Speculation over the future of Norwich & Peterborough

Further speculation about a possible takeover of the Norwich & Peterborough Building Society emerged over the weekend.

The Mail on Sunday said in a report that mortgage lender Coventry Building Society was in talks over a possible takeover of the N&P.

The speculation comes just weeks after reports that rival mutual lenders Yorkshire and Nationwide were also in talks with the N&P.

N&P is still dealing with complaints over the alleged mis-selling of investments in the now-collapsed investment firm Keydata.

Commentators say it could face a potentially crippling fine from the Financial Services Authority.

Coventry, Britain's third-biggest building society and owned by its members, this year completed a merger with Stroud & Swindon Building Society, taking its membership to about 1.5 million with an asset size of £21.1bn.

N&P is the ninth biggest with £4.2bn of assets, according to data from the Building Societies' Association.

Earlier this month N&P said it was keeping its options open after receiving approaches about a possible merger or capital injection. Then N&P's chief executive Matthew Bullock told the Sunday Times newspaper in December that the society had rejected a capital injection from JC Flowers, the US buyout firm.

According to Reuters, increased competition and funding pressures have fuelled a round of consolidation in the mutual banking sector, which accounts for a fifth of UK home loans and domestic savings.

Nationwide has bought the Cheshire, Derbyshire and Dunfermline building societies over the last three years.

The EDP was unable to get comment from either Coventry or N&P over the weekend.

Firm's staff give a boost to local charities

Staff from a Norwich accountancy firm helped bring a Christmas boost to young people across the county by downing their calculators for a day of charity work.

The staff from PwC's Norwich office, through Norfolk Community Foundation, gave 300 hours to local charities, including collecting and distributing more than 60 presents to children at the Norfolk & Norwich University Hospital and via Leeway, a Norfolk-based domestic violence charity.

Staff at the firm helped refurbish rooms at the Norfolk and Norwich Families' House families centre.

Rooms were also refurbished at Centre 81, an organisation based in Great Yarmouth, which supports individuals with physical and sensory disabilities.

Staff helped with logistics and took part in Sing Your Heart Out, an organisation providing singing therapy for people with mental health difficulties, their families and carers.

The firm also helped Attleborough Amateur Boxing Club.

Picture: SONYA DUNCAN

INVESTMENT: Anthony Pateman in front of the new diamond-bore cutting machine at RD Castings.

Investment leads to a big contract win

By SAM WILLIAMS
Senior business writer

A £180,000 investment in new machinery has helped die-casting firm RD Castings win back a major contract lost to China.

The firm, based in Mildenhall, provides metal casting services in a range of sectors including rail, construction equipment manufacture and lighting.

The company took a hit when the recession started, with turnover dropping from £2.5m to £1.5m in the year to October 2009, including the loss of a major contract with a large overseas manufacturer, which moved its business to China.

But RD Castings has now won back the work – worth up to £500,000 a year – after investing in a new, high specification CNC (computer numeric control) machine.

Equipped with diamond-bore cutting equipment, the Brother TC 32BNQT machine will work about twice as fast as the company's other machines, improving efficiency and enabling the company to compete with Chinese manufacturers on price, while focusing on better quality control and service.

Sales and marketing director Anthony Pateman said winning back a three-year contract with the client offered a significant boost to the business and would help build sales to a similar level as prior to the recession.

Mr Pateman said: "Buying the machine has enabled us to price-match with competitors in China, coupled with the service and quality we have been providing for years.

"We took the plunge on the machine and the client has given us a three-year contract, which is potentially worth £500,000 a year.

"It is a pretty major win for the business."

Mr Pateman added: "When the recession hit we lost a huge chunk of our work and had to really cut back.

"But with the growth we have had since then and this work we hope to be back to where we were prior to the recession in 2011.

"The prospects are very good for next year.

"We have ridden the hard times well. Going forward, we should be in a much stronger position than where we were before the recession."

While the company has had to cut employees from a high of 50 to about 25 after the recession struck, Mr Pateman said there was "potential" for additional employment if demand reaches anticipated levels.

Lost holiday entitlement shown by survey

One in 10 workers will not have their full holiday entitlement this year, with some failing to take two weeks of their annual leave, new research revealed yesterday.

A survey of 2,000 adults by the Post Office showed that one in four of those missing out on their full holidays will lose almost a week, while 6pc will fail to take two weeks.

Workers who do not take all their holiday leave in 2010 will not be able to carry any days over to next year, the study found.

The Post Office calculated that the UK's workers will lose 179 million days of holiday in 2010.

The industries where employees were least likely to take all their holidays included construction, media and marketing, agriculture and leisure.

The research also showed that more than one in four people will work over the festive period and a further one in six will work from home.

Some of those on duty over Christmas admitted they had not booked a holiday off in time or needed to go to the office because colleagues were off.

Sarah Munro, head of Post Office Travel Services, said: "Booking a holiday can be stressful and busy lifestyles mean it often drops down the priority list, but if you forward plan you're less likely to miss out on being able to take holidays at key times like Christmas.

"Employers often prioritise staff that had to work at Christmas the previous year so next year you could be in with a good chance of getting that time off – but you need to get in there quickly."

TUC urges the government to get tough with the banks

Banks could soon be paying a lower tax rate than consumers and small businesses as a result of increased VAT next month and corporation tax changes, the TUC claimed yesterday.

The union organisation said the 20pc VAT rate, up from 17.5pc, and 1pc cut in corporation tax to 27pc in April could mean shoppers paying a higher rate of tax than banks.

The TUC claimed that multinational companies in the UK could be paying as little as 19pc corporation tax in 2011 because of various loopholes they were able to "exploit".

UK banks will be able to offset the forthcoming corporation tax rate cut against the government's £2.5bn bank levy and actually cut their tax bill next year, the report claimed.

TUC general secretary Brendan Barber said: "Shoppers looking for bargains in the January sales will soon be paying more to clear the debts racked up by the banks when they plunged the UK into recession and asked for a multi-trillion-pound bailout.

"People will not be happy to learn that banks have managed to earn themselves a tidy tax cut as a reward for their failure while the rest of us suffer from job losses, tax hikes and the wrecking of public services.

"It's about time the government stops being in thrall to the banks and implements some serious reform. Otherwise banks will make the same mistakes again and everyone else will be forced to pay the price."

The TUC urged the government to take firmer action against the banks and to confirm that the VAT rise would only be a temporary measure.

Aviva pensions ad falls foul of regulator

A television advert selling pensions from Norwich insurance giant Aviva has been banned "in its current form" by the Advertising Standards Authority (ASA).

The advert, one of a number featuring former Fast Show star Paul Whitehouse, was investigated after four complaints to the authority.

It included a claim which stated: "When you retire get up to 20pc more with Aviva." Viewers challenged whether the claim was misleading and could be substantiated.

Aviva Insurance Services UK defended the advert saying it could demonstrate that the "up to 20pc more" claim was valid when comparing Aviva's rates to providers in both of those categories.

It said data showed that Aviva offered annuity rates of 20pc or more than their competitors in 22pc of cases.

However, the ASA upheld the complaint.

It said it "considered that it was not necessarily safe to assume", on the basis of data used by Aviva, that customers choosing Aviva over their own open market pension provider, would achieve an increase of "up to 20pc" in their annuity.

An Aviva spokesman said the advert finished its run in the summer. The firm was disappointed with the ruling but respected the ASA's decision.