaged Mark to assist us with identifying a number of senior candidates. We have always found Mark to be very professional and extremely skilled in this sector. I would describe Mark as being very motivated and excellent at getting the job done. I would have no hesitation in both utilising Mark's services again and recommending him to other organisations."

RHODES ASSET MANAGEMENT LIMITED

Tas Javed, Director
Rhodes Asset Management Limited



Visit our website which contains more information about the business and our activities, including our current jobs.

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